

A G E N D A

REGULAR MEETING OF THE ORANGE COUNTYWIDE OVERSIGHT BOARD

TUESDAY, SEPTEMBER 22, 2020, 8:30 AM

ORANGE COUNTY AUDITOR-CONTROLLER OFFICE – via Zoom Webinar
1770 N. Broadway, First Floor, Room 117
Santa Ana, California 92706

ZOOM WEBINAR LINK:

<https://us02web.zoom.us/j/81350815305?pwd=VzhhMkNiVVA2NkllaDdGTVluVlprQT09>

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
Zeshaan Younus

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 July 21, 2020
4. Election of Board Officers
 - a. Chairman
 - b. Vice Chairman
5. Adoption of the 2021 Meeting Schedule
6. Adopt Resolution Regarding Approving Amendment to the Recognized Obligation Payment Schedule (ROPS)
 - a. Anaheim
7. Adopt Resolution Regarding Approving the Dissolution of the Successor Agency to the Cypress Redevelopment Agency
 - a. Cypress
8. Adopt Resolution Regarding Approving Amendment to the Recognized Obligation Payment Schedule 20-21 (ROPS)
 - a. Fullerton
9. Adopt Resolution Regarding Approving Amendment to the Recognized Obligation Payment Schedule (ROPS)
 - a. Garden Grove
10. Adopt Resolution Regarding Approving the Transfer of certain real property
 - a. Garden Grove
11. Adopt Resolution Regarding Approving the Last and Final Recognized Obligation Payment Schedule (L&F ROPS)
 - a. La Palma
12. Adopt Resolution Regarding Approving Amendment to the Recognized Obligation Payment Schedule (ROPS)
 - a. La Palma
13. Adopt Resolution Approving First Amendment to the Last and Final ROPS
 - a. Stanton
14. Adopt Resolution Regarding Request Approving the Issuance of Refunding Bonds by the Successor Agency to the Westminster Redevelopment Agency
 - a. Westminster
15. Direction and Straw Votes Regarding Requests by Successor Agencies for FY 2021-22 Administrative Budgets (*Final Votes Will Occur in January Alongside ROPS Adoptions*)
 - a. Anaheim
 - b. Fountain Valley
 - c. Fullerton

A G E N D A

- d. Huntington Beach
- e. Irvine
- f. Placentia
- g. Santa Ana

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:

- 2021 Schedule & Location
- New Staff and Resolution Templates on Webpage

BOARD COMMENTS:

CLOSED SESSION:

ADJOURNMENT

NEXT MEETING:

Regular Meeting January 2021, 8:30 AM

MINUTES

**REGULAR MEETING OF THE
ORANGE COUNTYWIDE OVERSIGHT BOARD**

July 21, 2020, 8:30 a.m. via TELECONFERENCE

1. CALL TO ORDER

A regular meeting of the Orange Countywide Oversight Board was called to order at 8:32 a.m. on July 21, 2020 via teleconference at a publicly available conference room at the Orange County Auditor-Controller’s office, 1770 N. Broadway, Santa Ana, California by Chairman Brian Probolsky, presiding officer. He announced that the Board is adhering to the Governor’s Order in conducting today’s meeting remotely and mentioned the measures taken by the Oversight Board to remain accessible for public comment by phone and email.

Present:	7	Chairman:	Brian Probolsky
		Vice Chairman:	Steve Jones
		Board Member:	Chris Gaarder
		Board Member:	Charles Barfield
		Board Member:	Dean West
		Board Member:	Steve Franks
		Board Member:	Phil Yarbrough

Absent:	0	Board Member:	N/A
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Also present were Kathy Tavoularis, Staff and Clerk of the Board; Patrick Bobko, Legal Counsel; and Zeshaan Younus, Consultant.

Kathy Tavoularis conducted roll call and noted all Board Members as present.

2. PLEDGE OF ALLEGIANCE

Chairman Probolsky excused the Pledge of Allegiance due to the meeting being a teleconference call.

3. APPROVAL OF MINUTES FROM APRIL 21, 2020

On the motion of Board Member Yarbrough, seconded by Board Member West, the minutes from the April 21, 2020 Board Minutes were approved with an amendment noting, confirming, and correcting the documented absence of Board Member Barfield at the April Board Meeting. Given his absence at the April meeting, Board Member Barfield abstained.

4. ADOPT RESOLUTION REGARDING APPROVING THE ISSUANCE AND SALE OF TAX ALLOCATION REFUNDING BONDS BY THE SUCCESSOR AGENCY TO THE FULLERTON REDEVELOPMENT AGENCY AND AUTHORIZING CERTAIN OTHER ACTIONS IN CONNECTION THEREWITH

a. Fullerton

Noting an abundance of caution, Board Member Gaarder abstained. Board Member Yarborough moved approval, seconded by Board Member West.

Board Clerk Tavoularis noted the following votes:

YES – Probolsky, Jones, Barfield, West, Franks, Yarborough
ABSTAINED – Gaarder

Motion carries.

5. ADOPT RESOLUTION REGARDING REQUEST APPROVING OF ASSIGNMENT AND ASSUMPTION OF PARKING STRUCTURE AGREEMENTS

a. San Juan Capistrano

Board Member West moved approval, seconded by Board Member Gaarder.

Board Clerk Tavoularis noted the following votes:

YES – Probolsky, Jones, Gaarder, Barfield, West, Franks, Yarborough
NO – N/A

Motion carries unanimously.

6. ADOPT A RESOLUTION REGARDING APPROVING THE USE OF BOND FUNDS TO EFFECT A REDEMPTION OF OUTSTANDING TAX ALLOCATION BONDS ISSUED BY THE FORMER REDEVELOPMENT AGENCY OF THE CITY OF SEAL BEACH AND TAKING RELATED ACTIONS

a. Seal Beach

Motion to approve made by Board Member Gaarder, seconded by Board Member Yarborough.

Board Clerk Tavoularis noted the following votes:

YES – Probolsky, Jones, Gaarder, Barfield, West, Franks, Yarborough
NO – N/A

Motion carries unanimously.

COMMENTS AND ADJOURNMENT:

PUBLIC COMMENTS:

Board Clerk Tavoularis reported there are no public comment requests.

STAFF COMMENTS:

- Staff Member Tavoularis noted the next Oversight meeting is scheduled for Tuesday, September 22nd, 2020 at 8:30am with a location to be determined. The deadline to submit Agenda items is Monday, September 14 at 5:00 p.m.

BOARD COMMENTS:

- Board Member Yarborough thanked his fellow Board Members and colleagues on their speed, participation, and efficiency; recognizing that the eventual goal is to dissolve the need for the Oversight Committee.
- Chairman Probolsky commented on the departure of Clare Vanegas, former consultant with Curt Pringle and Associates, and wished her well as she pursues a new career opportunity. The Chairman mentioned a concern that adequate staff support for the Auditor-Controller's office may be lacking in the face of eventual more complex items. With the departure of former Auditor-Controller staff member, Chris Nguyen, the Chairman mentioned a loss of institutional knowledge. Chairman Probolsky broached the potential of reaching out to Chris Nguyen to discuss a consultancy for future Oversight Board support efforts. The Chairman noted his intent to speak to the Auditor-Controller regarding the appropriate level of support being provided to staff.

CLOSED SESSION:

Chairman Probolsky noted no closed session was needed.

ADJOURNMENT

Chairman Probolsky noted the next regular meeting of the Orange Countywide Oversight Board is scheduled for September 22, 2020 and adjourned the meeting at 8:45 a.m.

BRIAN PROBOLSKY
CHAIRMAN OF THE COUNTYWIDE OVERSIGHT BOARD

KATHY TAVOULARIS
CLERK OF THE BOARD

DATE

Orange Countywide Oversight Board

Date: 9/22/2020

Agenda Item No. 4

From: Staff of the Oversight Board

Subject: Election of Board Officers

Recommended Action:

Approve resolution electing Board Officers.

This resolution will elect the Board officers, namely the Chairman and Vice Chairman, each for a term of one year.

At the Orange Countywide Oversight Board's first-ever meeting on August 7, 2018 and later at the September 26, 2019 meeting one year later, the Board elected the Honorable Brian Probolsky, a Director of the Moulton Niguel Water District and the appointee of the Independent Special District Selection Committee, as Chairman, and the Board also elected the Honorable Steve Jones, the Mayor of Garden Grove and the appointee of the City Selection Committee, as Vice Chairman, each for a term of one year.

RESOLUTION NO. 20-_____

**A RESOLUTION OF THE ORANGE COUNTYWIDE OVERSIGHT BOARD
ELECTING ITS CHAIRMAN AND VICE CHAIRMAN**

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, in accordance with California Health and Safety Code Section 34179(j), the twenty-five oversight boards in place in Orange County consolidated into one Orange Countywide Oversight Board, effective July 1, 2018; and

WHEREAS, the election of a Chairman and Vice Chairman will further the Board's ability to conduct its work;

NOW, THEREFORE, BE IT RESOLVED THAT THE ORANGE COUNTYWIDE OVERSIGHT BOARD hereby elects _____ to serve as Chairman and _____ to serve as Vice Chairman for a term of one year.

Orange Countywide Oversight Board

Date: 9/22/2020

Agenda Item No. 5

From: Staff of the Oversight Board

Subject: 2021 Meeting Schedule

Recommended Action:

Approve resolution adopting 2021 meeting schedule

The attached resolution would adopt a 2021 meeting schedule consisting of:

- Tuesday, January 19, 2021
- Tuesday, January 26, 2021
- Tuesday, April 20, 2021
- Tuesday, July 20, 2021
- Tuesday, September 21, 2021

The two proposed January meeting dates are due to the annual ROPS of agencies coming before the Countywide Oversight Board as well as the varying schedules of Successor Agency governing boards, who must act before the February 1, 2021 submission deadline to the State Department of Finance (DOF) for annual ROPS for FY 21-22, which is set by Health and Safety Code Section 34177(o)(1).

Health and Safety Code Section 34177(o)(1)(E) sets October 1, 2021 as the submission deadline to the State Department of Finance for amended ROPS for FY 21-22. With most Successor Agencies getting their governing board's approval for amended ROPS in the first half of September, September 7 and 14 would be too early for the Oversight Board to meet. September 14 conflicts with the American Planning Association (APA) California Conference. The Board of Supervisors has not yet adopted its 2021 meeting schedule, though they typically meet on the second and fourth Tuesday of each month (September 14 and 28).

The attached resolution would direct staff to schedule the 2021 meetings.

Conflicts with Other Government Bodies and Associations

- The proposed January 26 meeting date conflicts with the Board of Supervisors' likely meeting date, but the April, July and September meeting dates are not expected to conflict with that Board's meetings.
- The Orange County Transportation Authority and its committees do not have regular meetings on Tuesdays.
- The Orange County Board of Education holds its regular meetings on Wednesdays.
- Staff is not aware of any City Council, College District, or School District in Orange County that holds its regular meeting in the morning.
- The League of California Cities 2021 Annual Conference date and location TDB

Holiday Conflicts

- The proposed January 19 meeting date is the day after Martin Luther King, Jr. Day.
- The proposed January 26 meeting date does not conflict with any holiday known to staff.

- The proposed April 20 meeting date fits into a narrow window that avoids conflicts with Easter (April 4), Orthodox Easter (April 25-May 2), Passover (March 27-April 3), and Ramadan (April 12-May 11).
- The proposed July 20 meeting date does not conflict with any holiday known to staff.
- The proposed September 21 meeting date falls after Rosh Hashanah (September 6-8) and Yom Kippur (September 15-16).

RESOLUTION NO. 20-_____

**A RESOLUTION OF THE ORANGE COUNTYWIDE OVERSIGHT BOARD
ADOPTING THE 2021 MEETING SCHEDULE**

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 Orange Countywide Oversight Board has not yet set its 2021 regular meeting schedule;

NOW, THEREFORE, BE IT RESOLVED THAT THE ORANGE COUNTYWIDE OVERSIGHT BOARD DOES HEREBY RESOLVE AS FOLLOWS:

Section 1. The Orange Countywide Oversight Board shall hold its regular meetings in 2021 on January 19, January 26, April 20, July 20, and September 21; and

Section 2. The Orange Countywide Oversight Board shall hold its regular meetings at 8:30 a.m.; and

Section 3. Nothing in this resolution will prevent the cancellation of any regular meeting through normal meeting cancellation procedures.

Orange Countywide Oversight Board

Agenda Item No. 6a

Date: 9/22/2020

From: Successor Agency to the Anaheim Redevelopment Agency

Subject: Resolution of the Countywide Oversight Board Approving Amendment to the Recognized Obligation Payment Schedule (ROPS)

Recommended Action:

Approve resolution approving amendment to FY 2020-21B ROPS for the Anaheim Successor Agency

The Anaheim Successor Agency requests approval of the Amended Recognized Obligation Payment Schedule (ROPS) 20-21B for the second half of Fiscal Year 2020-21. The amendment would request RPTTF funds (Line 151) to repair non-routine maintenance issues. The major non-routine items include: modifications to the landfill gas system and trench collector, modifications to the groundwater wells and perimeter gas probe monitoring network, installation of erosion control measures, relocation of electric switch pad, and the relocation of XMFR for the remediation of the Westgate Property landfill (LRPMP Property #16).

As identified in the Successor's previous ROPS submittal, an inspection of the landfill gas collection system header shows that differential settlement has caused multiple low spots in the blow-grade header. These low spots have restricted vacuum to a number of the extraction wells and jeopardize the effectiveness of the entire system. In order to meet the requirements of SCAQMD Rule 1150.1 and State AB 32 these low spots must be repaired. Although these repairs were previously approved by the Oversight Board, they were denied by the DOF due to limited contract authority. These limitations have been resolved and sufficient contract authority is now available to complete these repairs.

Additionally, line items #1-5, and #10-11 identified in the attached Tetra Tech BAS scope represent one time non-routine costs associated with the post closure plans necessary to obtain partial closure of the landfill.

Impact on Taxing Entities

The proposed ROPS Amendment will reduce residual RPTTF to the taxing entities from the January 2, 2021 distribution by \$3,854,953. The proposed amount is reflective of the proposal received by Tetra Tech BAS, Inc.

Staff Contact(s)

Stephen Stoewer, Senior Project Manager
SStoewer@anaheim.net

Stacey Shokri, Financial Accounting Manager
SShokri@anaheim.net

Attachments

1. Resolution
2. Amended ROPS FY 20-21B

RESOLUTION NO. _____

**A RESOLUTION OF THE ORANGE COUNTYWIDE OVERSIGHT BOARD
APPROVING AN AMENDED RECOGNIZED OBLIGATION PAYMENT FOR THE 20-
21B FISCAL PERIOD OF JULY 1, 2020 TO JUNE 30, 2021, FOR THE SUCCESSOR
AGENCY TO THE ANAHEIM, SUBJECT TO SUBMITTAL TO, AND REVIEW BY, THE
STATE DEPARTMENT OF FINANCE [DOF] UNDER CALIFORNIA HEALTH AND
SAFETY CODE, DIVISION 24, PART 1.85, AND AUTHORIZING POSTING
AND TRANSMITTAL THEREOF**

WHEREAS, the former Anaheim (“Former Agency”) previously was a community redevelopment agency that was previously organized and existing under the California Community Redevelopment Law, Health and Safety Code Section 33000, *et seq.*, and previously authorized to transact business and exercise powers of a redevelopment agency pursuant to action of the City Council of the City of Anaheim (“City”); and

WHEREAS, Assembly Bill x1 26 added Parts 1.8 and 1.85 to Division 24 of the California Health and Safety Code, which caused the dissolution of all redevelopment agencies and wind down of the affairs of former agencies, including as such laws were amended by Assembly Bill 1484 and by other subsequent legislation (“Dissolution Law”); and

WHEREAS, as of February 1, 2012 the Agency was dissolved pursuant to the Dissolution Law, and as a separate public entity, corporate and policy the Successor Agency to the Anaheim (“Successor Agency”) administers the enforcement obligations of the Former Agency and otherwise unwinds the Former Agency’s affairs; and

WHEREAS, prior to July 1, 2018 under the Dissolution Law, in particular Sections 34179 and 34180, all actions of the Successor Agency were subject to the review and approval by a local seven-member oversight board, which oversaw and administered the Successor Agency’s activities during the period from dissolution until June 30, 2018; and

WHEREAS, as of, on and after July 1, 2018, under the Dissolution Law, in particular Section 34179(j), in every California county there shall be only one oversight board that is staffed by the county auditor-controller, with certain exceptions that do not apply in the County of Orange; and

WHEREAS, as of, on and after July 1, 2018, the Orange Countywide Oversight Board (“Oversight Board”) was established through the Orange County Auditor-Controller in compliance with Section 34179(j), which serves as the oversight board to the 25 successor

agencies existing and operating in Orange County, including Successor Agency and all other successor agencies in Orange County; and

WHEREAS, every oversight board, both the prior local oversight board and this newly established Orange Countywide Oversight Board, have fiduciary responsibilities to the holders of enforceable obligations and to the taxing entities that benefit from distributions of property tax and other revenues pursuant to Section 34188 of the Dissolution Law; and

WHEREAS, Section 34177(m), 34177(o) and 34179 provide that each ROPS is submitted to, review and approved by the Successor Agency and then reviewed and approved by the Oversight Board final review and approval by the State Department of Finance (“DOF”); and

WHEREAS, Section 34177(o)(1)(E) of the Dissolution Law authorizes that “[o]nce per period, and no later than October 1, a successor agency may submit one amendment to the [ROPS] approved by the department pursuant to this subdivision, if the oversight board makes a finding that a revision is necessary for the payment of approved enforceable obligations during the second one-half of the [ROPS] period, which shall be defined as January 1 to June 30, inclusive. A successor agency may only amend the amount requested for payment of approved enforceable obligations. The revised [ROPS] shall be approved by the oversight board and submitted to the department by electronic means in a manner of the department’s choosing. The department shall notify the successor agency and the county auditor-controller as to the outcome of the department’s review at least 15 days before the date of the property tax distribution”; and

WHEREAS, the Successor Agency has submitted to the Orange Countywide Oversight Board an amendment to ROPS FY 20-21 reflecting additional payments for additional non-routine remediation costs related to the Westgate Landfill, to enable the Successor Agency to pay costs necessary to address current remediation needs at the Westgate Landfill (identified as LRPMP Property #16) ; and

WHEREAS, the objective of this Orange Countywide Oversight Board resolution is to authorize, make findings, and approve the Successor Agency’s amendment of ROPS FY 20-21 to correct and increase line item #151 as reflected on the amendment to the Successor Agency’s ROPS FY20-21 attached as Attachment No. 1 to this resolution and fully incorporated herein by this reference; and

WHEREAS, the Orange Countywide Oversight Board has reviewed and considered the Successor Agency’s amendment of ROPS FY 20-21, and desires to make certain findings, including: (i) amendment is necessary to pay a DOF-approved enforceable obligation on ROPS FY 20-21 during the “B” fiscal period, (ii) ROPS 20-21, as amended, is approved, (iii) the Successor Agency or City staff are authorized to post ROPS FY 20-21, as amended, on the

City's website, and (iv) staff is directed to transmit ROPS FY 20-21, as amended, to the DOF, pursuant to the Dissolution Law;

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

SECTION 1. The foregoing recitals are incorporated into this Resolution by this reference, and constitute a material part of this Resolution.

SECTION 2. The Orange Countywide Oversight Board hereby finds the revision set forth in amended ROPS FY 20-21 for funds to be distributed from the Redevelopment Property Tax Trust Fund (RPTTF) for the fiscal period January 1, 2020 to June 30, 2021 is necessary to pay DOF-approved enforceable obligations for such ROPS FY 20-21 period; in particular, the amendment is to correct and increase the RPTTF authorized for disbursement to the Successor Agency and payment by the Successor Agency for line item #151.

SECTION 3. Under the Dissolution Law, the Orange Countywide Oversight Board approves the ROPS 20-21, as amended, (Attachment No. 1); provided however, that the ROPS FY 20-21, as amended, is approved subject to the condition that such ROPS, as amended, is to be submitted to and reviewed by the DOF. Further, the Executive Director of the Successor Agency and his authorized designees, in consultation with legal counsel, shall be authorized to discuss this matter with the DOF and make augmentations, modifications, additions or revisions as may be necessary or directed by DOF.

SECTION 4. The Orange Countywide Oversight Board authorizes transmittal of ROPS FY20-21, as amended, to the DOF.

SECTION 5. The Executive Director of the Successor Agency and his authorized designees directed to post this Resolution, including the ROPS FY 20-21, as amended, on the City's website.

SECTION 6. The approval of the amendment to the ROPS 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 7. Under Section 34179(h) written notice and information about certain actions taken by the Orange Countywide Oversight Board shall be provided to the DOF by electronic means and in a manner of DOF's choosing. The Orange Countywide Oversight

Board's action shall become effective five (5) business days after notice in the manner specified by the DOF unless the DOF requests a review.

SECTION 8. This Resolution shall take effect immediately upon its adoption.

TETRA TECH BAS, INC.
CONTRACT #: AGR-8479.2
AMENDMENT 4 - NON-ROUTINE SERVICES

Date: 09/08/20

TT BAS Job No: 197-2018.0050 & 197-2017-0189

This request for authorization of services is issued pursuant to a verbal communication and pre-approval with
Stephen Stoewer

on behalf of the City of Anaheim, as Successor Agency to the Anaheim Redevelopment Agency (the City). These Non Routine services authorized hereunder are described below:

I. **ACTIVITY:** Anticipated Non-Routine Site Closure and Maintenance Activities

II. **SCOPE OF WORK:**

TT BAS will perform site closure and non-routine maintenance activities at the Sparks, Anderson, Rains Pits site in accordance with the requirements of the Title 27, South Coast Air Quality Management District (SCAQMD) Rule 1150.1, and the specific requirements of the Regional Water Quality Control Board (SARWQCB) and the Orange County Health Care Agency, Local Enforcement Agency (LEA). Specifically, TT BAS will perform the following tasks. Additional detail is included in the attached table.

1. Landfill Gas System Modifications for Phase 1 and 2 Partial Closure
2. Landfill Gas and Groundwater Monitoring Systems Modifications for Phase 1 and 2 Partial Closure
3. Partial Closure Plans and associated investigations, and Closure Documentation.
4. Erosion Control Measures for Phase 1 Closure
5. Final Cap Construction for Phase 1 and 2 Closure
6. Rains Pit Cover repaving and LFG System Repairs
7. Non-Routine LFG System Maintenance and Monitoring (3 Years)
8. O&M of Rains Pit Gas Monitoring System (3 Years)
9. Non-Routine Groundwater Program Activities (3 Years)
10. Relocation of Electrical Switch Pad
11. Relocation of XFMR / 100 amp Panel

III. **APPROXIMATE BUDGET (NOT TO EXCEED):**

TOTAL: \$4,269,620*

*See the attached attached for cost breakdown by task.

IV. **NOTES/SPECIAL CONDITIONS:**

The above budgets include costs for materials, labor, engineering, equipment and tax (if applicable).

TETRA TECH BAS, INC.

CITY OF ANAHEIM, AS SUCCESSOR AGENCY
TO THE ANAHEIM REDEVELOPMENT AGENCY:



Jeffrey M. Williams
Vice President, Controller

Name: _____

Title: _____

Date: _____



**SPARKS ANDERSON RAINS PITS
AMENDMENT 4 NON-ROUTINE SERVICES**

ITEM	COST
Items 1: Modifications to the landfill gas system and trench collector associated with Phase 1 and Phase 2 closure of the site, including construction, geotechnical support, surveying, landfill gas monitoring, and project management & coordination.	\$454,934
Item 2: Modifications to the groundwater wells and perimeter gas probe monitoring network associated with Phase 1 and Phase 2 closure.	\$114,400
Item 3: Preparation of Landfill Partial Closure Plans and CQA/As-Built Documentation for submittal to the RWQCB and LEA. This task also included preliminary investigation activities associated with the phased closure designs and limited site modifications.	\$601,650
Item 4: Installation of Erosion Control Measures (hydraulic mulch and gravel bags) associated with closure activities.	\$719,136
Item 5: Installation of Low Permeability AC cap and geosynthetic cover in accordance with the Phase 1 and Phase 2 closure designs.	\$756,862
Item 6: Rains Pit low permeability AC repaving and header repairs. This work will include civil engineering design (paving section, grading and drainage, etc.), geotechnical investigation (borehole drilling and testing), geogrid design, landfill gas system repairs, geogrid system installation, paving of the parking lot with a Petromat pavement section.	\$833,471
Item 7: Non-routine LFGES maintenance and monitoring for unanticipated work or as directed by the City for a period of three (3) years . Scheduled non-routine tasks may include repair or replacement of valves and piping, blower belt replacements, air compressor repairs, wellhead replacement, replacement of flex hoses, knockout vessel demister pad cleaning, condensate transfers, flow meter calibration, carbon change outs and liquid level indicator replacement and/or calibration. This task also includes emergency / non-routine activities such as responses to blower shutdowns and power outages, repair of piping breaks or separations, condensate transfers, response to elevated methane readings in perimeter probes, and response to odor complaints or subsurface fires.	\$480,000
Item 8: Tetra Tech will provide OM&M services for the existing continuous gas monitoring system (system) at the Sparks-Rains and Anderson Disposal Sites for a period of three (3) years . Tetra Tech will perform monthly calibrations and checks for system operation. Tetra Tech will also prepare and submit to the Orange County LEA a monthly report which includes the data collected over the monitoring period in addition to a narrative discussing any issues or activities performed on the system. The LEA expects to have monthly and long-term graphs created for each of the methane sensors in order to assess the potential accumulation of methane in system.	\$97,000
Item 9: Non-routine groundwater related activities. Non-routine tasks will be performed on an as-needed basis through written work order for a period of three (3) years . Given the nature of the potential non-routine activities and the site history, these activities are not anticipated to be required with any significant frequency but may include groundwater well abandonment, well redevelopment, repairs to well surface completions and negotiations with the RWQCB.	\$45,000
Item 10: Relocation of switch pad / swapping out to be an underground switch (DUExperts).	\$109,673
Item 11: Relocation of XFMR / 100amp Panel to serve monitoring station (DUExperts).	\$57,494

TOTAL: \$4,269,620

Orange Countywide Oversight Board

Agenda Item No. 7a

Date: 9/22/2020

From: Successor Agency to the Cypress Redevelopment Agency

Subject: Resolution of the Countywide Oversight Board Approving the Dissolution of the Successor Agency to the Cypress Redevelopment Agency

Recommended Action:

Approve resolution to dissolve the Successor Agency to the Cypress Redevelopment Agency.

The Cypress Successor Agency requests approval of the dissolution of the Successor Agency to the Cypress Redevelopment Agency conditioned on the approval by the Countywide Oversight Board, Orange County Auditor-Controller and California Department of Finance of the assignment and assumption of a Cypress Successor Agency receivable due on February 1, 2029.

State law requires a request to dissolve a successor agency be submitted to its oversight board within 30 days of all enforceable obligations being retired or paid in full, all real property disposed of and all outstanding litigation resolved. On June 30, 2020, the last outstanding enforceable obligation of the Cypress Successor Agency was paid in full. The Agency has previously disposed of all real property and resolved all outstanding litigation, therefore formal dissolution of the Agency is required.

The Cypress Successor Agency approved a resolution requesting the dissolution on July 13, 2020 and a notification of this request to dissolve was submitted to the Orange County Auditor-Controller on July 30, 2020.

The request to dissolve by the Cypress Successor Agency is contingent upon multiple parties agreeing to the attached assignment and assumption agreement. The Cypress Successor Agency has one outstanding receivable related to the construction of the Cypress Sunrise Apartments which is scheduled to be paid to the Cypress Successor Agency in February 2029. Upon maturity, the receivable will total \$500,932 and the proceeds received by the Cypress Successor Agency would be required to be remitted to the Orange County Auditor-Controller for distribution to taxing entities in accordance with dissolution law. The Cypress Successor Agency's dissolution will not change the share of the proceeds to which the various taxing entities are entitled.

In order to begin the Agency dissolution process, any remaining assets must be transferred out of its name. It is recommended the Cypress Sunrise Apartments receivable be assigned to, and assumed by, the Orange County Auditor-Controller as part of the request to dissolve the Agency. The Oversight Board, the California Department of Finance (DOF) and the Auditor-Controller must each agree to the assignment and assumption in order for Agency dissolution to proceed. The request to proceed with dissolution would be rescinded if the assignment and assumption is not agreed to by all parties.

Impact on Taxing Entities

All Cypress Successor Agency administrative reporting requirements will end upon dissolution, resulting in a nominal amount of additional revenue available to taxing entities.

There is no impact from assigning the Cypress Sunrise Apartments loan to the Orange County Auditor-Controller. If the loan were retained by the Cypress Successor Agency through maturity, the proceeds received in February 2029 would be required to be remitted the Orange County Auditor-Controller for

distribution to the appropriate taxing entities.

Staff Contact(s)

Matt Burton, Director of Finance and Administrative Services
Donna Mullally, Assistant Director of Finance and Administrative Services

Attachments

Countywide Oversight Board Resolution dated September 22, 2020
Cypress Successor Agency Approved Resolution dated July 13, 2020

RESOLUTION NO. _____

**IN THE MATTER OF APPROVING THE SUCCESSOR AGENCY TO
THE CYPRESS REDEVELOPMENT AGENCY REQUEST TO
DISSOLVE THE SUCCESSOR AGENCY, CONDITIONED UPON
APPROVAL BY THE ORANGE COUNTYWIDE OVERSIGHT BOARD,
ORANGE COUNTY AUDITOR-CONTROLLER AND CALIFORNIA
DEPARTMENT OF FINANCE TO THE ASSIGNMENT AND
ASSUMPTION OF A SUCCESSOR AGENCY ACCOUNT
RECEIVABLE DUE IN 2029**

WHEREAS, the Successor Agency to the Cypress Redevelopment Agency (“Successor Agency”) has been duly created and existing in accordance with applicable law, including Part 1.85 (commencing with Section 34170) of Division 24 of the Health and Safety Code (the “Dissolution Law”), as the successor-in-interest by operation of law of the former Cypress Redevelopment Agency (“RDA”); and

WHEREAS, in accordance with the Dissolution Law, the Successor Agency has over the years duly submitted the Recognized Obligation Payment Schedule (“ROPS”) to the Countywide Oversight Board to the Successor Agency (“Oversight Board”) and California Department of Finance (“DOF” or “department”), which have duly been approved by the Oversight Board and DOF; and

WHEREAS, in accordance with the Dissolution Law, all “enforceable obligations” (as defined in Health and Safety Code section 34171(d)) of the former Cypress RDA have been paid off pursuant to the duly approved ROPS; and

WHEREAS, the only remaining account receivable owing to the Successor Agency, as the successor-in-interest to the former Cypress RDA, is that certain promissory note from National Church Residences of Cypress, California, for payment of offsite improvements and construction costs relating to the Cypress Sunrise Apartments (the “Promissory Note”); and

WHEREAS, the Promissory Note was initially issued for up to \$192,455 in September 1987 and due to mature February 1, 2029; on or about September 24, 1987, a total of \$120,384 was issued based on actual required assistance, followed by a payment of \$16,573 on or about September 29, 1987, leaving a net principal outstanding balance of \$103,761; and

WHEREAS, the Promissory Note is not payable, in whole or in part, either to principal or interest, prior to February 1, 2029, and the fixed interest rate on the Promissory Note is 9.25% per annum and is not compounded, such that the outstanding interest accrued on the note though June 30, 2020 was \$314,734, and the total combined principal and interest outstanding on June 30, 2019 was \$418,495; and

WHEREAS, the total combined principal and interest outstanding balance on the Promissory Note, owed to the Successor Agency as the successor-in-interest to the former RDA, when the Promissory Note matures on February 1, 2029, will be \$500,931.61 (the “Account Receivable”); and

WHEREAS, pursuant to Health and Safety Code section 34187(b) in the Dissolution Law (“Section 34187(b)”), “When all of the enforceable obligations have been retired or paid off, all real

property has been disposed of pursuant to Section 34181 or 34191.4, and all outstanding litigation has been resolved, the successor agency shall, within 30 days of meeting the aforementioned criteria, submit to the oversight board a request, with a copy of the request to the county auditor-controller, to formally dissolve the successor agency[, and the] oversight board shall approve the request within 30 days, and shall submit the request to the department[]”; and

WHEREAS, except for the Account Receivable from the Promissory Note, the Successor Agency meets all criteria in Section 34187(b) to request and ultimately process to completion the formal dissolution of the Successor Agency; and

WHEREAS, the Successor Agency prefers to commence the process to formally dissolve at this time and well before the maturity date on the Promissory Note, in accordance with the Dissolution Law, conditioned upon the following terms and conditions (the “Conditions of Formal Dissolution”): (i) An assignment and assumption of the Account Receivable from the Successor Agency to the Orange County Auditor-Controller (“Auditor-Controller”) pursuant to a valid assignment and assumption agreement in a form approved by the Successor Agency, Auditor-Controller, Oversight Board, and DOF, (ii) An acknowledgement and agreement by the Auditor-Controller that, upon receipt by the Auditor-Controller of the Account Receivable on or about February 1, 2029, the Auditor-Controller will distribute to the taxing entities the proceeds from the Account Receivable in accordance with Health and Safety Code section 34188 (or successor statute) in the Dissolution Law; and (c) Approval by the Oversight Board and DOF, in accordance with the Dissolution Law, of the conditions in clauses (i) and (ii) of this recital; and

WHEREAS, pursuant to Section 34187(b) the Successor Agency approved the commencement of the process to formally dissolve the Successor Agency at its meeting of July 13, 2020. Such approval requests the Oversight Board commence the process subject to and conditioned upon the Conditions of Formal Dissolution; and

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

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

SECTION 2. The Oversight Board hereby approves the Successor Agency’s request to commence the process to formally dissolve the Successor Agency, subject to and conditioned upon the Conditions of Formal Dissolution.

SECTION 3. The Oversight Board hereby acknowledges and approves proceeding with the Assignment and Assumption Agreement (Exhibit 1) between the Successor Agency and the Auditor-Controller associated with the note due the Successor Agency on February 1, 2029.

SECTION 4. If any of the Conditions of Formal Dissolution are not satisfied, or any of the requirements set forth as part of the formal dissolution process in Section 34187(b) or any other applicable provisions in the Dissolution Law are not met by the Auditor-Controller or DOF, this Resolution shall be rescinded and of no force and effect, without any need for further action by the Successor Agency, and the process for final dissolution of the Successor Agency shall immediately

cease and shall not proceed, and the Successor Agency shall not be dissolved until a future request by the Successor Agency for final dissolution is submitted to the Oversight Board.

SECTION 5. The approval of this Resolution does not commit the 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 6. If any provision of this Resolution or the application of any such provision to any person or circumstance is held invalid, such invalidity shall not affect other provisions or applications of this Resolution that can be given effect without the invalid provision or application, and to this end, the provisions of this Resolution are severable. The Oversight Board hereby declares that the Oversight Board would have adopted this Resolution irrespective of the invalidity of any particular portion of this Resolution.

SECTION 7. This Resolution shall be effective immediately upon adoption.

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

ASSIGNMENT AND ASSUMPTION AGREEMENT

This **ASSIGNMENT AND ASSUMPTION AGREEMENT** (the “Agreement”) is dated this _____, 2020, and is by and among the **SUCCESSOR AGENCY TO THE CYPRESS REDEVELOPMENT AGENCY** (“Successor Agency”) acting by and through the **CITY OF CYPRESS**, a California municipal corporation (the “Assignor”), and the **ORANGE COUNTY AUDITOR-CONTROLLER**, in his/her/their official capacity as the duly elected or appointed auditor-controller for the County of Orange, a political subdivision of the State of California (the “Assignee”). Assignor and Assignee are periodically referred to herein individually as a “party” and collectively as the “parties.”

RECITALS

A. On or about September 8, 1987, the former Cypress Redevelopment Agency, a political body, corporate and politic (“RDA”) and National Church Residences of Cypress, CA, a nonprofit Ohio corporation (“Developer”), entered into that certain Disposition and Development Agreement (“DDA”), which, among other terms and conditions, furthered the Redevelopment Plan for the Civic Center Redevelopment Project Area (“Project Area”) by providing financial assistance for the development of a 75-unit rental housing project for the elderly and handicapped (the “Project”) on certain real property located within the Project Area and more particularly described in the legal description attached to the Subordinated Deed of Trust defined in Recital B (the “Property”). The DDA is a public record and available for review at the Cypress City Hall during regular business hours.

B. In furtherance of the financing of the Project, the RDA loaned to Developer the amount of One Hundred Ninety Two Thousand Four Hundred Fifty-Five Dollars (\$192,455.00) (the “RDA Loan”), with interest thereon at the rate of 9.25% per annum, not to be compounded, and evidenced by that certain Residual Receipts Promissory Note executed by Developer on September 24, 1987, attached hereto as Exhibit A and incorporated herein by this reference (the “Promissory Note”). The Promissory Note and the payment and performance obligations therein are secured by that certain Subordinated Short Form Deed of Trust and Assignment of Rents A.P.N., recorded against the Property on September 28, 1987, as Instrument No. 87-545594 of the Official Records of Orange County, California, and attached hereto as Exhibit B and incorporated herein by reference (the “Subordinated Deed of Trust”). The Promissory Note and Subordinated Deed of Trust are collectively referred to as the “Loan Documents.”

C. Among other terms and conditions in the Promissory Note, repayment of the RDA Loan, both principal and interest, were not required until February 1, 2029, which is the maturity date of a note and deed of trust in favor of the Secretary of Housing and Urban Development (“Secretary” and “HUD,” respectively) covering HUD Project No. 122-EH391-WAH-L8 as described and accommodated in the DDA. Developer could, however, make prepayments on the Loan after the final closing of the note held by the Secretary. The total combined principal and interest outstanding balance on the Promissory Note, that will be owed to the Successor Agency as of February 1, 2029, will be Five Hundred Thousand Nine Hundred Thirty-Two Dollars \$500,932 (the “Account Receivable”).

D. On February 1, 2012, all redevelopment agencies in the State of California were

dissolved pursuant to Parts 1.85 (Commencing with Section 34170) of Division 24 of the Health and Safety Code (“Dissolution Law”), and the Successor Agency became the successor-in-interest to the RDA by operation of law. The Successor Agency has been winding down the RDA in accordance with the Dissolution Law, with only the Account Receivable from the Loan to the Developer evidenced by the Promissory Note remaining as under the jurisdiction of the Successor Agency. All other “enforceable obligations” as defined in Health and Safety Code section 34171(d) of the Dissolution Law have been paid off.

E. Pursuant to Health and Safety Code section 34187(b) in the Dissolution Law (“Section 34187(b)”), “When all of the enforceable obligations have been retired or paid off, all real property has been disposed of pursuant to Section 34181 or 34191.4, and all outstanding litigation has been resolved, the successor agency shall, within 30 days of meeting the aforementioned criteria, submit to the oversight board a request, with a copy of the request to the county auditor-controller, to formally dissolve the successor agency[, and the] oversight board shall approve the request within 30 days, and shall submit the request to the department[]”. Except for the Account Receivable from the Loan to the Developer evidenced by the Promissory Note, the Successor Agency meets all criteria in Section 34187(b) to request and ultimate process to completion the formal dissolution of the Successor Agency.

F. The Successor Agency preferred to commence the process to formally dissolve before the maturity date on the Promissory Note, in accordance with the Dissolution Law, conditioned upon the following terms and conditions (the “Conditions of Formal Dissolution”): (i) An assignment and assumption of the account receivable from the Successor Agency to the Assignee, Orange County Auditor-Controller (“Auditor-Controller”), pursuant to a valid assignment and assumption agreement in a form approved by the Successor Agency, Auditor-Controller, Oversight Board, and DOF, (ii) An acknowledgement and agreement by the Auditor-Controller that, upon receipt by the Auditor-Controller of the Account Receivable on or about February 1, 2029, the Auditor-Controller will distribute to the taxing entities the proceeds from the Account Receivable in accordance with Health and Safety Code section 34188 (or successor statute) in the Dissolution Law; and (c) Approval by the Oversight Board and DOF, in accordance with the Dissolution Law, of the conditions in clauses (i) and (ii) of this recital.

G. This Agreement is intended to facilitate the Conditions of Formal Approval, and Assignor and Assignee freely enter into and consent to this Agreement and Assignment (defined below).

NOW, THEREFORE, in consideration of the mutual benefits accruing to the parties hereto and other valuable consideration, the receipt and sufficiency of which is hereby acknowledged, the parties agree as follows:

AGREEMENT

1. Assignor hereby assigns to Assignee all of Assignor’s rights, title, and interest in Loan Documents, and the Account Receivable evidenced by the Promissory Note and secured by Subordinated Deed of Trust (the “Assignment”).

2. Assignee hereby accepts the Assignment and assumes Assignor’s rights, title, and

interest in Loan Documents, and the Account Receivable evidenced by the Promissory Note and secured by Subordinated Deed of Trust.

3. Upon the receipt of the Account Receivable by the Assignee, Assignee shall distribute to the taxing entities the proceeds from the Account Receivable in accordance with Assignor and Assignee have full power, authority and legal right to enter into, execute and deliver this Agreement and to effectuate the Assignment provided herein.

4. This Agreement binds and inures to the benefit of the legal representatives, heirs, successors and assigns of all signatories hereto.

5. The laws of the State of California shall govern all matters arising out of this Agreement without regard to conflict of law principles.

6. The signatories hereto hereby agree to execute and deliver, record and file, at any time and from time to time, such additional documents, instruments and agreements deemed necessary or desirable for more fully supplementing this Agreement to reflect the Assignee's assumption of the Assignment, including but not limited to the recording of this Agreement, conveying the Subordinate Deed of Trust by recorded instrument to the Assignee, or any other document or recordable instrument that may be mutually agreeable by Assignor and Assignee.

7. This Agreement may be signed by the different signatories hereto in counterparts, each of which is deemed an original but all of which together constitute one and the same agreement.

[Remainder of page left intentionally blank. Signature pages follow.]

IN WITNESS WHEREOF, the parties have caused this Agreement to be executed and delivered on their behalf by their duly authorized representatives as of the date first set forth above.

Assignor:

THE CITY OF CYPRESS, a California municipal corporation

By: _____
Peter Grant
City Manager

Attest:

Alisha Farnell
City Clerk

Assignee:

ORANGE COUNTY AUDITOR-CONTROLLER

By: _____
Name: _____
Title: _____

CONSENT TO ASSIGNMENT:

SECRETARY OF THE UNITED STATES
DEPARTMENT OF HOUSING AND URBAN
DEVELOPMENT

By: _____
Name: _____
Title: _____

Exhibit A

Promissory Note

[attached]

RESIDUAL RECEIPTS PROMISSORY NOTE

For value received, at the time and in the manner hereinafter provided, the undersigned NATIONAL CHURCH RESIDENCES OF CYPRESS, CA, (the "Maker"), promises to pay to THE CYPRESS REDEVELOPMENT AGENCY (the "Obligee") the sum of ONE HUNDRED NINETY-TWO THOUSAND FOUR HUNDRED FIFTY-FIVE AND NO/100 DOLLARS (\$192,455.00) at Cypress City Hall, Cypress, California with interest thereon at the rate of 9.25% per annum, which shall not be compounded, subject to the following conditions and limitations.

- (1) The indebtedness represented by this note shall not be payable, in whole or in part either as to principal or interest, prior to February 1, 2029, the maturity date of the note and deed of trust in favor of the Secretary of Housing and Urban Development ("Secretary"), and covering HUD Project No. 122-EH391-WAH-L8 (as further described in that certain Disposition and Development Agreement dated September 14, 1987 between the Maker and the Obligee).
- (2) This note is non-negotiable, and may not be sold, transferred, assigned or pledged by the Obligee except with the prior written approval of the Secretary.
- (3) This note represents an advance of funds by the Obligee to the Maker for the cost of certain improvements and construction costs relating to the aforementioned Project.
- (4) The Obligee and the Maker of this note understand the Department of Housing and Urban Development requires this to be a bona fide loan transaction with the intent that the note be paid from any residual receipts of the Maker, after obtaining the prior written approval of the Secretary. For purposes of this note, the term "residual receipts" means "residual receipts" as defined in that certain

Regulatory Agreement between the Maker and the Secretary dated September 1, 1987.

- (5) This note is secured by a subordinated lien on certain property of the Maker pursuant to that certain Subordinated Deed of Trust dated September 24, 1987, from Maker to Obligee.
- (6) Prepayments of this note may be made at the option of the Maker only after final closing of the note held by the Secretary and after the end of the semi-annual or an annual fiscal period.

Presentment, demand and notice of demand, non-payment and protest of this Note are waived.

Executed at Encino, Calif. this 24th day of September of 1987.

NATIONAL CHURCH RESIDENCES OF CYPRESS, CA
Maker-Corporate Name

By Mimi W. Kinard *Mimi W. Kinard*
Asst. Vice- President/ Asst. Secretary

Attest:

Secretary

The Obligee hereby certifies that this is a bona fide loan transaction and that it fully understands all the requirements of this note.

CYPRESS REDEVELOPMENT AGENCY

By William E. Davis
Chairman

Exhibit B

Subordinated Deed of Trust

[attached]

87-545594

-150 PM SEP 28 '87

WORLD TITLE COMPANY

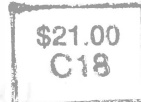
Lee A Branch COUNTY
RECORDER

RECORDING REQUESTED BY:

CYPRESS REDEVELOPMENT AGENCY

AND WHEN RECORDED MAIL TO:

5275 Orange Avenue
P. O. Box 609
Cypress, California 90630



SUBORDINATED SHORT FORM DEED OF TRUST
AND ASSIGNMENT OF RENTS A.P.N.

704753-71

THIS DEED OF TRUST made this 24th day of September, 1987 between National Church Residences of Cypress, CA, a non-profit corporation organized under the laws of the State of Ohio, herein called TRUSTOR, whose address is 2335 North Bank Drive, Columbus, Ohio 43220, Ticor Title Insurance Company of California, a California corporation, 333 South Grand Avenue, Los Angeles, California 90017, herein called TRUSTEE, and The Cypress Redevelopment Agency, herein called Beneficiary, WITNESSETH: That Trustor IRREVOCABLY GRANTS, TRANSFERS AND ASSIGNS to TRUSTEE IN TRUST, WITH POWER OF SALE, that property in Orange County, California, described in Exhibit A attached hereto and incorporated herein by reference.

TOGETHER WITH the rents, issues and profits thereof, SUBJECT, HOWEVER, to the right, power and authority given to and conferred upon Beneficiary by paragraph (10) of the provisions incorporated herein by reference to collect and apply such rents, issues and profits.

FOR THE PURPOSE OF SECURING: 1. Performance of each agreement of Trustor incorporated by reference or contained herein. 2. Payment of the indebtedness evidenced by one promissory note of even date herewith, and any extension or renewal thereof, in the principal sum of \$ 192,455.00 executed by Trustor in favor of Beneficiary or order. 3. Payment of such further sums as the then record owner of said property hereafter may borrow from Beneficiary, when evidenced by another note (or notes)

reciting it is so secured, provided that during the period HUD is the holder of a deed of trust and regulatory agreement on the Property any such loan(s) have the prior written approval of HUD.

TO PROTECT THE SECURITY OF THIS DEED OF TRUST TRUSTOR AGREES: By the execution and delivery of this Deed of Trust and the note secured hereby, including sections (1) and (17), inclusive, of this deed of trust set forth herein at length; that he will observe and perform said provisions; and that the references to property, obligations, and parties in said provisions shall be construed to refer to the property, obligations, and parties set forth in this Deed of Trust.

TO PROTECT THE SECURITY OF THIS DEED OF TRUST, TRUSTOR AGREES:

(1) To keep said property in good condition and repair; not to remove or demolish any building thereon; to complete or restore promptly and in good and workmanlike manner any building which may be constructed, damaged or destroyed thereon and to pay when due all claims for labor performed and materials furnished therefor; to comply with all laws affecting said property or requiring any alterations or improvements to be made thereon; not to commit or permit waste thereof; not to commit, suffer or permit any act upon said property in violation of law; to cultivate, irrigate, fertilize, fumigate, prune and do all other acts which from the character or use of said property may be reasonably necessary, the specific enumerations herein not excluding the general.

(2) To provide, maintain and deliver to Beneficiary fire insurance satisfactory to and with loss payable to Beneficiary. The amount collected under any fire or other insurance policy may be applied by Beneficiary upon any indebtedness secured hereby and in such order as Beneficiary may determine, or at option of Beneficiary the entire amount so collected or any part thereof may be released to Trustor. Such application or release shall not cure or waive any default or notice of default hereunder or invalidate any act done pursuant to such notice.

(3) To appear in and defend any action or proceeding purporting to affect the security hereof or the rights or powers of Beneficiary or Trustee; and to pay all costs and expenses, including cost of evidence of title and attorney's fees in a reasonable sum, in any such action or

proceeding in which Beneficiary or Trustee may appear, and in any suit brought by Beneficiary to foreclose this Deed.

(4) To pay: at least ten days before delinquency all taxes and assessments affecting said property, including assessments on appurtenant water stock; when due, all encumbrances, charges and liens, with interest, on said property or any part thereof, which appear to be prior or superior hereto; all costs, fees and expenses of this Trust.

Should Trustor fail to make any payment or to do any act as herein provided, then Beneficiary or Trustee, but without obligation so to do and without notice to or demand upon Trustor and without releasing Trustor from any obligation hereof, may: make or do the same in such manner and to such extent as either may deem necessary to protect the security hereof, Beneficiary or Trustee being authorized to enter upon said property for such purpose; appear in and defend any action or proceeding purporting to affect the security hereof or the rights or powers of Beneficiary or Trustee; pay, purchase, contest or compromise any encumbrance, charge or lien which in the judgment of either appears to be prior or superior hereto; and, in exercising any such powers, pay necessary expenses, employ counsel and pay his reasonable fees.

(5) To pay immediately and without demand all sums so expended by Beneficiary or Trustee, with interest from date of expenditure at the amount allowed by law in effect at the date hereof, and to pay for any statement provided for by law in effect at the date hereof regarding the obligation secured hereby any amount demanded by the Beneficiary not to exceed the maximum allowed by law at the time when said statement is demanded.

(6) That any award of damages in connection with any condemnation for public use of or injury to said property or any part thereof is hereby assigned and shall be paid to Beneficiary who may apply or release such moneys received by him in the same manner and with the same effect as above provided for disposition of proceeds of fire or other insurance.

(7) That by accepting payment of any sum secured hereby after its due date, Beneficiary does not waive his right either to require prompt payment when due of all other sums so secured or to declare default for failure so to pay.

(8) That at any time or from time to time, without liability therefor and without notice, upon written request

of Beneficiary and representation of this Deed and said note for endorsement and without affecting the personal liability of any person for payment of the indebtedness secured hereby, Trustee may: reconvey any part of said property; consent to the making of any map or plat thereof; join in granting any easement thereon; or join in any extension agreement or any agreement subordinating the lien or charge hereof.

(9) That upon written request of Beneficiary stating that all sums secured hereby have been paid, and upon surrender of this Deed and said note to Trustee for cancellation and retention and upon payment of its fees, Trustee shall reconvey, without warranty, the property then held hereunder. The recitals in such reconveyance of any matters or facts shall be conclusive proof of the truthfulness thereof. The grantee in such reconveyance may be described as "the person or persons legally entitled thereto." Five years after issuance of such full reconveyance, Trustee may destroy said note and this Deed (unless directed in such request to retain them).

(10) That as additional security, Trustor hereby gives to and confers upon Beneficiary the right, power and authority, during the continuance of these Trusts, to collect the rents, issues and profits of said property, reserving unto Trustor the right, prior to any default by Trustor in payment of any indebtedness secured hereby or in performance of any agreement hereunder, to collect and retain such rents, issues and profits as they become due and payable. Upon any such default, Beneficiary may at any time without notice, either in person, by agent, or by a receiver to be appointed by a court, and without regard to the adequacy of any security for the indebtedness hereby secured, enter upon and take possession of said property or any part thereof, in his own name sue for or otherwise collect such rents, issues and profits, including those past due and unpaid, and apply the same, less costs and expenses of operation and collection, including reasonable attorney's fees, upon any indebtedness secured hereby, and in such order as Beneficiary may determine. The entering upon and taking possession of said property, the collection of such rents, issues and profits and the application thereof as aforesaid, shall not cure or waive any default or notice of default hereunder or invalidate any act done pursuant to such notice.

(11) That upon default by Trustor in payment of any indebtedness secured hereby or in performance of any agreement hereunder Beneficiary may declare all sums secured

hereby immediately due and payable by delivery to Trustee of written declaration of default and demand for sale and of written notice of default and of election to cause to be sold said property, which notice Trustee shall cause to be filed for record. Beneficiary also shall deposit with Trustee this Deed, said note and all documents evidencing expenditures secured hereby.

After the lapse of such time as may then be required by law following the recordation of said notice of default, and notice of sale having been given as then required by law, Trustee, without demand on Trustor, shall sell said property at the time and place fixed by it in said notice of sale, either as a whole or in separate parcels, and in such order as it may determine, at public auction to the highest bidder for cash in lawful money of the United States payable at time of sale. Trustee may postpone sale of all or any portion of said property by public announcement at such time and place of sale, and from time to time thereafter may postpone such sale by public announcement at the time fixed by the preceding postponement. Trustee shall deliver to such purchaser its deed conveying the property so sold, but without any covenant or warranty express or implied. The recitals in such deed of any matters or facts shall be conclusive proof of the truthfulness thereof. Any person, including Trustor, Trustee, or Beneficiary as hereinafter defined, may purchase at such sale.

After deducting all costs, fees and expenses of Trustee and of this Trust, including cost of evidence of title in connection with sale, Trustee shall apply the proceeds of sale to payment of: all sums expended under the terms hereof, not then repaid, with accrued interest at the amount allowed by law in effect at the date hereof; all other sums then secured hereby; and the remainder, if any, to the person or persons legally entitled thereto.

Notwithstanding the foregoing, during any period when there is a first trust deed loan on the Property held by United States Department of Housing and Urban Development ("HUD") or an instrumentality thereof, Beneficiary's rights as set forth in this paragraph 11 and in paragraph 10 above shall have no force or effect.

(12) Beneficiary, or any successor in ownership of any indebtedness secured hereby, may from time to time, by instrument in writing, substitute a successor or successors to any Trustee named herein or acting hereunder, which instrument, executed by the Beneficiary and duly

acknowledged and recorded in the office of the recorder of the county or counties where said property is situated, shall be conclusive proof of proper substitution of such successor Trustee or Trustees who shall, without conveyance from the Trustee predecessor, succeed to all its title, estate, rights, powers and duties. Said instrument must contain the name of the original Trustor, Trustee and Beneficiary hereunder, the book and page where this Deed is recorded and the name and address of the new Trustee.

(13) That this Deed applies to, inures to the benefit of, and binds all parties hereto, their heirs, legatees, devisees, administrators, executors, successors and assigns. The term Beneficiary shall mean the owner and holder, including pledgees, of the note secured hereby, whether or not named as Beneficiary herein. In this Deed, whenever the context so requires, the masculine gender includes the feminine and/or neuter, and the singular number includes the plural.

(14) That Trustee accepts this Trust when this Deed, duly executed and acknowledged, is made a public record as provided by law. Trustee is not obligated to notify any part hereto of pending sale under any other Deed of Trustor of any action or proceeding in which Trustor, Beneficiary or Trustee shall be a party unless brought by Trustee.

This Deed of Trust is subordinated in interest to the lien created by that certain Deed of Trust by National Church Residences of Cypress, CA as Mortgagor and the Secretary of Housing and Urban Development, as Mortgagee, relating to the property and improvements herein described, which secures a loan made by the Secretary of Housing and Urban Development pursuant to Section 202 of the Housing Act of 1959, as amended, and to a Regulatory Agreement between the Trustor and HUD with respect to the Property, and a Building Loan Agreement with respect to the property.

(15) So long as the Secretary of HUD or his/her successor or assigns is the holder of the first deed of trust on Cypress Sunrise Apartments, HUD/FHA PROJECT #122-EH391-WAH-L8, payments due under the Note shall be payable only from residual receipts as that term is defined in the Regulatory Agreement between the Secretary of Housing and Urban Development and Trustor.

(16) In the event that the Secretary of HUD acquires title to the Property by foreclosure or deed in lieu of foreclosure, or otherwise, the lien of this Deed of

87-545594

Trust shall automatically terminate. The Beneficiary shall in any event be given an opportunity to cure the event of a default giving rise to HUD's rights to foreclose prior to HUD's acquisition by title by a deed in lieu of foreclosure.

(17) This Deed of Trust shall not be modified during the term of said Regulatory Agreement without the written approval of HUD.

The undersigned Trustor requests that a copy of any Notice of Default and of any Notice of sale hereunder be mailed to him at his address hereinbefore set forth.

Signature of Trust

NATIONAL CHURCH RESIDENCES
OF CYPRESS, CA
(a corporation)

By Mimi W. Kinard
Mimi W. Kinard, Assistant Secretary

By _____
(Secretary)

STATE OF CALIFORNIA
COUNTY OF _____

On _____ before me the undersigned, a Notary Public in and for said State, personally appeared _____ 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 _____ President, and _____ personally known to me or proved to me on the basis of satisfactory evidence to be _____ Secretary of the Corporation that executed the within instrument and acknowledged to me that such corporation executed the within instrument pursuant to its by-laws or a resolution of its board of directors.

WITNESS my hand and official seal

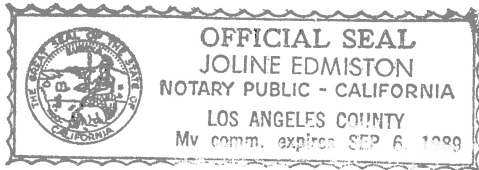
Notary Public

Title Order No. _____ Escrow or Loan
No. _____

STATE OF CALIFORNIA
COUNTY OF Los Angeles

On September 25, 1987 before me the undersigned, a Notary Public in and for said State, personally appeared Mimi W. Kinard 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 Assistant Secretary ~~_____~~ personally known to me or proved to me on the basis of satisfactory evidence to be ~~_____~~ Secretary of the Corporation that executed the within instrument and acknowledged to me that such corporation executed the within instrument pursuant to its by-laws or a resolution of its board of directors.

WITNESS my hand and official seal



Joline Edmiston
Notary Public

GOV'T. CODE 27361.7

I CERTIFY THAT UNDER PENALTY OF PERJURY THAT THE NOTARY SEAL ON THE DOCUMENT TO WHICH THIS STATEMENT IS ATTACHED READS AS FOLLOWS:

NAME OF NOTARY: JOLINE EDMISTON

DATE COMMISSION EXPIRES: 9/6/89

COUNTY WHERE BOND IS FILED: LOS ANGELES COUNTY

PLACE OF EXECUTION: SANTA ANA

DATE: 9/28/87

FIRM NAME: **WORLD TITLE COMPANY** By: Tracy Johnson

EXHIBIT "A"

LEGAL DESCRIPTION OF THE PROPERTY

DESCRIPTION OF PARCEL 1 OF PROPOSED PM 86-230

THAT CERTAIN LAND SITUATED IN THE STATE OF CALIFORNIA, COUNTY OF ORANGE, CITY OF CYPRESS, DESCRIBED AS FOLLOWS:

Beginning at the Northeast corner of the Northwest quarter of the Northwest quarter of Section 16, Township 4 South Range 11 West, in the Rancho Coyotes, as shown on a Map recorded in Book 51 Page 11 of Miscellaneous Maps, records of Orange County; thence southerly along the East line of said Northwest quarter of the Northwest quarter, said line being also the centerline of Grindlay Street 60 feet wide, South 0°23'08" East 680.79 feet to the Southeast corner of the North half of said Northwest quarter of the Northwest quarter; thence westerly along the South line of said North half South 89°41'10" West 272.81 feet to the TRUE POINT OF BEGINNING; thence leaving said South line North 0°18'34" West 143.02 feet; thence along the following courses:

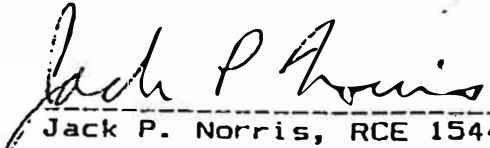
;

North 61° 02'24" West	45.00 feet
South 89° 41'26" West	78.00 feet
North 0° 18'34" West	25.00 feet
South 89° 41'26" West	230.00 feet

to the West line of the east 619.81 feet of said North half; thence along said West line South 0°23'08" East 190.04 feet to the South line of said North half; thence along said South line North 89°41'10" East 347.00 feet to the True Point of Beginning.

Exhibit "B" is attached hereto and made a part hereof by this reference.

The parcel of land described above contains 62602 square feet (1.437 acres) more or less.

 3-31-87

Jack P. Norris, RCE 15446 date
Norris-Repke, Inc.

SUCCESSOR AGENCY BOARD RESOLUTION NO. SA-9

A RESOLUTION OF THE SUCCESSOR AGENCY TO THE COMPRESS REDEVELOPMENT AGENCY REQUESTING OVERSIGHT BOARD ACTION TO DISSOLVE THE SUCCESSOR AGENCY, CONDITIONED UPON APPROVAL BY THE OVERSIGHT BOARD AND CALIFORNIA DEPARTMENT OF FINANCE TO THE ASSIGNMENT AND ASSUMPTION OF A SUCCESSOR AGENCY ACCOUNT RECEIVABLE PAYABLE IN 2029

WHEREAS, the Successor Agency to the Cypress Redevelopment Agency (Successor Agency) has been duly created and existing in accordance with applicable law, including Part 1.85 (commencing with Section 34170) of Division 24 of the Health and Safety Code (the Dissolution Law), as the successor-in-interest by operation of law of the former Cypress Redevelopment Agency (RDA) and

WHEREAS, in accordance with the Dissolution Law, the Successor Agency has over the years duly submitted the Recognized Obligation Payment Schedule (ROPS) to the Oversight Board to the Successor Agency (Oversight Board) and California Department of Finance (DOF or department), which have duly been approved by the Oversight Board and DOF and

WHEREAS, in accordance with the Dissolution Law, all enforceable obligations (as defined in Health and Safety Code section 34171(d)) of the former RDA have been paid off pursuant to the duly approved ROPS and

WHEREAS, the only remaining account receivable owing to the Successor Agency, as the successor-in-interest to the former RDA, is that certain promissory note from National Church Residences of Cypress, California, for payment of offsite improvements and construction costs relating to the Cypress Sunrise Apartments (the Promissory Note) and

WHEREAS, the Promissory Note was initially issued for up to \$192,455 in September 1987 and due to mature February 1, 2029 on or about September 24, 1987, a total of \$120,384 was issued based on actual required assistance, followed by a payment of \$16,573 on or about September 29, 1987, leaving a net principal outstanding balance of \$103,761 and

WHEREAS, the Promissory Note is due on February 1, 2029, and the fixed interest rate on the Promissory Note is 9.25% per annum and is not compounded, such that the outstanding interest accrued on the note through June 30, 2019 was \$305,136, and the total combined principal and interest outstanding on June 30, 2019 was \$408,897 and

WHEREAS, the total combined principal and interest outstanding balance on the Promissory Note, owed to the Successor Agency as the successor-in-interest to the former RDA, when the Promissory Note matures on February 1, 2029, will be \$500,932 (the Account Receivable) and

WHEREAS, pursuant to Health and Safety Code section 34187(b) in the Dissolution Law (Section 34187(b)), when all of the enforceable obligations have been retired or paid off, all real property has been disposed of pursuant to Section 34181 or 34191.4, and all outstanding litigation has been resolved, the successor agency shall, within 30 days of meeting the aforementioned criteria, submit to the oversight board a request, with a copy of the request to the county auditor-controller, to formally dissolve the successor agency and the oversight board shall approve the request within 30 days, and shall submit the request to the department and

WHEREAS, except for the Account Receivable from the Promissory Note, the Successor Agency meets all criteria in Section 34187(b) to request and ultimately process to completion the formal dissolution of the Successor Agency and

WHEREAS, the Successor Agency refers to commence the process to formally dissolve at this time and well before the maturity date on the Promissory Note, in accordance with the Dissolution Law, conditioned upon the following terms and conditions (the Conditions

of Formal Dissolution (i) An assignment and assumption of the Account Receivable from the Successor Agency to the Orange County Auditor-Controller (Auditor-Controller) pursuant to a valid assignment and assumption agreement in a form approved by the Successor Agency, Auditor-Controller, Oversight Board, and DOF, (ii) An acknowledgment and agreement by the Auditor-Controller that, upon receipt by the Auditor-Controller of the Account Receivable on or about February 1, 2029, the Auditor-Controller will distribute to the taxing entities the proceeds from the Account Receivable in accordance with Health and Safety Code section 34188 (or successor statute) in the Dissolution Law and (c) Approval by the Oversight Board and DOF, in accordance with the Dissolution Law, of the conditions in clauses (i) and (ii) of this recital.

NOTWITHSTANDING, BE IT RESOLVED, by the Successor Agency to the Cypress Redevelopment Agency, as follows:

SECTION 1. The Recitals above are true and correct and comprise a substantive part of this Resolution.

SECTION 2. The Successor Agency, pursuant to Section 34187(b), hereby requests that the Oversight Board commence the process to formally dissolve the Successor Agency, subject to and conditioned upon the Conditions of Formal Dissolution.

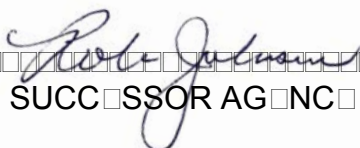
SECTION 3. If any of the Conditions of Formal Dissolution are not satisfied, or any of the requirements set forth as part of the formal dissolution process in Section 34187(b) or any other applicable provisions in the Dissolution Law are not met by the Oversight Board or DOF, this Resolution shall be rescinded and of no force and effect, without any need for further action by the Successor Agency, and the process for final dissolution of the Successor Agency requested by this Resolutions shall immediately cease and shall not proceed, and the Successor Agency shall not be dissolved until a future request by the Successor Agency for final dissolution is submitted to the Oversight Board.

SECTION 4. The Successor Agency hereby authorizes and directs the Executive Director of the Successor Agency to take any further actions on behalf of the Successor Agency, as may be necessary or appropriate, to implement the request, and satisfy the Conditions of Formal Dissolution, as provided for in this Resolution. The authorization and direction in this section includes but is not limited to the submittal of this Resolution to the Auditor-Controller in accordance with Section 34187(b), the negotiating and executing of an assignment and assumption agreement by and between the Successor Agency and Auditor-Controller, and submittal of any documents as may be requested by the Oversight Board or DOF.

SECTION 5. If any provision of this Resolution or the application thereof to any person or circumstance is held invalid, such invalidity shall not affect other provisions or applications of this Resolution which can be given effect without the invalid provision or application, and to this end the provisions of this Resolution are severable. The Successor Agency hereby declares that it would have adopted this Resolution irrespective of the invalidity of any particular portion thereof.

SECTION 6 The Successor Agency Secretary shall certify to the adoption of this Resolution.

PASSED, APPROVED AND ADOPTED by the Successor Agency Board at a meeting held on the 13th day of July, 2020.


CHAIR, SUCCESSOR AGENCY BOARD


ATTACHED


SECRETARY, SUCCESSOR AGENCY BOARD

STATE OF CALIFORNIA
COUNTY OF ORANGE) SS
CITY OF COSTA MESA)

I, ALISHA FARNELL, Secretary to the Successor Agency Board, do hereby certify that the foregoing Resolution was adopted at a regular meeting of the Successor Agency Board, held on the 13th day of July, 2020, by the following roll call vote:

AYES	5	BOARD MEMBERS Berry, Morales, Peat, Marc and Johnson
NOES	0	BOARD MEMBERS None
ABSENT	0	BOARD MEMBERS None

_____  _____

SECRETARY, SUCCESSOR AGENCY BOARD

Orange Countywide Oversight Board

Agenda Item No. 8a

Date: 9/22/2020

From: Successor Agency to the Fullerton Redevelopment Agency

Subject: Resolution of the Countywide Oversight Board Approving Amendment to the Recognized Obligation Payment Schedule 20-21 (ROPS)

Recommended Action:

Approve resolution approving amendment to FY 2020-21 ROPS for the Fullerton Successor Agency (see Attachment 1).

The Fullerton Successor Agency requests approval of the proposed amendment to the Recognized Obligation Payment Schedule (ROPS) 20-21 for the second half of Fiscal Year 2020-21. The purpose of this item is to authorize an amendment to the ROPS 20-21 B to reflect the updated debt service payments for the Tax Allocation Refunding Bonds Series 2020A and Series 2020B refunding the existing 2005 Tax Allocation Revenue Bonds and 2010 Taxable Tax Allocation Housing Bonds, and to update the existing 2015 Bonds debt service payments as required by the bond indenture(s).

More specifically, the amendment would update debt service payments and related fees as follows:

- Tax Allocation Refunding Bonds, Series 2020A which refunded the 2005 Tax Allocation Revenue Bonds (ROPS Item No. 4);
- Tax Allocation Refunding Bonds, Series 2020B which refunded the 2010 Taxable Tax Allocation Housing Bonds (ROPS Item No. 6);
- Bond Debt Service Fees (ROPS Item No, 49); and
- 2015 Tax Allocation Refunding Bonds (ROPS Item No. 60) to comply with the Indenture requirements of the bonds.

The proposed amount changes are shown on the amended ROPS by item number (see Attachment 2). The following is a summary of the changes:

ROPS Item No.	Project Name/Debt Obligation	Period B Original RPTTF Amount	Period B Revised RPTTF Amount	Difference
4	2005 Tax Allocation Revenue Bonds	1,017,589	2,854,300	1,836,711
6	2010 Taxable Tax Allocation Housing Bonds	418,388	956,001	537,613
49	Bond Debt Service Fee	7,000	9,000	2,000
60	2015 Tax Allocation Refunding Bonds	135,375	642,875	507,500
	TOTALS	1,578,352	4,462,175	2,883,823

The Indenture pursuant to which the 2015 Bonds were issued, and pursuant to which the 2020 Bonds have been issued, requires the Successor Agency to request one half of each bond year's debt service from each of the two annual Redevelopment Property Tax Trust Fund (RPTTF) distribution dates. Previously, the California Department of Finance did not consistently permit successor agencies to comply with such covenants, and accordingly, the Successor Agency's practice has been to request moneys from each RPTTF distribution date only for the following debt service payment. Successor Agency staff therefore is proposing this amendment to the ROPS 2020-21 B to reflect the amount of 2015 and 2020 Bonds debt service coming due on March 1 and September 1, 2021, and to request 50% of that amount from the RPTTF

amount being distributed on January 2, 2021. The total amounts to be paid for debt service are not changing, rather, the Successor Agency is requesting 50% of the bond year's debt service from the January 2, 2021 RPTTF distribution and will request the remainder of the Fiscal Year 2020-21 bond year's debt service from the June 1, 2021 RPTTF distribution when the Successor Agency submits the ROPS 2021-22. Issuance of the 2020A Bonds and the 2020B Bonds was approved by the Orange Countywide Oversight Board by Resolution No. 20-025 on July 21, 2020 (see Attachment 3).

On August 18, 2020, the Fullerton Successor Agency Board approved Resolution No. 2020-06 A Resolution of the Fullerton Successor Agency of the City of Fullerton, California, Authorizing an Amendment to the Recognized Obligation Payment Schedule 2020-2021 (see Attachment 4).

Impact on Taxing Entities

Based on market conditions as of June 3, 2020, the Underwriter projected the refunding of the Prior Obligations would achieve combined Net Present Value savings of approximately \$6.9 million, or 11.84% of refunded par. The Underwriter's estimates include the following key assumptions:

- (i) 2020 Bonds will be issued on parity with the Agency's outstanding 2015 TABs;
- (ii) all of the outstanding Prior Obligations will be refunded,
- (iii) an underlying rating of "A" is assigned by S&P to the 2020 Bonds,
- (iv) the use of bond insurance and a reserve surety in lieu of a cash funded reserve fund,
- (v) a public market negotiated sale of the 2020 Bonds, and
- (vi) a tax-exempt refunding of the 2005 Loans and a taxable refunding of the 2010 Housing TABs.

The savings generated from this refunding are anticipated to result in higher future property tax distributions to the taxing entities, including the City of Fullerton. The list below provides the estimated percentage share of savings and total nominal cash flow savings over the life of the indebtedness for each of the affected taxing entities.

RPTTF Distribution to ATEs	% of Distribution	Annual Savings			Total Savings			Present Value Savings		
		2005 TABs	2010 Housing TABs	Total	2005 TABs	2010 Housing TABs	Total	2005 TABs	2010 Housing TABs	Total
City of Fullerton	15.78%	\$122,021	\$130,834	\$234,165	\$854,149	\$785,002	\$1,639,152	\$801,563	\$290,507	\$1,092,069
County	6.12%	\$47,338	\$50,757	\$90,844	\$331,365	\$304,540	\$635,905	\$310,964	\$112,701	\$423,666
Special Districts	7.67%	\$59,320	\$63,605	\$113,839	\$415,243	\$381,627	\$796,870	\$389,678	\$141,229	\$530,907
K-12 Schools	46.52%	\$359,656	\$385,631	\$690,197	\$2,517,595	\$2,313,785	\$4,831,381	\$2,362,597	\$856,265	\$3,218,862
Community Colleges	6.93%	\$53,600	\$57,471	\$102,860	\$375,199	\$344,825	\$720,023	\$352,099	\$127,610	\$479,709
County Office of Education	1.45%	\$11,175	\$11,982	\$21,446	\$78,227	\$71,894	\$150,121	\$73,411	\$26,606	\$100,016
Total ERAF	15.52%	\$119,968	\$128,632	\$230,223	\$839,774	\$771,791	\$1,611,564	\$788,072	\$285,617	\$1,073,690
Total	100%	\$773,079	\$828,911	\$1,483,574	\$5,411,552	\$4,973,464	\$10,385,016	\$5,078,384	\$1,840,535	\$6,918,919

With improved market conditions and aggressive marketing by the Underwriter, at final pricing on August 19, 2020, the Net Present Value savings is \$9.2 million, or 17.66%.

Staff Contact(s)

Fullerton Successor Agency staff contacts are as follows:

Kellee Fritzal, Deputy Director of Community and Economic Development
714-738-6837 or via e-mail at KFritzal@cityoffullerton.com

Ellis Chang, Director of Administrative Services
714-738-6522 or via e-mail at EChang@cityoffullerton.com

Kenneth A. Domer, Executive Director
714-738-6310 or via e-mail at Kenneth.Domer@cityoffullerton.com

Attachments

Attachment 1 – Orange Countywide Oversight Board Resolution No. 20-XXX

Attachment 2 – Fullerton Successor Agency Amended Recognized Obligation Payment Schedule 2020-21 B

Attachment 3 – Orange Countywide Oversight Board Resolution No. 20-025

Attachment 4 – Fullerton Successor Agency Resolution No 2020-06 A Resolution of the Fullerton Successor Agency of the City of Fullerton, California, Authorizing an Amendment to the Recognized Obligation Payment Schedule 2020-2021

RESOLUTION NO. _____

**A RESOLUTION OF THE ORANGE COUNTYWIDE OVERSIGHT BOARD
APPROVING AN AMENDED RECOGNIZED OBLIGATION PAYMENT FOR THE 20-21
FISCAL PERIOD OF JULY 1, 2020 TO JUNE 30, 2020, FOR THE SUCCESSOR
AGENCY TO THE CITY OF FULLERTON, SUBJECT TO SUBMITTAL TO, AND
REVIEW BY, THE STATE DEPARTMENT OF FINANCE [DOF] UNDER CALIFORNIA
HEALTH AND SAFETY CODE, DIVISION 24, PART 1.85, AND AUTHORIZING
POSTING AND TRANSMITTAL THEREOF**

WHEREAS, the former Fullerton Redevelopment Agency (“Former Agency”) previously was a community redevelopment agency that was previously organized and existing under the California Community Redevelopment Law, Health and Safety Code Section 33000, *et seq.*, and previously authorized to transact business and exercise powers of a redevelopment agency pursuant to action of the City Council of the City of Fullerton (“City”); and

WHEREAS, Assembly Bill x1 26 added Parts 1.8 and 1.85 to Division 24 of the California Health and Safety Code, which caused the dissolution of all redevelopment agencies and wind down of the affairs of former agencies, including as such laws were amended by Assembly Bill 1484 and by other subsequent legislation (“Dissolution Law”); and

WHEREAS, as of February 1, 2012 the Agency was dissolved pursuant to the Dissolution Law, and as a separate public entity, corporate and policy the Successor Agency to the Fullerton Redevelopment Agency (“Successor Agency”) administers the enforcement obligations of the Former Agency and otherwise unwinds the Former Agency’s affairs; and

WHEREAS, prior to July 1, 2018 under the Dissolution Law, in particular Sections 34179 and 34180, all actions of the Successor Agency were subject to the review and approval by a local seven-member oversight board, which oversaw and administered the Successor Agency’s activities during the period from dissolution until June 30, 2018; and

WHEREAS, as of, on and after July 1, 2018, under the Dissolution Law, in particular Section 34179(j), in every California county there shall be only one oversight board that is staffed by the county auditor-controller, with certain exceptions that do not apply in the County of Orange; and

WHEREAS, as of, on and after July 1, 2018, the Orange Countywide Oversight Board (“Oversight Board”) was established through the Orange County Auditor-Controller in compliance with Section 34179(j), which serves as the oversight board to the 25 successor

agencies existing and operating in Orange County, including Successor Agency and all other successor agencies in Orange County; and

WHEREAS, every oversight board, both the prior local oversight board and this newly established Orange Countywide Oversight Board, have fiduciary responsibilities to the holders of enforceable obligations and to the taxing entities that benefit from distributions of property tax and other revenues pursuant to Section 34188 of the Dissolution Law; and

WHEREAS, Section 34177(m), 34177(o) and 34179 provide that each Recognized Obligation Payment Schedule (“ROPS”) is submitted to, review and approved by the Successor Agency and then reviewed and approved by the Oversight Board final review and approval by the State Department of Finance (“DOF”); and

WHEREAS, Section 34177(o)(1)(E) of the Dissolution Law authorizes that “[o]nce per period, and no later than October 1, a successor agency may submit one amendment to the ROPS approved by the department pursuant to this subdivision, if the oversight board makes a finding that a revision is necessary for the payment of approved enforceable obligations during the second one-half of the ROPS period, which shall be defined as January 1 to June 30, inclusive. A successor agency may only amend the amount requested for payment of approved enforceable obligations. The revised ROPS shall be approved by the oversight board and submitted to the department by electronic means in a manner of the department’s choosing. The department shall notify the successor agency and the county auditor-controller as to the outcome of the department’s review at least 15 days before the date of the property tax distribution”; and

WHEREAS, the Successor Agency has submitted to the Orange Countywide Oversight Board an amendment to ROPS 20-21 reflecting additional payments for updated debt service payments resulting from refunding two existing bond issues with the 2020 Tax Allocation Refunding Bonds Series A and B, and to update the existing 2015 bond debt service payments to be in compliance with bond indenture requirements; and

WHEREAS, the objective of this Orange Countywide Oversight Board resolution is to authorize, make findings, and approve the Successor Agency’s amendment of ROPS 20-21 to correct and increase ROPS Line Items Nos. 4, 6, and 60 as reflected on the amendment to the Successor Agency’s ROPS 20-21 attached as Attachment No. 1 to this resolution and fully incorporated herein by this reference; and

WHEREAS, the Orange Countywide Oversight Board has reviewed and considered the Successor Agency’s amendment of ROPS 2021, and desires to make certain findings, including: (i) amendment is necessary to pay a DOF-approved enforceable obligation on ROPS 20-21 during the “B” fiscal period, (ii) ROPS 20-21, as amended, is approved, (iii) the Successor

Agency or City staff are authorized to post ROPS 20-21, as amended, on the City's website, and (iv) staff is directed to transmit ROPS 20-21, as amended, to the DOF, pursuant to the Dissolution Law;

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

SECTION 1. The foregoing recitals are incorporated into this Resolution by this reference, and constitute a material part of this Resolution.

SECTION 2. The Orange Countywide Oversight Board hereby finds the revision set forth in amended ROPS 20-21 for funds to be distributed from the Redevelopment Property Tax Trust Fund (RPTTF) for the fiscal period January 1, 2021 to June 30, 2021 is necessary to pay DOF-approved enforceable obligations for such ROPS B period; in particular, the amendment is to correct and increase the RPTTF authorized for disbursement to the Successor Agency and payment by the Successor Agency for ROPS Line Items Nos. 4, 6, and 60.

SECTION 3. Under the Dissolution Law, the Orange Countywide Oversight Board approves the ROPS 20-21, as amended, (Attachment No. 1); provided however, that the ROPS 20-21, as amended, is approved subject to the condition that such ROPS, as amended, is to be submitted to and reviewed by the DOF. Further, the Executive Director of the Successor Agency and his authorized designees, in consultation with legal counsel, shall be authorized to discuss this matter with the DOF and make augmentations, modifications, additions or revisions as may be necessary or directed by DOF.

SECTION 4. The Orange Countywide Oversight Board authorizes transmittal of ROPS 20-21, as amended, to the DOF.

SECTION 5. The Executive Director of the Successor Agency and his authorized designees directed to post this Resolution, including the ROPS 20-21, as amended, on the City's website.

SECTION 6. The approval of the amendment to the ROPS 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 7. Under Section 34179(h) written notice and information about certain actions taken by the Orange Countywide Oversight Board shall be provided to the DOF by

electronic means and in a manner of DOF's choosing. The Orange Countywide Oversight Board's action shall become effective five (5) business days after notice in the manner specified by the DOF unless the DOF requests a review.

SECTION 8. This Resolution shall take effect immediately upon its adoption.

Amended Recognized Obligation Payment Schedule (ROPS 20-21B) - Summary
Filed for the January 1, 2021 through June 30, 2021 Period

Successor Agency: Fullerton

County: Orange

Current Period Requested Funding for Enforceable Obligations (ROPS Detail)	ROPS 20-21B Authorized Amounts	ROPS 20-21B Requested Adjustments	ROPS 20-21B Amended Total
A Enforceable Obligations Funded as Follows (B+C+D)	\$ -	\$ -	\$ -
B Bond Proceeds	-	-	-
C Reserve Balance	-	-	-
D Other Funds	-	-	-
E Redevelopment Property Tax Trust Fund (RPTTF) (F+G)	\$ 1,826,132	\$ 2,883,824	\$ 4,709,956
F RPTTF	1,659,367	2,883,824	4,543,191
G Administrative RPTTF	166,765	-	166,765
H Current Period Enforceable Obligations (A+E)	\$ 1,826,132	\$ 2,883,824	\$ 4,709,956

Certification of Oversight Board Chairman:

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

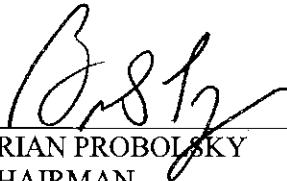
 Name Title

/s/ _____
 Signature Date

The foregoing was passed and adopted by the following vote of the Orange Countywide Oversight Board on TUESDAY, JULY 21, 2020:

YES: CHARLES BARFIELD, STEVE FRANKS, STEVE JONES, BRIAN PROBOLSKY, DEAN WEST, PHILLIP E. YARBROUGH

NOES:
EXCUSED: CHRIS GAARDER
ABSTAINED:

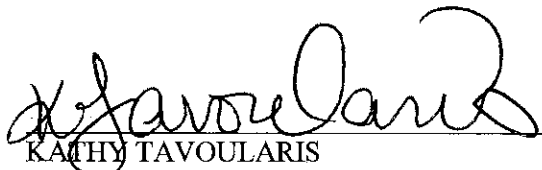


BRIAN PROBOLSKY
CHAIRMAN

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: 20-025

Agenda Date: Tuesday, July 21, 2020

Item No: 4A

RESOLUTION NO. 20-025

A RESOLUTION OF THE ORANGE COUNTYWIDE OVERSIGHT BOARD APPROVING THE ISSUANCE AND SALE OF TAX ALLOCATION REFUNDING BONDS BY THE SUCCESSOR AGENCY TO THE FULLERTON REDEVELOPMENT AGENCY AND AUTHORIZING CERTAIN OTHER ACTIONS IN CONNECTION THEREWITH

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

WHEREAS, a Redevelopment Plan for a redevelopment project known and designated as the "Merged Fullerton Redevelopment Project," which merged five previously existing redevelopment project areas, was adopted and approved by Ordinance No. 3082 of the City of Fullerton on December 19, 2006, and all requirements of law for and precedent to the adoption and approval of the Redevelopment Plan, as amended, have been duly complied with; and

WHEREAS, the Former Agency previously caused the City of Fullerton Public Financing Authority (Authority) to issue its 2005 Tax Allocation Revenue Bonds (2005 Bonds) in the original aggregate principal amount of \$74,600,000, and to loan the proceeds thereof to the Former Agency pursuant to three loan agreements between the Authority and the Former Agency (2005 Loan Agreements); and

WHEREAS, the Former Agency previously issued its 2010 Taxable Tax Allocation Housing Bonds (2010 Bonds) in the original aggregate principal amount of \$28,980,000; and

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

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

WHEREAS, the Former Agency, including its redevelopment powers, assets and obligations, was transferred on February 1, 2012 to the Successor Agency to the Fullerton Redevelopment Agency (Successor Agency); and

WHEREAS, on or about June 27, 2012, AB1484 was adopted as a trailer bill in connection with the State of California Fiscal Year 2012-13 budget; and

WHEREAS, AB1484 specifically authorizes the issuance of refunding bonds by the Successor Agency to refund the bonds or other indebtedness of the Former Agency in order to provide savings to the Successor Agency, provided that: (A) the total interest cost to maturity on the refunding bonds plus the principal amount of the refunding bonds shall not exceed the total

remaining interest cost to maturity on the bonds or other indebtedness to be refunded plus the remaining principal of the bonds or other indebtedness to be refunded; and (B) the principal amount of the refunding bonds shall not exceed the amount required to defease the bonds or other indebtedness to be refunded, to establish customary debt service reserves and to pay related costs of issuance; and

WHEREAS, the Successor Agency previously issued its Merged Fullerton Redevelopment Project Area 2015 Tax Allocation Refunding Bonds (2015 Bonds) to refund prior debt obligations of the Former Agency, pursuant to an Indenture of Trust, dated as of February 1, 2015 (2015 Indenture), by and between the Successor Agency and U.S. Bank National Association, as trustee; and

WHEREAS, the Successor Agency has been advised by its municipal advisor, Urban Futures, Inc. (UFI), that, given current market conditions, the Successor Agency is likely to achieve debt service savings through the issuance of tax allocation refunding bonds (2020 Bonds), which shall be publicly sold or privately placed as determined by the Authorized Officers (as such term is defined in Section 1), in order to prepay all or portions of the 2005 Loan Agreements, and to refund the 2010 Bonds; and

WHEREAS, for the corporate purposes of the Successor Agency, the Successor Agency desires to issue at this time the 2020 Bonds in an aggregate principal amount that is sufficient to prepay all or portions of the 2005 Loan Agreements, and to refund all or a portion of the 2010 Bonds, and to irrevocably set aside a portion of the proceeds of such 2020 Bonds in a separate segregated trust fund which will be used to prepay the 2005 Loan Agreements, and refund the 2010 Bonds being refunded, to pay costs in connection with the issuance of the 2020 Bonds and to make certain other deposits as required by the First Supplemental Indenture (as defined below); and

WHEREAS, the 2020 Bonds shall be issued pursuant to a First Supplemental Indenture of Trust (First Supplemental Indenture), by and between the Successor Agency and U.S. Bank National Association, as trustee, which shall amend and supplement the 2015 Indenture (such First Supplemental Indenture, together with the 2015 Indenture, the Indenture); and

WHEREAS, the 2020 Bonds shall be secured by a pledge of property tax revenues authorized by California Health and Safety Code Section 34177.5(a) and (g), pursuant to the provisions of Article 11 of Chapter 3 of Part 1 of Division 2 of Title 5 of the California Government Code; and

WHEREAS, Section 34179(j) of the Health and Safety Code provides for the appointment of a countywide oversight board (Oversight Board) with specific duties to approve certain Successor Agency actions pursuant to Section 34180 of the Health and Safety Code and to direct the Successor Agency in certain other actions pursuant to Section 34181 of the Health and Safety Code.

NOW, THEREFORE, BE IT RESOLVED BY THE ORANGE COUNTYWIDE OVERSIGHT BOARD, AS FOLLOWS:

Section 1. Each of the foregoing recitals is true and correct.

Section 2. The issuance by the Successor Agency to the Fullerton Redevelopment Agency of the 2020 Bonds, in one or more series on a taxable or tax-exempt basis, in an aggregate principal amount sufficient to prepay all or portions of the 2005 Loan Agreements, and to refund all or a portion of the 2010 Bonds, for the purpose of achieving debt service savings in accordance with Health & Safety Code Section 34177.5(a)(1) and the pledge of property tax revenues to the 2020 Bonds pursuant to the First Supplemental Indenture approved by Section 2 of the Resolution of the Successor Agency adopted on July 7, 2020 (Successor Agency Resolution) approving the issuance of the 2020 Bonds (as authorized by California Health and Safety Code Section 34177.5(a) and (g)) is hereby approved. The 2020 Bonds may be issued as a single issue or from time to time in separate series, on a taxable or tax-exempt basis, as the Successor Agency shall determine. The approval of the issuance of the 2020 Bonds by the Successor Agency and the Oversight Board shall constitute the approval of each and every separate series of 2020 Bonds and the sale of the 2020 Bonds at a public or private sale.

Section 3. The Successor Agency is authorized and directed to prepare, approve and execute the documents approved pursuant to the Successor Agency Resolution and such other documents, certificates and instruments as may be necessary or proper for carrying out the transactions contemplated by this Resolution, the Successor Agency Resolution and the First Supplemental Indenture, including, as necessary, to negotiate and enter into agreements relating to bond insurance and/or a reserve surety bond for the 2020 Bonds, the preparation of a notice of sale in connection with a competitive public sale of the 2020 Bonds, an official statement in connection with a public sale, a term sheet, rate lock agreement, placement agent agreement, and/or private placement memorandum in connection with a private sale, escrow or redemption instructions for the 2005 Loan Agreements and the 2010 Bonds, requests for subordination of pass-through payments to any affected taxing entity and related subordination agreements, and any additional agreements as may be required to carry out the purposes hereof without the need for any further approval from the Oversight Board.

Section 4. The Chair of the Oversight Board and the other officers and members of staff having responsibility for the affairs of the Oversight Board are hereby authorized and directed to execute such documents and certificates as they determine are necessary or appropriate to assist the Successor Agency in the issuance of the 2020 Bonds.

Section 5. Pursuant to the provisions of California Health and Safety Code Section 34177.5(f), the Successor Agency is expressly authorized to recover its related costs in connection with the transaction approved hereby, irrespective of whether the 2020 Bonds are issued.

Section 6. This Resolution shall take effect in accordance with Section 34177.5(f) and 34179(h) of the Health and Safety Code.

RESOLUTION NO. SA 2020-06

A RESOLUTION OF THE FULLERTON SUCCESSOR AGENCY OF THE CITY OF FULLERTON, CALIFORNIA, AUTHORIZING AN AMENDMENT TO THE RECOGNIZED OBLIGATION PAYMENT SCHEDULE 2020-2021

WHEREAS, the Fullerton Successor Agency to the Fullerton Redevelopment Agency (the "Successor Agency") has been established to take certain actions to wind down the affairs of the former Fullerton Redevelopment Agency (the "Former Agency") in accordance with the Health and Safety Code; and

WHEREAS, pursuant to Health and Safety Code Section 34177, the Recognized Obligation Payment Schedule (ROPS) prepared by the Successor Agency is to be submitted to the County Oversight Board for their approval; and

WHEREAS, the ROPS contains a list of enforceable obligations including, but not limited to, the following: 1) existing bond debt payments; 2) contracts, leases and agreements; 3) administering ongoing affordable housing and loan programs; 4) a stipulated judgement and 5) administrative budget allowance; and

WHEREAS, the ROPS includes all the funds the City of Fullerton Successor Agency will need to carry out the dissolution process of the former Fullerton Redevelopment Agency and pursuant to Health and Safety Code Section 34177(I)(1) shall identify the funding source of payment for the enforceable obligations listed on the ROPS; and

WHEREAS, the Successor Agency staff prepared the Recognized Obligation Payment Schedule 2020-2021 (the "ROPS 20-21") and administrative budget allowance for the time period of July 1, 2020 – June 30, 2021; and

WHEREAS, the Successor Agency is in the process of issuing its 2020 Tax Allocation Refunding Bonds, Series A and Series B (collectively the "2020 Bonds") to refund (a) three loans incurred by the Former Agency which, together, secure payment of the 2005 Tax Allocation Revenue Bonds and (b) the 2010 Taxable Tax Allocation Housing Bonds ; and

WHEREAS, following the issuance of the 2020 Bonds, the Successor Agency must amend the ROPS 20-21 bond debt service payment line items relating to the 2005 Bonds and the 2010 Bonds to reflect the new payment amounts for the 2020 Bonds, and to comply with the requirements of the bond indenture relating to the ROPS, and the ROPS 20-21 bond debt service payment line item for the existing 2015 Tax Allocation Refunding Bonds to comply with the requirements of the bond indenture relating to the ROPS.

NOW, THEREFORE, BE IT RESOLVED BY THE FULLERTON SUCCESSOR AGENCY TO THE FULLERTON REDEVELOPMENT AGENCY, AS FOLLOWS:

Section 1. The above recitals are true and correct and incorporated by reference herein.

Section 2. The amendment authorizing changes to bond debt service payment line items to comply with bond indentures to the Recognized Obligation Payment Schedule 2020-2021 (for the time period of July 1, 2020 – June 30, 2021) is hereby approved. The City Manager as Executive Director, or designee, and the Director of Administrative Services of the City are hereby authorized to complete the amendment to the ROPS 20-21 described herein upon the sale of the 2020 Bonds.

Section 3. Subsequent to the approval of this Resolution by the Successor Agency, this Resolution authorizing an amendment to the ROPS 20-21 and the amendment to ROPS 20-21 authorized by Section 2 hereof shall be transmitted to the Orange Countywide Oversight Board and the California Department of Finance for approval.


Section 4. The Secretary shall certify to the adoption of this Resolution.

ADOPTED BY THE FULLERTON SUCCESSOR AGENCY ON AUGUST 18, 2020.



Jennifer Fitzgerald
Chair

ATTEST:



Lucinda Williams, MMC
City Clerk / Secretary

September 11, 2020
Date

City of Fullerton

RESOLUTION CERTIFICATION

STATE OF CALIFORNIA)
COUNTY OF ORANGE) SS
CITY OF FULLERTON)

RESOLUTION NO. SA 2020-06

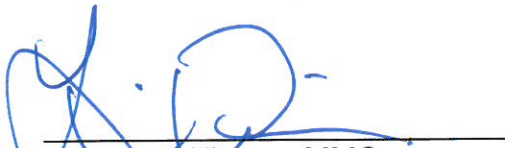
I, Lucinda Williams, City Clerk and ex-officio Secretary of the Successor Agency of the City of Fullerton, California, hereby certify that the whole number of the members of the Successor Agency of the City of Fullerton is five and that the above and foregoing Resolution No. SA 2020-06 was adopted at the August 18, 2020 Successor Agency regular meeting by the following vote:

AGENCY MEMBER AYES: Fitzgerald, Flory, Silva, Whitaker, Zahra

AGENCY MEMBER NOES: None

AGENCY MEMBER ABSTAINED: None

AGENCY MEMBER ABSENT: None



Lucinda Williams, MMC
City Clerk / Secretary

Orange Countywide Oversight Board

Agenda Item No. 9a

Date: 9/22/2020

From: Successor Agency to the Garden Grove Redevelopment Agency

Subject: Resolution of the Countywide Oversight Board Approving Amendment to the Recognized Obligation Payment Schedule (ROPS)

Recommended Action:

Approve resolution approving amendment to FY 20-21B ROPS for the Garden Grove Successor Agency

The Garden Grove Successor Agency requests approval of the Amended Recognized Obligation Payment Schedule (ROPS) 20-21B for the second half of Fiscal Year 20-21. The amendment would increase Redevelopment Property Tax Trust Fund (“RPTTF”) budget by \$700 for Line Item Number 6 – Katella Cottages OPA. This line item incurred approved allowable expenses during ROPS 19-20, but were not submitted for payment and paid until ROPS 20-21A period.

The Garden Grove Successor Agency resolution approving the Amended ROPS 20-21B was approved on September 8, 2020 at the regularly scheduled City of Garden Grove Successor Agency meeting. Successor Agency approval is subject to submittal to and approval by the Oversight Board and then by the State Department and Finance (DOF). The Successor Agency also requests authorization to post the approved Resolution and Amended ROPS 20-21B to the City’s website and to transmit the Amended ROPS 20-21B to the DOF. Further, the City of Garden Grove’s Community and Economic Development Director and her designees, in consultation with legal counsel, shall be authorized to make augmentations, modifications, additions or revisions as may be necessary or directed by DOF.

Impact on Taxing Entities

No fiscal impact until approved by DOF. If the DOF approves the Amended ROPS as submitted, the Successor Agency will increase its previously authorized ROPS 20-21B distribution amount of \$6,799,515 to \$6,800,215, a difference of \$700 in RPTTF and Other Funds for the period of January 1, 2021 to June 30, 2021, to pay the Successor Agency’s enforceable obligations.

Staff Contact(s)

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Lisa Kim
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City of Garden Grove
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Attachments

- Oversight Board Resolution Amending ROPS 20-21B

- Amended Recognized Obligation Payment Schedule 20-21B
- Pending Resolution from Garden Grove Successor Agency

RESOLUTION NO. _____

A RESOLUTION OF THE ORANGE COUNTYWIDE OVERSIGHT BOARD OF THE SUCCESSOR AGENCY TO THE GARDEN GROVE AGENCY FOR COMMUNITY DEVELOPMENT APPROVING THE AMENDED RECOGNIZED OBLIGATION PAYMENT SCHEDULE 20-21 B FOR THE PERIOD OF JANUARY 1, 2021 TO JUNE 30, 2021, SUBJECT TO SUBMITTAL TO, AND REVIEW BY THE STATE DEPARTMENT OF FINANCE UNDER CALIFORNIA HEALTH AND SAFETY CODE, DIVISION 24, PART 1.85; AUTHORIZING THE POSTING AND TRANSMITTAL THEREOF; AND AUTHORIZING THE COMMUNITY AND ECONOMIC DEVELOPMENT DIRECTOR, IN CONSULTATION WITH LEGAL COUNSEL, TO MAKE AUGMENTATIONS, MODIFICATIONS, ADDITIONS OR REVISIONS AS MAY BE NECESSARY OR DIRECTED BY DOF.

WHEREAS, the Garden Grove Agency for Community Development (“Former Agency”) was established as a community redevelopment agency that was previously organized and existing under the California Community Redevelopment Law, Health and Safety Code Sections 33000, *et seq.*, and previously authorized to transact business and exercise the powers of a redevelopment agency pursuant to action of the City Council (“City Council”) of the City of Garden Grove (“City”); and

WHEREAS, Assembly Bill x1 26 added Parts 1.8 and 1.85 to Division 24 of the California Health and Safety Code, which caused the dissolution of all redevelopment agencies and wind down of the affairs of former agencies, including as such laws were amended by Assembly Bill 1484 and by other subsequent legislation, and most recently by Senate Bill 107 (together, the “Dissolution Law”); and

WHEREAS, as of February 1, 2012 the former Agency was dissolved pursuant to the Dissolution Law, and, as a separate public entity, corporate and politic, the Successor Agency to the Garden Grove Agency for Community Development (“Successor Agency”) administers the enforceable obligations of the former Agency and otherwise unwinds the former Agency’s affairs, all subject to the review and approval by a seven-member oversight board (“Oversight Board”); and

WHEREAS, Section 34179 provides that the Oversight Board has fiduciary responsibilities to holders of enforceable obligations and the taxing entities that benefit from distributions of property tax and other revenues pursuant to Section 34188 of Part 1.85 of the Dissolution Law; and

WHEREAS, Sections 34177(m), 34177(o) and 34179 provide that each ROPS is submitted to, reviewed and approved by the Successor Agency and then reviewed and approved by the Oversight Board before final review and approval by the State Department of Finance (“DOF”); and

WHEREAS, Section 34177(o) of the Dissolution Law requires that beginning with the annual ROPS for the 16-17 fiscal period of July 1, 2016 to June 30, 2017 (“ROPS 16-17”) inclusive, and for each period from July 1 to June 30, inclusive, thereafter, shall be submitted to

the DOF by the Successor Agency, after approval by the Oversight Board, no later than February 1, 2016, and each February 1 thereafter; and

WHEREAS, Section 34177(E) provides that once per ROPS period, and no later than October 1, a Successor Agency may submit one amendment to the ROPS if the Oversight Board makes a finding that a revision is necessary for payment of approved enforceable obligations during the second one-half of the ROPS period defined as January 1 to June 30, inclusive. The Successor Agency may only amend the amount requested for payment of approved enforceable obligations; and

WHEREAS, the Orange Countywide Oversight Board has reviewed the Amended ROPS 20-21 B prepared, approved, and presented by the Successor Agency and desires to approve the Amended ROPS 20-21 B, and desires to authorize the Successor Agency, to cause posting of Amended ROPS 20-21 B on the City's website: <http://www.ci.garden-grove.ca.us/> and to direct transmittal of such ROPS to the DOF, with copies to the County Administrative Officer, the County Auditor-Controller, and the State Controller's Office.

NOW, THEREFORE, BE IT RESOLVED BY THE OVERSIGHT BOARD OF THE SUCCESSOR AGENCY TO THE GARDEN GROVE AGENCY FOR COMMUNITY DEVELOPMENT:

Section 1 □ The foregoing recitals are incorporated into this Resolution by this reference, and constitute a material part hereof.

Section 2 □ Pursuant to the Dissolution Law, the Orange Countywide Oversight Board hereby approves Amended ROPS 20-21 B; provided however, that the Amended ROPS 20-21 B is approved subject to the condition such ROPS is to be submitted to and reviewed by the State Department of Finance. Further, the Community and Economic Development Director and her designees, in consultation with legal counsel, shall be authorized to make augmentations, modifications, additions or revisions as may be necessary or directed by DOF.

Section 3 □ The Orange Countywide Oversight Board authorizes transmittal of the Amended ROPS 20-21 B to the DOF, with copies to the County Administrative Officer, the County Auditor-Controller, and the State Controller's Office.

Section 4 □ The Community and Economic Development Director or her authorized designee is directed to post this Resolution, including the Amended ROPS 20-21 B, on the City/Successor Agency website pursuant to the Dissolution Law.

Section 5 □ Pursuant to Section 34179(h) written notice and information about all actions taken by the Oversight Board shall be provided to the DOF by electronic means and in a manner of DOF's choosing. An Oversight Board's action shall become effective five (5) business days after notice in the manner specified by the DOF unless the DOF requests a review; provided however, that pursuant to Section 34177(m) as to each ROPS submitted the DOF shall make its determination of the enforceable obligations and the amounts and funding sources of the enforceable obligations thereon no later than 45 days after submittal.

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

**ATTACHMENT 1 TO
OVERSIGHT BOARD RESOLUTION NO. _____**

**AMENDED RECOGNIZED OBLIGATION PAYMENT SCHEDULE 19-20 B
FOR THE PERIOD OF JANUARY 1, 2020 TO JUNE 30, 2020**

(Attached)

**Amended Recognized Obligation Payment Schedule (ROPS 20-21B) - Summary
Filed for the January 1, 2021 through June 30, 2021 Period**

Successor Agency: Garden Grove

County: Orange

Current Period Requested Funding for Enforceable Obligations (ROPS Detail)	ROPS 20-21B Authorized Amounts	ROPS 20-21B Requested Adjustments	ROPS 20-21B Amended Total
A Enforceable Obligations Funded as Follows (B+C+D)	\$ 26,750	\$ -	\$ 26,750
B Bond Proceeds	-	-	-
C Reserve Balance	-	-	-
D Other Funds	26,750	-	26,750
E Redevelopment Property Tax Trust Fund (RPTTF) (F+G)	\$ 6,772,765	\$ 700	\$ 6,773,465
F RPTTF	6,516,307	700	6,517,007
G Administrative RPTTF	256,458	-	256,458
H Current Period Enforceable Obligations (A+E)	\$ 6,799,515	\$ 700	\$ 6,800,215

Certification of Oversight Board Chairman:

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

Name Title

/s/ _____
Signature Date

Garden Grove
Amended Recognized Obligation Payment Schedule (ROPS 20-21B) - ROPS Detail
January 1, 2021 through June 30, 2021

Item #	Project Name	Obligation Type	Total Outstanding Obligation	Authorized Amounts					Total	Requested Adjustments					Total	Notes
				Fund Sources						Fund Sources						
				Bond Proceeds	Reserve Balance	Other Funds	RPTTF	Admin RPTTF		Bond Proceeds	Reserve Balance	Other Funds	RPTTF	Admin RPTTF		
			\$113,892,626	\$-	\$-	\$26,750	\$6,516,307	\$256,458	\$6,799,515	\$-	\$-	\$-	\$700	\$-	\$700	
2	Hyatt Regency OPA	Business Incentive Agreements	\$-	-	-	-	-	-	\$-	-	-	-	-	-	\$-	
6	Katella Cottages OPA	OPA/DDA/ Construction	\$3,970,400	-	-	-	45,000	-	\$45,000	-	-	-	700	-	\$700	This amount is due as a result of underestimating the Item 6 payment on ROPS 19-20.
7	Katella Cottages Note	Bonds Issued On or Before 12/31/10	\$945,950	-	-	-	30,300	-	\$30,300	-	-	-	-	-	\$-	
9	Coastline Lease Payments	Miscellaneous	\$-	-	-	-	-	-	\$-	-	-	-	-	-	\$-	
14	Union Bank Loan	Third-Party Loans	\$-	-	-	-	-	-	\$-	-	-	-	-	-	\$-	
16	Sycamore Walk DDA	Remediation	\$45,000	-	-	-	-	-	\$-	-	-	-	-	-	\$-	
18	Housing Fund Deficit	SERAF/ERAF	\$10,154,260	-	-	-	3,100,000	-	\$3,100,000	-	-	-	-	-	\$-	
19	Waterpark Hotel DDA	Business Incentive Agreements	\$8,520,000	-	-	-	1,580,792	-	\$1,580,792	-	-	-	-	-	\$-	
20	Site B2 DDA	Business Incentive Agreements	\$3,300,000	-	-	-	360,000	-	\$360,000	-	-	-	-	-	\$-	
22	Brookhurst Triangle DDA	OPA/DDA/ Construction	\$7,200,000	-	-	-	-	-	\$-	-	-	-	-	-	\$-	
24	Project Management for Item 20 - Site B2	Project Management Costs	\$242,000	-	-	-	29,105	-	\$29,105	-	-	-	-	-	\$-	
25	Project Legal for Items 19-20	Legal	\$-	-	-	-	-	-	\$-	-	-	-	-	-	\$-	
27	Agency Property Maint/ Management	Property Maintenance	\$81,501	-	-	26,750	-	-	\$26,750	-	-	-	-	-	\$-	
31	Administrative Allowance	Admin Costs	\$4,000,000	-	-	-	-	-	\$-	-	-	-	-	-	\$-	
33	Brookhurst Triangle DDA	Property Dispositions	\$1,790,971	-	-	-	-	-	\$-	-	-	-	-	-	\$-	
34	Brookhurst Triangle DDA	Property Dispositions	\$1,490,971	-	-	-	-	-	\$-	-	-	-	-	-	\$-	
37	Project Management for Item 22 - Brookhurst	Project Management Costs	\$205,000	-	-	-	24,476	-	\$24,476	-	-	-	-	-	\$-	
39	2014 Tax Allocation Refunding Bonds	Refunding Bonds Issued After 6/27/ 12	\$25,199,225	-	-	-	514,225	-	\$514,225	-	-	-	-	-	\$-	

Item #	Project Name	Obligation Type	Total Outstanding Obligation	Authorized Amounts					Total	Requested Adjustments					Total	Notes
				Fund Sources						Fund Sources						
				Bond Proceeds	Reserve Balance	Other Funds	RPTTF	Admin RPTTF		Bond Proceeds	Reserve Balance	Other Funds	RPTTF	Admin RPTTF		
40	Limon Law Suit Settlement	Litigation	\$-	-	-	-	-	-	\$-	-	-	-	-	-	\$-	
47	Appraisals(s)	Admin Costs	\$-	-	-	-	-	-	\$-	-	-	-	-	-	\$-	
49	Limon Law Suit Settlement/ Judgement	Litigation	\$-	-	-	-	-	-	\$-	-	-	-	-	-	\$-	
50	Limon Law Suit Settlement/ Judgement	Litigation	\$-	-	-	-	-	-	\$-	-	-	-	-	-	\$-	
51	Housing Successor Administration	Admin Costs	\$-	-	-	-	-	-	\$-	-	-	-	-	-	\$-	
52	Item 39 Trustee Fee (2014 TARB)	Fees	\$155,320	-	-	-	3,340	-	\$3,340	-	-	-	-	-	\$-	
53	Item 19 Trustee Fee (Waterpark Bond)	Fees	\$241,420	-	-	-	2,340	-	\$2,340	-	-	-	-	-	\$-	
54	Item 7 Trustee Fee (Katella Cottages Note)	Fees	\$16,000	-	-	-	800	-	\$800	-	-	-	-	-	\$-	
55	Successor Agency Legal Fees for Limon Litigation (Item 49 & 50)	Legal	\$100,000	-	-	-	37,500	-	\$37,500	-	-	-	-	-	\$-	
56	2016 Tax Allocation Bonds (for Waterpark Hotel, Item 19)	Bonds Issued After 12/31/10	\$46,234,000	-	-	-	788,125	-	\$788,125	-	-	-	-	-	\$-	
57	Project Management for Item 19 - Water Park	Business Incentive Agreements	\$-	-	-	-	-	-	\$-	-	-	-	-	-	\$-	
58	Item 14 Dissemination Fees	Fees	\$608	-	-	-	304	-	\$304	-	-	-	-	-	\$-	
59	Unfunded CalPERS Pension Liabilities 2011-12	Unfunded Liabilities	\$-	-	-	-	-	-	\$-	-	-	-	-	-	\$-	
60	Unfunded CalPERS Pension Liabilities 2012-13	Unfunded Liabilities	\$-	-	-	-	-	-	\$-	-	-	-	-	-	\$-	
61	Unfunded CalPERS Pension Liabilities 2013-14	Unfunded Liabilities	\$-	-	-	-	-	-	\$-	-	-	-	-	-	\$-	
62	Unfunded CalPERS Pension Liabilities 2014-15	Unfunded Liabilities	\$-	-	-	-	-	-	\$-	-	-	-	-	-	\$-	
63	Unfunded CalPERS Pension Liabilities 2015-16	Unfunded Liabilities	\$-	-	-	-	-	-	\$-	-	-	-	-	-	\$-	
64	Unfunded CalPERS Pension Liabilities 2016-17	Unfunded Liabilities	\$-	-	-	-	-	-	\$-	-	-	-	-	-	\$-	
65	Unfunded CalPERS Pension Liabilities 2017-18	Unfunded Liabilities	\$-	-	-	-	-	-	\$-	-	-	-	-	-	\$-	

GARDEN GROVE SUCCESSOR AGENCY

RESOLUTION NO. 61-20

A RESOLUTION OF THE SUCCESSOR AGENCY TO THE GARDEN GROVE AGENCY FOR COMMUNITY DEVELOPMENT APPROVING THE AMENDED RECOGNIZED OBLIGATION PAYMENT SCHEDULE 20-21 B FOR THE PERIOD OF JANUARY 1, 2021 TO JUNE 30, 2021, SUBJECT TO SUBMITTAL TO, AND REVIEW BY THE OVERSIGHT BOARD AND THE STATE DEPARTMENT OF FINANCE UNDER CALIFORNIA HEALTH AND SAFETY CODE, DIVISION 24, PART 1.85; AND, AUTHORIZING THE POSTING AND TRANSMITTAL OF THE ROPS

WHEREAS, the Garden Grove Agency for Community Development ("Former Agency") was established as a community redevelopment agency that was previously organized and existing under the California Community Redevelopment Law, Health and Safety Code Sections 33000, *et seq.* ("CRL"), and previously authorized to transact business and exercise the powers of a redevelopment agency pursuant to action of the City Council ("City Council") of the City of Garden Grove ("City"); and

WHEREAS, Assembly Bill x1 26 added Parts 1.8 and 1.85 to Division 24 of the California Health and Safety Code, which caused the dissolution of all redevelopment agencies and wind down of the affairs of former agencies, including as such laws were amended by Assembly Bill 1484 and by other subsequent legislation, and most recently by Senate Bill 107 (together, the "Dissolution Law"); and

WHEREAS, as of February 1, 2012 the Former Agency was dissolved pursuant to the Dissolution Law, and, as a separate public entity, corporate and politic, the Successor Agency to the Garden Grove Agency for Community Development ("Successor Agency") administers the enforceable obligations of the former Agency and otherwise unwinds the Former Agency's affairs, all subject to the review and approval by an oversight board ("Oversight Board"); and

WHEREAS, Section 34179 provides that the Oversight Board has fiduciary responsibilities to holders of enforceable obligations and the taxing entities that benefit from distributions of property tax and other revenues pursuant to Section 34188 of Part 1.85 of the Dissolution Law; and

WHEREAS, Sections 34177(m), 34177(o) and 34179 provide that each ROPS is submitted to, reviewed and approved by the Successor Agency and then reviewed and approved by the Oversight Board before final review and approval by the State Department of Finance ("DOF"); and

WHEREAS, Section 34177(o) of the Dissolution Law requires that beginning with the annual ROPS for the 16-17 fiscal period of July 1, 2016 to June 30, 2017 ("ROPS 16-17") inclusive, and for each period from July 1 to June 30, inclusive, thereafter, shall be submitted to the DOF by the Successor Agency, after approval by the Oversight Board, no later than February 1, 2016, and each February 1 thereafter; and

WHEREAS, Section 34177(E) provides that once per ROPS period, and no later than October 1, a Successor Agency may submit one amendment to the ROPS if the Oversight Board makes a finding that a revision is necessary for payment of approved enforceable obligations during the second one-half of the ROPS period defined as January 1 to June 30, inclusive. The Successor Agency may only amend the amount requested for payment of approved enforceable obligations; and

WHEREAS, pursuant to Sections 34179.6 and 34177(I)(2)(B), the Successor Agency is required to submit the ROPS to the DOF with copies to the County Administrative Officer, the County Auditor-Controller, and the State Controller's Office at the same time that the Successor Agency submits the ROPS to the Oversight Board for review; and

WHEREAS, the Successor Agency has reviewed the draft Amended ROPS 20-21 B and desires to approve the Amended ROPS 20-21 B and to authorize the Successor Agency staff to transmit the Amended ROPS to the Oversight Board; and

WHEREAS, the Successor Agency staff is directed to post the Amended ROPS 20-21 B on the City/Successor Agency website: <https://ggcity.org/>

NOW, THEREFORE, BE IT RESOLVED BY THE SUCCESSOR AGENCY TO THE GARDEN GROVE AGENCY FOR COMMUNITY DEVELOPMENT:

Section 1. The foregoing recitals are incorporated into this Resolution by this reference, and constitute a material part of this Resolution.

Section 2. Pursuant to the Dissolution Law, the Successor Agency approves the Amended ROPS 20-21 B, which schedule is incorporated herein by this reference; provided however, that the Amended ROPS 20-21 B is approved subject to transmittal of the Amended ROPS to the Oversight Board for review and approval with copies of the Amended ROPS to be sent concurrently to the DOF, the County Administrative Officer, the County Auditor-Controller, and the State Controller's Office. Further, the Community and Economic Development Director, or her designee, in consultation with legal counsel, is hereby authorized to make augmentations, modifications, additions or revisions as may be necessary or directed by DOF, and changes, if any, will be reported back to the Successor Agency and the Oversight Board.

Section 3. After approval by the Oversight Board, the Successor Agency authorizes transmittal of the approved Amended ROPS 20-21 B to the DOF, the County Administrative Officer, the County Auditor-Controller, and the State Controller's Office.

Section 4. Community and Economic Development Director, or her designee, is directed to post this Resolution, including the Amended ROPS 20-21 B, on the City/Successor Agency website pursuant to the Dissolution Law.

Section 5. The Secretary of the Successor Agency shall certify to the adoption of this Resolution.

Adopted this 8th day of September 2020

ATTEST:



SECRETARY



CHAIR

STATE OF CALIFORNIA)
COUNTY OF ORANGE) SS:
CITY OF GARDEN GROVE)

I, TERESA POMEROY, Secretary of The City of Garden Grove as Successor Agency to the Garden Grove Agency for Community Development, do hereby certify that the foregoing Resolution was duly adopted by the Successor Agency, at a meeting held on the 8th day of September 2020, by the following vote:

AYES: MEMBERS: (7) BRIETIGAM, BUI, O'NEILL, NGUYEN D.,
KLOPFENSTEIN, NGUYEN K., JONES
NOES: MEMBERS: (0) NONE
ABSENT: MEMBERS: (0) NONE



SECRETARY

[Resolution continues on next page]

ATTACHMENT 1
to Successor Agency Resolution No. ____-____

AMENDED RECOGNIZED OBLIGATION PAYMENT SCHEDULE 20-21 B
FOR SIX-MONTH FISCAL PERIOD JANUARY 1, 2021 TO JUNE 30, 2021

(attached)

**Amended Recognized Obligation Payment Schedule (ROPS 20-21B) - Summary
Filed for the January 1, 2021 through June 30, 2021 Period**

Successor Agency: Garden Grove
County: Orange

Current Period Requested Funding for Enforceable Obligations (ROPS Detail)	ROPS 20-21B Authorized Amounts	ROPS 20-21B Requested Adjustments	ROPS 20-21B Amended Total
A Enforceable Obligations Funded as Follows (B+C+D)	\$ 26,750	\$ -	\$ 26,750
B Bond Proceeds	-	-	-
C Reserve Balance	-	-	-
D Other Funds	26,750	-	26,750
E Redevelopment Property Tax Trust Fund (RPTTF) (F+G)	\$ 6,772,765	\$ 700	\$ 6,773,465
F RPTTF	6,516,307	700	6,517,007
G Administrative RPTTF	256,458	-	256,458
H Current Period Enforceable Obligations (A+E)	\$ 6,799,515	\$ 700	\$ 6,800,215

Certification of Oversight Board Chairman:

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

Steve Jones chair
Name Title

/s/ Steve Jones 9/11/2020
Signature Date

Garden Grove
 Amended Recognized Obligation Payment Schedule (ROPS 20-21B) - ROPS Detail
 January 1, 2021 through June 30, 2021

Item #	Project Name	Obligation Type	Total Outstanding Obligation	Authorized Amounts					Requested Adjustments					Notes	
				Fund Sources					Fund Sources						
				Bond Proceeds	Reserve Balance	Other Funds	RPTTF	Admin RPTTF	Total	Bond Proceeds	Reserve Balance	Other Funds	RPTTF		Admin RPTTF
			\$113,892,626	\$-	\$26,750	\$6,516,307	\$256,458	\$6,799,515	\$-	\$-	\$-	\$700	\$-	\$700	
2	Hyatt Regency OPA	Business Incentive Agreements	\$-	-	-	-	-	\$-	-	-	-	-	-	-	
6	Katella Cottages OPA	OPA/DDA/ Construction	\$3,970,400	-	-	45,000	-	\$45,000	-	-	-	700	-	-	This amount is due as a result of underestimating the Item 6 payment on ROPS 19-20.
7	Katella Cottages Note	Bonds Issued On or Before 12/31/10	\$945,950	-	-	30,300	-	\$30,300	-	-	-	-	-	-	
9	Coastline Lease Payments	Miscellaneous	\$-	-	-	-	-	\$-	-	-	-	-	-	-	
14	Union Bank Loan	Third-Party Loans	\$-	-	-	-	-	\$-	-	-	-	-	-	-	
16	Sycamore Walk DDA	Remediation	\$45,000	-	-	-	-	\$-	-	-	-	-	-	-	
18	Housing Fund Deficit	SERAF/ERAF	\$10,154,260	-	-	3,100,000	-	\$3,100,000	-	-	-	-	-	-	
19	Waterpark Hotel DDA	Business Incentive Agreements	\$8,520,000	-	-	1,580,792	-	\$1,580,792	-	-	-	-	-	-	
20	Site B2 DDA	Business Incentive Agreements	\$3,300,000	-	-	360,000	-	\$360,000	-	-	-	-	-	-	
22	Brookhurst Triangle DDA	OPA/DDA/ Construction	\$7,200,000	-	-	-	-	\$-	-	-	-	-	-	-	
24	Project Management for Item 20 - Site B2	Project Management Costs	\$242,000	-	-	29,105	-	\$29,105	-	-	-	-	-	-	
25	Project Legal for Items 19-20	Legal	\$-	-	-	-	-	\$-	-	-	-	-	-	-	
27	Agency Property Maint/ Management	Property Maintenance	\$81,501	-	26,750	-	-	\$26,750	-	-	-	-	-	-	
31	Administrative Allowance	Admin Costs	\$4,000,000	-	-	-	-	\$-	-	-	-	-	-	-	
33	Brookhurst Triangle DDA	Property Dispositions	\$1,790,971	-	-	-	-	\$-	-	-	-	-	-	-	
34	Brookhurst Triangle DDA	Property Dispositions	\$1,490,971	-	-	-	-	\$-	-	-	-	-	-	-	
37	Project Management for Item 22 - Brookhurst	Project Management Costs	\$205,000	-	-	24,476	-	\$24,476	-	-	-	-	-	-	
39	2014 Tax Allocation Refunding Bonds	Refunding Bonds Issued After 6/27/12	\$25,199,225	-	-	514,225	-	\$514,225	-	-	-	-	-	-	

June 24, 2020

Dave Barisic
Brandywine Homes
16580 Aston Street
Irvine, California 92606

Steven R. Jones
Mayor

John R. O'Neill
Mayor Pro Tem - District 2

George S. Brietigam
Council Member - District 1

Diedre Thu-Ha Nguyen
Council Member - District 3

Patrick Phat Bui
Council Member - District 4

Stephanie Klopfenstein
Council Member - District 5

Kim Bernice Nguyen
Council Member - District 6

RE: FY 2019 - 2020 Katella Cottages Excess Tax Increment Payment

Dear Mr. Barisic,

The Agency recently received the necessary calculations from our property tax consultant, HdL, to determine if there would be an Excess Tax Increment Payment for the Katella Cottages project for fiscal year 2019 – 2020. For 2019 – 2020, the Net Tax Increment Revenue generated by the project available for debt service was \$206,349.88 and the debt service amount for 2019 – 2020 equaled \$175,650. The Net Tax Increment Revenue exceeded the debt service amount by \$30,699.88 therefore, pursuant to the note; you will be receiving this amount split up into payments per the letter dated September 8, 2008.

For your convenience and review, I have attached both the FY 2019 – 2020 Revenue Spreadsheet for the Katella Cottages project as well as the Payment Schedule for the 2008 Subordinate Promissory Note. If you have any further questions, please do not hesitate to contact me at (714) 741-5130.

Sincerely,



Grace Lee
Sr. Economic Development Specialist

Attachments

Copies: James Barisic
Brett Whitehead

Katella Cottages OPA
Revenues for Fiscal Year 2019-20

APN	Owner	2019-20 Roll Value		Improvement Value	Taxable Value	RDA Tax Rate	RDA Tax Revenue	Combined RDA Tax Rev. Billed	2019-20 Taxes Paid	Supplemental Paid	Total Paid	Combined RDA Tax Rev. Unpaid
		Land Value	RDA Tax Rate									
132-491-01	LE JUSTIN	122,405	368,213	490,618	1.0000%	4,906.18	4,906.18	4,906.18	4,906.18	0.00	4,906.18	0.00
132-491-02	TRUONG JOSEPH J	311,998	335,422	647,420	1.0000%	6,474.20	6,474.20	6,474.20	6,474.20	0.00	6,474.20	0.00
132-491-03	VITTITOW WILLIAM LINN	260,252	412,048	412,300	1.0000%	4,123.00	4,123.00	4,123.00	4,123.00	0.00	4,123.00	0.00
132-491-04	NGUYEN QUOC MINH	322,201	388,799	711,000	1.0000%	7,110.00	7,110.00	7,110.00	7,110.00	0.00	7,110.00	0.00
132-491-05	KIM JOON HWAN	209,629	393,331	602,960	1.0000%	6,029.60	6,029.60	6,029.60	6,029.60	0.00	6,029.60	0.00
132-491-06	Bac Nguyen & Duc Hua Living Trust	235,345	346,444	581,789	1.0000%	5,817.89	5,817.89	5,817.89	5,817.89	0.00	5,817.89	0.00
132-491-07	CHOI MUNHO	248,975	382,021	630,996	1.0000%	6,309.96	6,309.96	6,309.96	6,309.96	0.00	6,309.96	0.00
132-491-08	LE TODD T D	284,968	352,797	637,765	1.0000%	6,377.65	6,377.65	6,377.65	6,377.65	0.00	6,377.65	0.00
132-491-09	BUI VICKIE VANANH	217,821	361,777	579,548	1.0000%	5,795.48	5,795.48	5,795.48	5,795.48	0.00	5,795.48	0.00
132-491-10	GONZALEZ FRANCISCO	322,201	388,799	711,000	1.0000%	7,110.00	7,110.00	7,110.00	7,110.00	0.00	7,110.00	0.00
132-491-11	LOI REAL ESTATE INVESTMENTS LLC	216,888	382,021	598,909	1.0000%	5,989.09	5,989.09	5,989.09	5,989.09	0.00	5,989.09	0.00
132-491-12	TRINH DOUGLAS DUNG TRUST D D AND P K TRINH REVOC	104,402	397,761	502,163	1.0000%	5,021.63	5,021.63	5,021.63	5,021.63	0.00	5,021.63	0.00
132-491-13	TRUONG CHRISTOPHER	189,563	423,723	613,286	1.0000%	6,132.86	6,132.86	6,132.86	6,132.86	0.00	6,132.86	0.00
132-491-14	NGUYEN DUC H	386,000	325,000	711,000	1.0000%	7,110.00	7,110.00	7,110.00	7,110.00	0.00	7,110.00	0.00
132-491-15	DINH ANH T Q AND HOLLY	296,329	414,671	711,000	1.0000%	7,110.00	7,110.00	7,110.00	7,110.00	0.00	7,110.00	0.00
132-491-16	HY PROPERTY INC.	293,126	414,874	708,000	1.0000%	7,080.00	7,080.00	7,080.00	7,080.00	0.00	7,080.00	0.00
132-491-17	GOMEZ MANUEL	146,672	333,109	479,781	1.0000%	4,797.81	4,797.81	4,797.81	4,797.81	1,764.14	6,561.95	0.00
132-491-18	Pham Tyler Tuan	217,688	345,076	562,764	1.0000%	5,627.64	5,627.64	5,627.64	5,627.64	0.00	5,627.64	0.00
132-491-19	VO KATRINA	139,800	333,109	472,909	1.0000%	4,729.09	4,729.09	4,729.09	4,729.09	0.00	4,729.09	0.00
132-491-20	BUI TRANG HUONG TRUST	181,824	336,126	517,950	1.0000%	5,179.50	5,179.50	5,179.50	5,179.50	0.00	5,179.50	0.00
132-491-21	HONG STEPHEN	349,057	335,422	684,479	1.0000%	6,844.79	6,844.79	6,844.79	6,844.79	0.00	6,844.79	0.00
132-491-22	PHAM MAX NGOC	167,848	399,150	566,998	1.0000%	5,669.98	5,669.98	5,669.98	5,669.98	0.00	5,669.98	0.00
132-491-23	LN VENTURES LLC	394,809	319,191	714,000	1.0000%	7,140.00	7,140.00	7,140.00	7,140.00	0.00	7,140.00	0.00
132-491-24	ZAGUB ABDELWAHAB AWAD	282,343	459,657	742,000	1.0000%	7,420.00	7,420.00	7,420.00	7,420.00	0.00	7,420.00	0.00
132-491-26	New Sun Investment Group Inc.	381,401	322,399	703,800	1.0000%	7,038.00	7,038.00	7,038.00	7,038.00	0.00	7,038.00	0.00
132-491-27	Nguyen Andrew Tuan Van	322,709	434,131	756,840	1.0000%	7,568.40	7,568.40	7,568.40	7,568.40	178.20	7,746.60	0.00
132-491-28	NGUYEN MINHAI P	337,201	388,799	726,000	1.0000%	7,260.00	7,260.00	7,260.00	7,260.00	0.00	7,260.00	0.00
132-491-29	KLEIN LAWRENCE	302,012	439,988	742,000	1.0000%	7,420.00	7,420.00	7,420.00	7,420.00	0.00	7,420.00	0.00
132-491-30	MANUSIG ANA MAY	352,298	373,702	726,000	1.0000%	7,260.00	7,260.00	7,260.00	7,260.00	0.00	7,260.00	0.00
132-491-31	QUIJANO ELENA C	318,829	423,171	742,000	1.0000%	7,420.00	7,420.00	7,420.00	7,420.00	0.00	7,420.00	0.00
132-491-32	TRANG TOM TRUST T T AND Y B TROUNG FAMILY TRUST	271,792	397,761	669,553	1.0000%	6,695.53	6,695.53	6,695.53	6,695.53	0.00	6,695.53	0.00
132-491-33	DUONG LUAT	344,060	397,940	742,000	1.0000%	7,420.00	7,420.00	7,420.00	7,420.00	0.00	7,420.00	0.00
132-491-34	DO GREGORY HUNG	367,699	358,301	742,000	1.0000%	7,420.00	7,420.00	7,420.00	7,420.00	0.00	7,420.00	0.00
132-491-35	NGUYEN VIEN LAM	344,060	397,940	742,000	1.0000%	7,420.00	7,420.00	7,420.00	7,420.00	0.00	7,420.00	0.00
132-491-36	JIN FENGYUN	379,837	346,163	726,000	1.0000%	7,260.00	7,260.00	7,260.00	7,260.00	0.00	7,260.00	0.00
132-491-37	THAI KIM L TRUST	344,060	397,940	742,000	1.0000%	7,420.00	7,420.00	7,420.00	7,420.00	0.00	7,420.00	0.00
132-491-38	Patel Prefulchandra R	391,877	349,123	741,000	1.0000%	7,410.00	7,410.00	7,410.00	7,410.00	124.50	7,534.50	0.00
132-491-39	HUYNH LIEM T	222,382	382,021	604,403	1.0000%	6,044.03	6,044.03	6,044.03	6,044.03	0.00	6,044.03	0.00
132-491-40	NGUYEN DUONG FAMILY LIVING TRUST	373,767	375,321	749,088	1.0000%	7,490.88	7,490.88	7,490.88	7,490.88	0.00	7,490.88	0.00
132-491-41	TRAN DANNY	396,000	330,000	726,000	1.0000%	7,260.00	7,260.00	7,260.00	7,260.00	0.00	7,260.00	0.00
132-491-42	DURO ELISA V	394,809	319,191	714,000	1.0000%	7,140.00	7,140.00	7,140.00	7,140.00	0.00	7,140.00	0.00
132-491-43	HERITAGE OWNERS ASSOCIATION											
132-491-44	HERITAGE OWNERS ASSOCIATION											
				27,504,061								
										2,066.84		
								277,107.45	275,040.61	2,066.84	277,107.45	
												2,066.84
												2,066.84
												2,066.84

Special Projects/Garden Grove Katella Cottages/Katella Cottages - 2019-20

2019-20 Roll Revenue: **275,040.61**
 Less Base Year Value @ 1%: **(19,170.10)**
 Incremental 2019-20 Roll Value Revenue: **255,870.51**
 Less Housing Set-Aside @ 20%: **(51,174.10)**
 Net Revenue to Agency: **204,696.41**

2019-20 Roll Revenue: **275,040.61**
 Less Base Year Value @ 1%: **(19,170.10)**
 2019-20 Revenue Collected: **257,937.35**
 Less Housing Set-Aside @ 20%: **(51,587.47)**
 Net Revenue Available for Debt Service: **206,349.88**

Debt Service Payment \$ **175,650.00**
 Payment due to Brandywine Homes Per OPA Agreement \$ **30,699.88**
 60% James Barrick \$ **18,419.93**
 20% David Barrick \$ **6,139.98**
 20% Brett Whitehead \$ **6,139.98**

**KATELLA COTTAGES
2008 SUBORDINATE PROMISSORY NOTE
BUDGET INFORMATION**

Fiscal Year	Principal	Coupon	Interest	BUDGET PAYMENT	Debt Service
2008-09			\$ 36,941.67	\$ 36,941.67	\$ 36,941.67
2009-10	\$ 60,000.00	0.06	\$ 120,900.00	\$ 179,100.00	\$ 180,900.00
2010-11	\$ 65,000.00	0.06	\$ 117,300.00	\$ 180,350.00	\$ 182,300.00
2011-12	\$ 65,000.00	0.06	\$ 113,400.00	\$ 176,450.00	\$ 178,400.00
2012-13	\$ 70,000.00	0.06	\$ 109,500.00	\$ 177,400.00	\$ 179,500.00
2013-14	\$ 75,000.00	0.06	\$ 105,300.00	\$ 178,050.00	\$ 180,300.00
2014-15	\$ 80,000.00	0.06	\$ 100,800.00	\$ 178,400.00	\$ 180,800.00
2015-16	\$ 85,000.00	0.06	\$ 96,000.00	\$ 178,450.00	\$ 181,000.00
2016-17	\$ 90,000.00	0.06	\$ 90,900.00	\$ 178,200.00	\$ 180,900.00
2017-18	\$ 95,000.00	0.06	\$ 85,500.00	\$ 177,650.00	\$ 180,500.00
2018-19	\$ 100,000.00	0.06	\$ 79,800.00	\$ 176,800.00	\$ 179,800.00
2019-20	\$ 105,000.00	0.06	\$ 73,800.00	\$ 175,650.00	\$ 178,800.00
2020-21	\$ 115,000.00	0.06	\$ 67,500.00	\$ 179,050.00	\$ 182,500.00
2021-22	\$ 120,000.00	0.06	\$ 60,600.00	\$ 177,000.00	\$ 180,600.00
2022-23	\$ 130,000.00	0.06	\$ 53,400.00	\$ 179,500.00	\$ 183,400.00
2023-24	\$ 135,000.00	0.06	\$ 45,600.00	\$ 176,550.00	\$ 180,600.00
2024-25	\$ 145,000.00	0.06	\$ 37,500.00	\$ 178,150.00	\$ 182,500.00
2025-26	\$ 150,000.00	0.06	\$ 28,800.00	\$ 174,300.00	\$ 178,800.00
2026-27	\$ 160,000.00	0.06	\$ 19,800.00	\$ 175,000.00	\$ 179,800.00
2027-28	\$ 170,000.00	0.06	\$ 10,200.00	\$ 901,870.84	\$ 180,200.00
TOTALS	\$ 2,015,000.00		\$ 1,453,541.67		\$ 3,468,541.67

Orange Countywide Oversight Board

Agenda Item No. 10a

Date: 9/22/2020

From: Successor Agency to the Garden Grove Redevelopment Agency

Subject: Resolution of the Countywide Oversight Board Approving the transfer of certain real property to New Age Brookhurst, LLC in accordance with the Long Range Property Management Plan and Dissolution Laws

Recommended Action:

Approve resolution to transfer certain real property to New Age Brookhurst, LLC in accordance with the Long Range Property Management Plan.

The Garden Grove Successor Agency requests approval of a resolution approving the transfer of certain real property to New Age Brookhurst, LLC in accordance with the Long Range Property Management Plan and the dissolution laws.

The Disposition and Development Agreement (“DDA”) by and between the Garden Grove Agency for Community Development (“Former Agency”) and the Developer dated November 24, 2010, contemplates the sale and subsequent development of the Brookhurst Triangle property in two phases. Specifically, Section 201 of the DDA requires conveyance of the properties to the developer in Phases.

On March 7, 2014, the Revised Long Range Property Management Plan (“LRPMP”) was approved by the State Department of Finance. The LRPMP, among other things, designates the Site (identified in lines 8 through 20 on the matrix attached to the LRPMP) (composed of “Phase I Property” and “Phase II Property.”) as an enforceable obligation and for the property to be conveyed to New Age in accordance with the DDA.

The Successor Agency conveyed all Phase I Property to New Age in accordance with the DDA and the LRPMP. The Developer completed Phase I Property development with construction of 180 new apartment Homes.

The Successor Agency now seeks Oversight Board approval, pursuant to the attached Resolution ___ - ___ for the transfer of Phase II properties in accordance with the LRPMP identified properties 8 through 16 and properties 19 and 20 on the LRPMP Matrix in Subphases, as that term is defined in the DDA, with properties 15, 16, 19 and 20 closing on or before December 31, 2020 and properties 8 through 16, 19 and 20 closing on or before December 31, 2022.

The Garden Grove Successor Agency approved a resolution approving the transfer of certain real property to New Age Brookhurst LLC in accordance with the Long Range Property Management Plan and the dissolution laws at its regularly scheduled meeting on Tuesday, September 8, 2020. Successor Agency approval is subject to submittal to and approval by the Countywide Oversight Board and by the State Department and Finance (DOF). The Successor Agency also requests authorization to post the approved Resolution to the City’s website and to transmit the Resolution to the DOF. Further, the City of Garden Grove’s City Manager and his designees, in consultation with legal counsel, shall be authorized to make augmentations, modifications, additions or revisions as may be necessary or directed by DOF.

Impact on Taxing Entities

No impact. The taxing entities will receive proceeds in accordance with the DDA.

Staff Contact(s)

Grace Lee, Sr. Economic Development Specialist
Office of Economic Development
City of Garden Grove
Phone: 714-741-5130
gracel@ggcity.org

Lisa Kim
Assistant City Manager/Community and Economic Development Director
City of Garden Grove
lisak@ggcity.org

Attachments

Successor Agency Approved Resolution
Proposed Oversight Board Resolution
Phases of Brookhurst Triangle Property Transfer Chart
Long Range Property Management Plan
DOF Letter of Approval of Long Range Property Management Plan
Resolution No. 31-14 Approving Revised Long Range Property Management Plan
Disposition and Development Agreement

RESOLUTION NO. _____

IN THE MATTER OF APPROVING THE TRANSFER OF CERTAIN REAL PROPERTY TO NEW AGE BROOKHURST LLC IN ACCORDANCE WITH THE LONG RANGE PROPERTY MANAGEMENT PLAN AND THE DISSOLUTION LAWS

WHEREAS, the Successor Agency to the Garden Grove Agency for Community Development (“Successor Agency”) is a public body corporate and politic, organized and operating under Parts 1.8 and 1.85 of Division 24 of the California Health and Safety Code, and the successor the former Garden Grove Agency for Community Development (“former Agency”) that was previously a community redevelopment agency. organized and existing pursuant to the Community Redevelopment Law, Health and Safety Code Section 33000, et seq. (“CRL”); and

WHEREAS, Assembly Bill lx26 (“AB lx26”) added Parts 1.8 and 1.85 to Division 24 of the California Health & Safety Code and which laws were modified, in part, and determined constitutional by the California Supreme Court in the petition *California Redevelopment Association, et al. v. Ana Matosantos, et al., Case No. S194861* (“*Matosantos Decision*”), which laws and court opinion caused the dissolution of all redevelopment agencies and winding down of the affairs of former redevelopment agencies; thereafter, such laws were amended further by Assembly Bill 1484 (“AB 1484”) (together AB lx26, the *Matosantos Decision*, and AB 1484 are referred to as the “Dissolution Laws”); and

WHEREAS, as of February 1, 2012 the former Agency was dissolved pursuant to the Dissolution Laws and as a separate public entity, corporate and politic the Successor Agency administers the enforceable obligations of the former Agency and otherwise unwinds the former Agency's affairs, all subject to the review and approval by a seven-member oversight board (“Oversight Board”); and

WHEREAS, Health and Safety Code Section 34191.5(b) requires the Successor Agency to prepare a “long-range property management plan” (also referred to herein as the “LRPMP”) addressing the future disposition and use of all real property of the former Agency no later than six months following the issuance to the Successor Agency of a finding of completion by the State Department of Finance (“DOF”) pursuant to Health and Safety Code Section 34179.7; and

WHEREAS, the DOF issued a finding of completion to the Successor Agency on May 15, 2013; and

WHEREAS, the Successor Agency prepared an LRPMP and the LRPMP prepared by the Successor Agency was approved by the Oversight Board and the DOF; and

WHEREAS, the approved LRPMP designates the subject real property (identified in lines 8 through 16, 19 and 20 on the matrix attached to the LRPMP) (the “Property”) as the Phase II property to be conveyed in accordance with the Disposition and Development Agreement by and between the former Agency and New Age Brookhurst LLC (“New Age”), dated November 24, 2010 and in accordance with LRPMP to New Age; and

WHEREAS, the Agency will transfer the Properties, identified as 15, 16, 19, and 20 on the LRPMP and Matrix to New Age on or before December 31, 2020 and 8 through 16, 19, and 20 on or before December 31, 2022; and

WHEREAS, the conveyance of the Property to New Age complies with the CRL, the Dissolution Laws and the LRPMP.

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

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

SECTION 2. The Countywide Oversight Board hereby approves and authorizes the conveyance of the Property in accordance with the approved LRPMP.

SECTION 3. The Chair of the Countywide Oversight Board shall sign the passage and adoption of this Resolution and thereupon the same shall take effect and be in force.

SECTION 4. The Successor Agency Director is hereby directed to transmit this Resolution to DOF.

SECTION 6. The approval of this Resolution does not commit the 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 7. If any provision of this Resolution or the application of any such provision to any person or circumstance is held valid, such invalidity shall not affect other provisions or applications of this Resolution that can be given effect without the invalid provision or application, and to this end the provisions of this Resolution are severable. The Oversight Board declares that the Oversight Board would have adopted this Resolution irrespective of the invalidity of any particular portion of this Resolution.

SECTION 8. This Resolution shall be effective immediately upon adoption.

SECTION 9. The Clerk of the Oversight Board shall certify to the adoption of this Resolution.

GARDEN GROVE SUCCESSOR AGENCY

RESOLUTION NO. 62-20

A RESOLUTION OF THE SUCCESSOR AGENCY TO THE GARDEN GROVE AGENCY FOR
COMMUNITY DEVELOPMENT APPROVING THE TRANSFER OF CERTAIN REAL
PROPERTY TO NEW AGE BROOKHURST LLC IN ACCORDANCE WITH THE LONG
RANGE PROPERTY MANAGEMENT PLAN AND DISSOLUTION LAW

WHEREAS, the Successor Agency to the Garden Grove Agency for Community Development ("Successor Agency") is a public body corporate and politic, organized and operating under Parts 1.8 and 1.85 of Division 24 of the California Health and Safety Code, and the successor the former Garden Grove Agency for Community Development ("former Agency") that was previously a community redevelopment agency organized and existing pursuant to the Community Redevelopment Law, Health and Safety Code Section 33000, et seq. ("CRL");

WHEREAS, Assembly Bill 1x26 ("AB 1x26") added Parts 1.8 and 1.85 to Division 24 of the California Health & Safety Code and which laws were modified, in part, and determined constitutional by the California Supreme Court in the petition *California Redevelopment Association, et al. v. Ana Matosantos, et al.*, Case No. S194861 ("*Matosantos Decision*"), which laws and court opinion caused the dissolution of all redevelopment agencies and winding down of the affairs of former redevelopment agencies; thereafter, such laws were amended further by Assembly Bill 1484 {"AB 1484"} (together AB 1x26, the *Matosantos Decision*, and AB 1484 are referred to as the "Dissolution Laws");

WHEREAS, as of February 1, 2012 the former Agency was dissolved pursuant to the Dissolution Laws and as a separate public entity, corporate and politic the Successor Agency administers the enforceable obligations of the former Agency and otherwise unwinds the former Agency's affairs, all subject to the review and approval by the seven-member oversight board ("Successor Agency");

WHEREAS, Health and Safety Code Section 34191.5(b) requires the Successor Agency to prepare a "long-range property management plan" (also referred to herein as the "LRPMP") addressing the future disposition and use of all real property of the former Agency no later than six months following the issuance to the Successor Agency of a finding of completion by the State Department of Finance ("DOF") pursuant to Health and Safety Code Section 34179.7;

WHEREAS, DOF issued a finding of completion to the Successor Agency on May 15, 2013;

WHEREAS, the Successor Agency prepared an LRPMP and the LRPMP prepared by the Successor Agency was approved by the Successor Agency and the DOF;

WHEREAS, the approved LRPMP designates the subject real property (identified in lines 8 through 16, 19 and 20 on the matrix attached to the LRPMP) (the "Property") as the Phase II property to be conveyed in accordance with the Disposition and Development Agreement by and between the former Agency and New Age Brookhurst LLC ("New Age"), dated November 24, 2010 and in accordance with LRPMP to New Age;

WHEREAS, the Agency will transfer the Properties, identified as 15, 16, 19, and 20 on the LRPMP to New Age on or before December 31, 2020 and 8 through 16, 19 and 20 on or before December 31, 2022; and

WHEREAS, the conveyance of the Property to New Age complies with the Community Redevelopment Law, Dissolution Laws and the LRPMP.

NOW, THEREFORE, BE IT RESOLVED BY THE SUCCESSOR AGENCY TO THE GARDEN GROVE AGENCY FOR COMMUNITY DEVELOPMENT:

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

Section 2. The Successor Agency hereby approves and authorizes the conveyance of the Property in accordance with the approved LRPMP.

Section 3. The Director of the Successor Agency shall sign the passage and adoption of this Resolution and thereupon the same shall take effect and be in force.

Section 4. After approval by the Countywide Oversight Board, the Successor Agency authorizes transmittal of the Resolution to the DOF.

Section 5. The Secretary of the Successor Agency shall certify to the adoption of this Resolution.

Adopted this 8th day of September 2020.

ATTEST:



SECRETARY



CHAIR

STATE OF CALIFORNIA)
COUNTY OF ORANGE) SS:
CITY OF GARDEN GROVE)

I, TERESA POMEROY, Secretary of The City of Garden Grove as Successor Agency to the Garden Grove Agency for Community Development, do hereby certify that the foregoing Resolution was duly adopted by the Successor Agency, at a meeting held on the 8th day of September 2020, by the following vote:

Garden Grove Successor Agency

Resolution No. 62-20

Page 3

AYES: MEMBERS: (7) BRIETIGAM, BUI, O'NEILL, NGUYEN D.,
KLOPFENSTEIN, NGUYEN K., JONES

NOES: MEMBERS: (0) NONE

ABSENT: MEMBERS: (0) NONE



SECRETARY

PHASES OF BROOKHURST TRIANGLE PROPERTY TRANSFER

LRPMP LINE #	Phase I	Phase II – A	Phase II - B
Property 8			Entire property
Property 9			Entire property
Property 10			Entire property
Property 11			Entire property
Property 12			Entire property
Property 13			Entire property
Property 14			Entire property
Property 15	Portion of the property	Portion of the property	Portion of the property
Property 16	Portion of the property	Portion of the property	Portion of the property
Property 17	Entire property		
Property 18	Entire property		
Property 19	Portion of the property	Portion of the property	Portion of the property
Property 20		Portion of the property	Portion of the property

Garden Grove Long Range Property Management Plan

No.	Property Type	HSC 34191.5(c)(2)		HSC 34191.5(c)(1)(A)			Date of Estimated Current Value	Sale of Property		HSC 34191.5(c)(1)(B)			HSC 34191.5(c)(1)(C)			HSC 34191.5(c)(1)(D)	HSC 34191.5(c)(1)(E)		HSC 34191.5(c)(1)(F)		HSC 34191.5(c)(1)(G)		HSC 34191.5(c)(1)(H)	
		Permissible Use	Permissible Use Detail	Acquisition Date	Value At Purchase	Estimated Current Value		Proposed Sale Value	Proposed Sale Date	Purpose for Which Property Was Acquired	Address	APN	Lot Size	Current Zoning	Estimate of Current Value		Est. of Income/Revenue (Annual)	Contractual Req. for Use of Inc/Revenue	Environmental History	TOD Potential	History of Previous Development Proposals & Activity			
PROPERTIES SUBJECT TO AN ENFORCEABLE OBLIGATION																								
WATERPARK HOTEL DDA (ROPS ITEM NO. 19)																								
1	Vacant Lot	Properties subject to an enforceable obligation	For redevelopment purposes per a DDA dated May 7, 2010 and approved by the DOF via a final and conclusive determination dated February 6, 2013. Additionally, an easement pertaining to these properties was approved by the Oversight Board on June 26, 2013, and approved by the DOF on August 9, 2013. Refer to 5/29/13 cover letter additional information about these properties and this project.	4/4/03	\$ 5,506,400	\$ 15,300,000																		Resort hotel, retail and entertainment projects:
2	Vacant Lot			4/4/03	\$ 4,014,980	\$ 15,300,000																		
3	Vacant Lot			3/24/09	\$ 2,438,306	\$ 2,177,000																		
4	Vacant Lot			5/11/10	\$ 1,494,000	\$ 1,550,000																		
5	Vacant Lot			7/14/09	\$ 722,025	\$ 1,890,000																		
6	Vacant Lot			3/16/11	\$ 758,183	\$ 1,860,000																		
7	Vacant Lot			3/10/12	\$ 25,000	\$ 32,800																		
8	BROOKHURST TRIANGLE DDA (ROPS ITEM NO. 22)																							
9	Commercial/Retail	Properties subject to an enforceable obligation	Properties are to be transferred to the Developer per a DDA dated 11/23/10 and approved by DOF on previous ROPS. Refer to 5/29/13 cover letter.	7/31/06	\$ 1,414,482	\$ 1,389,000																		Residential housing, hotel, and retail projects:
10	Retail Automotive			10/9/07	\$ 12,985,026	\$ 10,733,000																		-Urban Pacific Builders, LLC ENA Approved 02/28/06
11				10/9/07																				-JPI Calif. Dev. Services LLC. NA Approved 03/25/08
12	Commercial/Retail	Properties subject to an enforceable obligation	Proceeds are to be distributed based on approved ROPS 13-14B. Net proceeds to be remitted to County for distribution to the taxing entities.	3/27/07	\$ 13,067,010	\$ 16,103,552																		-Kam Sang Mixed Use PUD-123-09
13	Commercial/Retail			3/27/07																				
14	Parking Lot			3/27/07																				
15	Parking Lot			3/27/07																				
16	Parking Lot			3/27/07																				
17	Vacant Lot	Properties subject to an enforceable obligation		8/20/02	\$ 5,312,196	\$ 19,656,000																		
18	Vacant Lot			8/20/02																				
19	Vacant Lot			8/20/02																				
20	Vacant Lot			8/20/02																				
SITE B2 DDA (ROPS ITEM NO. 20)																								
21	Vacant Lot	Properties subject to an enforceable obligation	Properties are to be transferred to the developer per a Disposition and Development Agreement dated June 2001. Funding approved by the Department of Finance on Sept. 17, 2012. Refer to 5/29/13 cover letter.	5/11/04	\$ 1,155,815	\$ 525,000																		Resort hotel and retail project:
22	Vacant Lot			9/10/02	\$ 319,705	\$ 525,000																		
23	Vacant Lot			8/13/02	\$ 302,680	\$ 488,000																		
24	Vacant Lot			11/12/02	\$ 416,592	\$ 525,000																		
25	Vacant Lot			4/2/02	\$ 241,822	\$ 640,000																		
26	Vacant Lot			4/9/02	\$ 265,074	\$ 517,000																		
27	Vacant Lot			8/20/02	\$ 282,937	\$ 492,000																		
28	Vacant Lot			5/11/04	See Item No. 21	\$ 492,000																		
29	Vacant Lot			4/23/02	\$ 310,793	\$ 492,000																		
PROPERTIES RETAINED FOR GOVERNMENTAL PURPOSE																								
GARDEN GROVE HIGHER EDUCATION CENTER PARKING LOT																								
30	Parking Lot	Retained for Governmental purpose	These parcels, which provide parking for education/school uses, including California State University, Fullerton and Coastline Community College, has been placed in this category for Transfer per HSC 34181(a).	Unknown	Unknown	Encumbered by 99 yr. lease, 2002 Non-encumbered est. value - \$3.267M	Leasehold Analysis																	Office Development (1989)
31																								
JORDAN MANOR GREENBELT/PARK																								
32	Park and associated Parking Lot	Retained for Governmental purpose	This property, primarily a green belt/park, has been placed in this category for Transfer per HSC 34181(a).	8/1/83	\$45,391	Unknown	Undetermined																	
33	Former Retail/Restaurant	Retained for Governmental purpose	Transfer per HSC 34181(a)	7/14/09	\$ 2,908,252	\$ 2,525,000	Based on an appraisal for nearby properties																	
34	Parking Lot	Retained for Governmental purpose	Transfer per HSC 34181(a)	4/8/78	\$ 37,000	\$ 37,000	Acquisition Value																	
35	Vacant Lot	Retained for Governmental purpose	Transfer per HSC 34181(a)	8/17/00	\$ 166,516	\$ 238,440	Appraisal																	
36	Vacant Lot	Retained for Governmental purpose	Transfer per HSC 34181(a)	8/17/00	\$ 171,516	\$ 238,440	Appraisal																	
37	Family Resource Center	Retained for Governmental purpose	Transfer per HSC 34181(a)	2/10/86	\$ 72,900	\$ 72,900	Land value only																	
38	Remnant Property (fmlly described as a Pedestrian Bridge)	Retained for Governmental purpose	Transfer per HSC 34181(a)	6/28/95	\$ 17,028	\$ 0.00	N/A																	
39	Nonprofit Institutional Building	Retained for Governmental purpose	Transfer per HSC 34181(a)	10/9/91	\$ 1,200,000.00	\$ 1,200,000.00	Carrying Value																	
PROPERTIES RETAINED FOR FUTURE DEVELOPMENT																								
40	Restaurant-Vacant	Retained for future development	To be transferred to the city for future development pursuant to HSC 34191.5(c)(2)(A) and HSC 34191.5(c)(2)(B).	7/13/10	\$ 2,400,000	\$ 2,100,000	Based on purchase offers																	
SITE C																								
41	Vacant Lot	Retained for future development		10/4/08	\$ 2,158,270	\$ 4,438,000																		
42	Vacant Lot	Retained for future development		3/10/09	\$ 5,158,445	\$ 426,710																		
43	Vacant Lot	Retained for future development	DDA covering these properties was not approved by the DOF. Properties to be transferred to City for future development pursuant to HSC 34191.5(c)(2)(A) and HSC 34191.5(c)(2)(B). The City has entered into a development agreement with the Developer to construct the project. Refer to 5/29/13 cover letter.	3/10/09	\$ 5,158,445	\$ 5,097,000																		
44	Single Family Homes	Retained for future development		11/27/12	\$ 1,950,000	\$ 3,065,000																		
45	Single Family Homes	Retained for future development		11/27/12	\$ 5,175,000	\$ 3,625,000																		
46	Single Family Homes	Retained for future development		4/10/12	\$ 393,836	\$ 470,000																		
47	Single Family Homes	Retained for future development		4/10/12	\$ 393,377	\$ 470,000																		
48	Single Family Homes	Retained for future development		11/1/12	\$ 444,955	\$ 725,000																		
49	Single Family Homes	Retained for future development		2/28/12	\$ 443,993	\$ 725,000																		

Garden Grove Long Range Property Management Plan

No.	Property Type	HSC 34191.5(c)(2)		HSC 34191.5(c)(1)(A)			Date of Estimated Current Value	Sale of Property		HSC 34191.5(c)(1)(B)	HSC 34191.5(c)(1)(C)				HSC 34191.5(c)(1)(D)	HSC 34191.5(c)(1)(E)		HSC 34191.5(c)(1)(F)	HSC 34191.5(c)(1)(G)	HSC 34191.5(c)(1)(H)		
		Permissible Use	Permissible Use Detail	Acquisition Date	Value At Purchase	Estimated Current Value		Proposed Sale Value	Proposed Sale Date		Address	APN	Lot Size	Current Zoning		Estimate of Current Value	Est. of Income/Revenue (Annual)				Contractual Req. for Use of Inc/Revenue	Environmental History
46	Vacant Remnant	To be sold for the benefit of the taxing entities		12/20/06	\$ 160,000	\$ 156,000	Based on appraisal comparables	11/29/12	\$ 156,000		Project met goals and objectives of redevelopment project area plan - Infrastructure Improvements	13502 Lanning	100-381-01	7,800	R-1	\$ 156,000	\$0.00	N/A	No known environmental issues	N/A	Remnant parcels from street widening	
47	Vacant Remnant			12/20/06	\$ 160,000	\$ 149,500			\$ 149,500			13501 Barnett	100-385-01	7,475		\$ 149,500	\$0.00					N/A
48	Vacant Remnant			12/20/06	\$ 165,000	\$ 154,000			\$ 154,000			13502 Barnett	100-382-02	7,700		\$ 154,000	\$0.00					N/A
49	Improved Remnant	To be sold for the benefit of the taxing entities		Unknown	Unknown	De Minimis	Undetermined	Undetermined	Undetermined		Project met goals and objectives of redevelopment project area plan - Housing	Landscaping	100-504-74	1,482	PUD (R-2)	De Minimis	\$0.00	N/A	No known environmental issues	N/A	PUD-113-96	
50	Former Rail Road Right-of-Way	To be sold for the benefit of the taxing entities	The Agency will obtain valuation analyses/appraisals for these properties. The proceeds from the sales will be remitted to the Orange County Auditor Controller for distribution to the taxing entities. Refer to 5/29/13 cover letter for more information.	Sep-91	\$ 383,328	\$ 522,720	Best estimate based on detrimental encumbrances		\$ 522,720	See Note 6	Project met goals and objectives of redevelopment project area plan - Commercial/Economic Development	No Address (Chapman Ave)	133-091-45	69,696	Mixed-Use	\$ 522,720	\$2,400.00	N/A	No known environmental issues	Properties are a transit corridor via covenant	N/A	
51				Sep-91	\$ 790,614	\$ 1,078,000			\$ 1,078,000			No Address (Elxby)	133-111-43	143,748		\$ 1,078,000						
52				Sep-91	\$ 87,445	\$ 119,242			\$ 119,242			No Address (Brookhurst St)	133-123-02	15,899		\$ 119,242						
53	Commercial Building/Smog Test	To be sold for the benefit of the taxing entities		7/3/01	\$ 415,000	\$ 381,000	Based on appraisal for neighboring properties under development.	4/21/10	\$ 381,000		Project met goals and objectives of redevelopment project area plan - Century Triangle Project.	13052 Century Blvd	099-091-15	10,880	Mixed Use (GGMU1)	\$ 381,000	\$13,800.00	N/A	No Known environmental issues	Parcel is located near Garden Grove Blvd, which is a major arterial street	Various residential and retail projects	
54	Remnant/ Widening	To be sold for the benefit of the taxing entities		Unknown	Unknown	\$0.00	Undetermined	Undetermined	Undetermined		Project met goals and objectives of redevelopment project area plan - Infrastructure Improvements	Acacia Pkwy	089-201-32	677	Community Center Specific Plan	\$0.00	\$0.00	N/A	No known environmental issues per OCTA disclosure.	N/A	N/A	
55	Vacant Lot (formerly Item 30)	To be sold for the benefit of the taxing entities		11/8/10	\$ 434,639	\$ 524,000	Based on an appraisal for comparable Harbor Blvd. properties.	7/9/12	TBD based on an appraisal	6/15/14	Property, adjacent to the Site B2 Hotel Project became available and was purchased for additional parking for the project as well as to provide an additional buffer between the project and the adjacent residential area.	12311 Thackery Dr.	231-471-23	6,530	R-1	\$ 524,000	\$0.00	N/A	No known environmental issues	N/A	N/A	

* See Agency 2010-2014 Five-Year Implementation Plan included in the 5/29/13 LRPMP submittal.

1. Residual land value based on approved zoning and entitlements for a 600-room resort waterpark hotel. See 5/29/13 LRPMP cover letter.
2. Residual land value based on mixed-use zoning and entitlements for up to 700 residential units and 100,000 square feet of retail space. See 5/29/13 LRPMP cover letter.
3. Funding source for these acquisitions came from City-issued 2002 Certificates of Participation. No tax increment funds were used. See 5/29/13 LRPMP cover letter.
4. Federal Community Development Block Grant (CDBG) funds were used by the Agency to acquire these properties. No tax increment funds were used.
5. Residual land value based on zoning and entitlements for 700 full service hotel rooms. See 5/29/13 LRPMP cover letter.
6. An RFP process will commence upon approval of the RPMP by the State Department of Finance.



March 7, 2014

Mr. Jim DellaLonga, Senior Project Manager
City of Garden Grove
11222 Acacia Parkway
Garden Grove, CA 92840

Dear Mr. DellaLonga:

Subject: Long-Range Property Management Plan

Pursuant to Health and Safety Code (HSC) section 34191.5 (b), the City of Garden Grove Successor Agency (Agency) submitted a Long-Range Property Management Plan (LRPMP) to the California Department of Finance (Finance) on May 29, 2013. The Agency subsequently submitted a revised LRPMP to Finance on December 11, 2013. Finance has completed its review of the LRPMP, which may have included obtaining clarification for various items.

The Agency received a Finding of Completion on May 15, 2013. Further, based on our review and application of the law, we are approving the Agency's use or disposition of all the properties listed on the LRPMP. Our approval of the LRPMP also took into account the corresponding Oversight Board Resolution No. 31-14.

In accordance with HSC section 34191.4, upon receiving a Finding of Completion from Finance and approval of a LRPMP, all real property and interests in real property shall be transferred to the Community Redevelopment Property Trust Fund of the Agency, unless that property is subject to the requirements of an existing enforceable obligation. Pursuant to HSC section 34191.3 the approved LRPMP shall govern, and supersede all other provisions relating to, the disposition and use of all the real property assets of the former redevelopment agency.

Agency actions taken pursuant to a Finance approved LRPMP are subject to oversight board (OB) approval per HSC section 34181 (f). Any subsequent OB actions addressing the Agency's implementation of the approved LRPMP should be submitted to Finance for approval.

Mr. Jim DellaLunga

March 7, 2014

Page 2

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. Matthew J. Fertal, City Manager, City of Garden Grove
Mr. Frank Davies, Property Tax Manager, Orange County
Ms. Elizabeth Gonzalez, Bureau Chief, Local Government Audit Bureau, California State
Controller's Office
California State Controller's Office

OVERSIGHT BOARD

RESOLUTION NO. 31-14

A RESOLUTION OF THE OVERSIGHT BOARD TO THE SUCCESSOR AGENCY TO THE GARDEN GROVE AGENCY FOR COMMUNITY DEVELOPMENT APPROVING REVISIONS TO THE REVISED LONG RANGE PROPERTY MANAGEMENT PLAN

WHEREAS, the Successor Agency to the Garden Grove Agency for Community Development ("Successor Agency") is acting as Successor Agency to the Garden Grove Agency for Community Development ("Former Agency") pursuant to ABx1 26; and

WHEREAS, pursuant to AB 1484, the Successor Agency is required to prepare a long range property management plan ("Property Management Plan") for the Former Agency's real property assets; and

WHEREAS, pursuant to AB 1484, once the Successor Agency receives a Finding of Completion from the State Department of Finance ("DOF") pursuant to Health & Safety Code Section 34179.7, the Successor Agency must submit the Property Management Plan to the State Department of Finance no later than six months following the issuance to the Successor Agency of the Finding of Completion; and

WHEREAS, on May 15, 2013, pursuant to Health & Safety Code Section 34179.7, the Successor Agency received a Finding of Completion from the State Department of Finance; and

WHEREAS, on May 28, 2013, pursuant to Health & Safety Code Section 34191.5(b), the Successor Agency approved the completed Property Management Plan and authorized the transmittal of the Property Management Plan to the Oversight Board to the Successor Agency to the Garden Grove Agency for Community Development ("Oversight Board") for approval; and

WHEREAS, on May 29, 2013, pursuant to Health & Safety Code Section 34191.5, the Oversight Board to the City Council of the City of Garden Grove Acting as Successor Agency to the Garden Grove Agency for Community Development ("Oversight Board") approved the Property Management Plan and authorized the Successor Agency to submit the Property Management Plan to the DOF; and

WHEREAS, on November 22, 2013, the Successor Agency received a letter from the DOF denying approval of the Property Management Plan and requiring certain changes to the Property Management Plan and reconsideration and approval of said revised Property Management Plan by the Successor Agency and Oversight Board;

WHEREAS, the Successor Agency has made the required changes to the Property Management Plan; and

WHEREAS, on December 11, 2013, the Oversight Board approved the Successor Agency's Revised Property Management Plan and said plan was transmitted to the DOF for approval; and

WHEREAS, on February 19, 2014, Successor Agency staff met with representatives from the DOF, and Successor Agency staff was given specific direction by DOF relating to the necessary revisions to the Revised Property Management Plan; and

WHEREAS, on February 25, 2014, the Successor Agency adopted a resolution approving Revisions to the Revised Property Management Plan; and

WHEREAS, by this Resolution, the Oversight Board desires to approve the revised Property Management Plan, in the form attached to this Resolution as Attachment 1 and incorporated herein by this reference, by resolution pursuant to Health & Safety Code Section 34191.5 and authorizes the Successor Agency to transmit said Revisions to the Revised Property Management Plan to the State Department of Finance.

NOW, THEREFORE, BE IT RESOLVED BY THE OVERSIGHT BOARD TO THE SUCCESSOR AGENCY TO THE GARDEN GROVE AGENCY FOR COMMUNITY DEVELOPMENT:

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

Section 2. The Oversight Board hereby approves the Revisions to the Revised Property Management Plan pursuant to Health & Safety Code Section 34191.5 and authorizes the Successor Agency to transmit said Revisions to the Revised Property Management Plan to the State Department of Finance.

Section 3. This Resolution shall be effective immediately upon adoption.

Section 4. The Secretary to the Oversight Board shall certify to the adoption of this Resolution.

The foregoing Resolution was adopted by the Oversight Board this 26th day of February 2014.

ATTEST:



TERESA POMEROY, CMC
DEPUTY SECRETARY



STEVEN R. JONES
VICE CHAIR

STATE OF CALIFORNIA)
COUNTY OF ORANGE) SS:
CITY OF GARDEN GROVE)

I, TERESA POMEROY, Deputy Secretary of the Oversight Board to The City of Garden Grove as Successor Agency to the Garden Grove Agency for Community Development, do hereby certify that the foregoing Resolution was adopted by the Oversight Board, at a Regular Meeting held on the 26th day of February 2014, by the following vote:

AYES: MEMBERS: (5) DELP, DUNN, GUERRERO, MEFFORD, JONES
NOES: MEMBERS: (0) NONE
ABSENT: MEMBERS: (2) DALTON, HARRIS
ABSTAIN: MEMBERS: (0) NONE



TERESA POMEROY, CMC
DEPUTY SECRETARY

ATTACHMENT 1

Revisions to Revised Long Range Property Management Plan

Item No.	Property/Project Name	Description of Revision
8-20	Brookhurst Triangle	As an Enforceable Obligation, the net sales proceeds from the disposition of these properties will be retained by the Successor Agency for future recognized obligations
30 & 31	Garden Grove Education Center	Properties placed in the "Government Use" category. The Agency has determined the value to be zero due to the encumbrance of a 99-year lease on the property and a reciprocal easement agreement. This property is a parking lot that serves Concorde Career Institute, Coastline Community College, and California State University, Fullerton. It is not a public parking lot.
32	Jordan Manor Greenbelt/Park	Property placed in the "Government Use" category. The Agency has determined the value to be zero due to the current use and size of the lot. At its current size, it is undevelopable. Its current use is a greenbelt/park for the adjacent senior housing development and other residents in the Civic Center Area.
38	Remnant Property	The Agency has determined the value to be zero due to the size, shape, and location of the property. Its triangular shape, lack of access, and location adjacent to the 22 Freeway render the parcel unusable.
40-45	Vacant Restaurant and Site C	The Successor Agency intends to transfer these properties to the City and the City intends to enter into compensation agreements with the taxing entities. The Successor Agency will verify that compensation agreements are in place and executed prior to the transfer of these properties to the City.
49	Improved Remnant	The Agency has determined the value to be zero due to the size, shape, and location of the lot. It is only 12 to 24 inches wide and is located along an alley for an apartment complex.
54	Remnant/Widening	The Agency has determined the value to be zero due to the size, shape, and location of the lot. It is only 677 sq. ft., triangular in shape, and adjacent to Acacia Parkway and the Orange County Transit Authority Right of Way.

DISPOSITION AND DEVELOPMENT AGREEMENT

By and Between the

GARDEN GROVE AGENCY FOR COMMUNITY DEVELOPMENT

and

NEW AGE BROOKHURST, LLC

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ATTACHMENTS

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Attachment No. 3	Grant Deed
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Attachment No. 7	Declaration of Uses
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Attachment No. 9	Notice of Affordability Restrictions
Attachment No. 10	Option Agreement

DISPOSITION AND DEVELOPMENT AGREEMENT

This DISPOSITION AND DEVELOPMENT AGREEMENT (the "Agreement") is entered into as of NOVEMBER 24, 2010, by and between the GARDEN GROVE AGENCY FOR COMMUNITY DEVELOPMENT, a public body, corporate and politic (the "Agency"), and NEW AGE BROOKHURST, LLC, a California limited liability company (the "Developer").

RECITALS

The following recitals are a substantive part of this Agreement:

A. In furtherance of the objectives of the California Community Redevelopment Law, the Agency desires to cooperate with the Developer in the redevelopment of approximately 13.91 acres of real property in the City of Garden Grove known as the "Brookhurst Triangle," and owned by the Agency which is bounded by Brookhurst Street on the east, Garden Grove Boulevard on the south, and Brookhurst Way on the northern and western edge (the "Site"). The Site is described in the Legal Description and shown on the Site Map.

B. The Agency and the Developer desire by this Agreement for the Agency to convey the Site to the Developer in two separate Phases, and for the Developer to purchase the Site and to develop a two Phase mixed use residential and retail project thereon, together with other onsite and offsite improvements (collectively, the "Improvements").

C. Phase I of the Improvements will consist of approximately 148 attached For Sale Units in three (3) four-story buildings. Phase II of the Improvements will be developed in multiple Subphases and will consist of approximately 252 attached For Sale Units in five (5) four-story buildings, approximately 200 Rental Units, of which 60 will be Affordable Rental Units or, at the election of the Developer, the Affordable Rental Units may be increased to 120, approximately 80,000 square feet of retail space. Phase 2 may include a Hotel Component of approximately One Hundred (100) rooms.

D. The Agency's sale of the Site to the Developer and the Developer's acquisition and development of the Improvements and sale or operation of the Project, as applicable, as provided for in this Agreement, is in the vital and best interest of the City and the health, safety 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 redevelopment of the Garden Grove Community Project has been undertaken.

NOW, THEREFORE, the Agency and the Developer hereby agree as follows:

100. DEFINITIONS

"Actual Knowledge" is defined in Section 206.1(d) hereof.

"Affiliate" means an entity owned and controlled by Kam Sang Company, Inc.

"Affordability Period" is defined in Section 502.

"Affordable Rent" means the maximum monthly rent chargeable for an Affordable Rental Unit as described in Section 505.

"Affordable Rental Unit" means the Rental Units that will be offered for rent to Persons and Families of Moderate Income at an Affordable Rent.

"Affordable Rental Unit(s)" means the Housing Unit(s) that are to be constructed and developed within the Rental Units all of which shall be rented or leased to Persons and Families of Low or Moderate Income at Affordable Rents for Fifty-Five (55) years, as provided within this Agreement.

"Affordable Unit(s)" means Affordable Rental Unit(s) and/or For-Sale Housing Units.

"Agency" means the Garden Grove Agency for Community Development, a public body, corporate and politic, exercising governmental functions and powers and organized and existing under Chapter 2 of the Community Redevelopment Law and any assignee of or successor to its rights, powers and responsibilities.

"Agency's Phase I Conditions Precedent" is defined in Section 205.1.

"Agency's Phase II Conditions Precedent" is defined in Section 205.3.

"Agreement" means this Disposition and Development Agreement between the Agency and the Developer, including the Attachments hereto.

"Association CC&Rs" is defined in Section 403.

"Breach" is defined in Section 701.

"City" means the City of Garden Grove, a California municipal corporation. The City is not a party to this Agreement and has no obligations hereunder.

"Closing" means the close of Escrow for each Conveyance of a Phase of the Site from the Agency to the Developer, as set forth in Section 202 hereof.

"Closing Date" means the date of each Closing, as set forth in Section 202.4 hereof.

"Community Redevelopment Law" means California Health and Safety Code Section 33000, *et seq.* as the same now exists or may hereinafter be amended.

"Conceptual Site Plan" is attached to the PUD.

"Condition(s) Precedent" means the Agency's Conditions Precedent to Phase I Closing, the Developer's Conditions Precedent to Phase I, the Agency's Conditions Precedent to Phase II and/or the Developer's Conditions Precedent to Phase II, as applicable.

"Conveyance" or **"Conveyed"** means each conveyance of a Phase by the Agency to the Developer on the applicable Closing Date.

"County" means the County of Orange.

"Date of Agreement" means the date this Agreement is approved by the Agency at a public meeting, which date is set forth in the first paragraph hereof.

"Declaration of Uses" means the Declaration of Uses, substantially in the form of Attachment No. 7, which is incorporated herein; which shall be recorded as an encumbrance to the parcels containing the Retail Improvements.

"Default" is defined in Section 701.

"Deposit" is defined in Section 201.1.

"Developer" means New Age Brookhurst, LLC., and its permitted successors and assigns.

"Developer's Phase I Conditions Precedent" is defined in Section 205.2.

"Developer's Phase II Conditions Precedent" is defined in Section 205.4.

"Environmental Consultant" means the environmental consultant which may be employed by the Developer pursuant to Section 208.3 hereof.

"Environmental Report" means the report setting forth the results of the environmental investigation of the Site which may be conducted by the Environmental Consultant, as set forth in Section 208.3 hereof.

"Eligible Person" means any individual, partnership, corporation or association which qualifies as a "displaced person" pursuant to the definition provided in Government Code Section 7260(c) of the California Relocation Assistance Act of 1970, as amended, and any other applicable state laws or regulations.

"Escrow" is defined in Section 202 hereof.

"Escrow Agent" is defined in Section 202 hereof.

"Exceptions" is defined in Section 203 hereof.

"FIRPTA" means the Foreign Investment in Real Property Transfer Act.

"For Sale Housing Unit(s)" mean the 148 condominium units in Phase I and the 252 condominium units in Phase II which will be offered for sale, including all common areas associated therewith.

"Force Majeure" is defined in Section 702.

"Governmental Requirements" means all applicable laws, ordinances, statutes, codes, rules, regulations, orders and decrees of the United States, the State, the County, the City, or any other political subdivision in which the Property is located, and of any other political subdivision, agency or instrumentality exercising jurisdiction over the City, the Developer or the Property, including all applicable state labor standards, the City zoning and development standards, building, plumbing, mechanical and electrical codes, and all other provisions of the City's Municipal Code, and all applicable disabled and handicapped access requirements, including without limitation the

Americans With Disabilities Act, 42 U.S.C. Section 12101, *et seq.*, Government Code Section 4450, *et seq.*, Government Code Section 11135, *et seq.*, and the Unruh Civil Rights Act, Civil Code Sections 51, *et seq.* Developer and its contractors and subcontractors shall comply with all applicable public works requirements, including without limitation, if applicable, the payment of prevailing wages in compliance with Labor Code Section 1770, *et seq.*, keeping of all records required pursuant to Labor Code Section 1776, complying with the maximum hours requirements of Labor Code Sections 1810 through 1815, and complying with all regulations and statutory requirements pertaining thereto.

~~“Grant Deed” means the grant deed for the Conveyance of each Phase of the Site from the Agency to the Developer, substantially in the form of Attachment No. 3 hereto which is incorporated herein.~~

“Hazardous Materials” means any substance, material, or waste which is or becomes, regulated by any local governmental authority, the State, or the United States Government, including, but not limited to, any material or substance which is (i) defined as a “hazardous waste,” “extremely hazardous waste,” or “restricted hazardous waste” under Section 25115, 25117 or 25122.7, or listed pursuant to Section 25140 of the California Health and Safety Code, Division 20, Chapter 6.5 (Hazardous Waste Control Law)), (ii) defined as a “hazardous substance” under Section 25316 of the California Health and Safety Code, Division 20, Chapter 6.8 (Carpenter-Presley-Tanner Hazardous Substance Account Act), (iii) defined as a “hazardous material,” “hazardous substance,” or “hazardous waste” under Section 25501 of the California Health and Safety Code, Division 20, Chapter 6.95 (Hazardous Materials Release Response Plans and Inventory), (iv) defined as a “hazardous substance” under Section 25281 of the California Health and Safety Code, Division 20, Chapter 6.7 (Underground Storage of Hazardous Substances), (v) petroleum, (vi) friable asbestos, (vii) polychlorinated biphenyls, (viii) methyl tertiary butyl ether, (ix) listed under Article 9 or defined as “hazardous” or “extremely hazardous” pursuant to Article 11 of Title 22 of the California Code of Regulations, Division 4, Chapter 20, (x) designated as “hazardous substances” pursuant to Section 311 of the Clean Water Act (33 U.S.C. §1317), (xi) defined as a “hazardous waste” pursuant to Section 1004 of the Resource Conservation and Recovery Act, 42 U.S.C. §§6901, *et seq.* (42 U.S.C. §6903) or (xii) defined as “hazardous substances” pursuant to Section 101 of the Comprehensive Environmental Response, Compensation, and Liability Act, 42 U.S.C. §§9601, *et seq.*

“Hotel Component” means a limited-select service hotel, such as Aloft, Element, Hyatt Place, Hyatt Summerfield Suite, or Marriott Springhill Suites of approximately 100 guest rooms.

“Housing Set Aside Fund” means the fund established by the Agency pursuant to Health & Safety Code Section 33334.2.

“Housing Units” means the For Sale Units and Rental Units, which are constructed on the Site pursuant to the Scope of Development.

“Improvements” or **“Project”** means the improvements to be constructed by the Developer upon the Site and the offsite perimeter improvements relating thereto, all as more particularly described in Sections 301-303 hereof and in the Scope of Development.

“Kam Sang Company, Inc.” is a California corporation of which Ronnie Lam is the majority shareholder. Kam Sang Company, Inc. is the managing member and principal owner of the Developer.

"Land Use Approvals" is defined in Section 303.

"Legal Description" means the description of the Site and the Phases within the Site which is attached hereto as Attachment No. 1 and incorporated herein.

"Management Plan" is defined in Section 407.

"Marketing Program" is defined in Section 507.

"Master Association" is defined in Section 403.

"Ministerial Approvals" is defined in Section 303.

"Notice" shall mean a notice in the form prescribed by Section 701 hereof.

"Notice of Affordability Restrictions" is attached hereto as Attachment No. 9 and incorporated herein by reference.

"Option Agreement" is attached hereto as Attachment No. 10 and incorporated herein by reference.

"Party" means either the Agency or Developer, as applicable, and *"Parties"* means the Agency and Developer, including their respective permitted successors and assigns.

"Persons and Families of Low or Moderate Income" is defined in Health & Safety Code Section 50093.

"Phase(s)" means Phase I and/or Phase II, Phase II, Subphase A and/or other Subphases within Phase II, as applicable.

"Phase I" means the approximately 3.7 acre portion of the Site which is so identified in the Legal Description and the Site Map.

"Phase I Closing" means the Closing for the Agency's Conveyance of Phase I to the Developer.

"Phase I Improvements" means the approximately 148 attached For Sale Units in three (3) four-story buildings.

"Phase I Outside Date" means the last date the Phase I Closing shall occur, as set forth in Section 202.4 hereof.

"Phase I Purchase Price" means the purchase price payable by Developer to Agency in consideration for the Agency's Conveyance of Phase I, to the Developer, in the amount set forth in Section 201 hereof.

"Phase II" means the approximately 10.21 acre portion of the Site which is so identified in the Legal Description and the Site Map.

"Phase II Closing" means the Closing for the Agency's Conveyance of Phase II to the Developer.

"Phase II Improvements" means the approximately 252 attached For Sale Units in five (5) four-story buildings, approximately 200 Rental Units of which 60 will be Affordable Rental Units, or, at the election of the Developer, the Affordable Rental Units may be increased to 120, approximately 80,000 square feet of Retail Improvements, and the Hotel Component.

"Phase II Outside Date" means the last date the Phase II Closing shall occur, as set forth in Section 202.4 hereof.

"Phase II Purchase Price" means the purchase price payable by Developer to Agency in consideration for the Agency's Conveyance of Phase II to the Developer, in the amount set forth in Section 201 hereof.

"Phase II, Subphase A" means the first Subphase of Phase II.

"Physical and Environmental Condition" means with respect to the Site, the square footage, supporting infrastructure; if any, development rights and exactions, expenses associated with the Site and development thereof in the manner proposed herein, taxes, assessments, bonds, permissible uses, title exceptions, water or water rights, topography, utilities, zoning of the Site, soil, subsoil, geology, drainage, environmental or building laws, rules or regulations, toxic waste or Hazardous Materials, required scope of remediation, or any other matters affecting or relating to the Site and its development in the manner proposed herein.

"Property Manager" is defined in Section 403.

"PUD" means that certain planned unit development approved as PUD 123-09 on November 10, 2009.

"Purchase Price" is defined in Section 201 hereof.

"Redevelopment Plan" means the Redevelopment Plan for the Redevelopment Project, adopted by ordinance of the City Council of the City of Garden Grove, as amended from time to time.

"Redevelopment Project" means the Garden Grove Community Project, adopted by the City pursuant to the Redevelopment Plan.

"Regulatory Agreement" is attached hereto as Attachment No. 8 and incorporated herein by reference.

"Release of Construction Covenants" means the document which evidences the Developer's satisfactory completion of the Improvements, as set forth in Section 310 hereof. The Release of Construction Covenants shall be in the form of Attachment No. 6 hereto which is incorporated herein.

"Rental Unit(s)" means the 200 apartment units that will be offered for rent in Phase II of which 60 will be Affordable Rental Units in Phase II.

"Residential Improvement" or "Residential Component" means the Housing Units.

"Retail Improvements" or "Retail Component" means the Improvements to be constructed on the Site in accordance with the Scope of Development which will contain retail uses, and at least one (1) restaurant whose identity is approved by the Agency acting in its sole and absolute discretion.

"Schedule of Performance" means the Schedule of Performance attached hereto as Attachment No. 5 and incorporated herein, setting out the dates and/or time periods by which certain conditions and obligations set forth in this Agreement must be accomplished.

"Scope of Development" means the Scope of Development which describes the scope, amount and quality of development of the Improvements to be constructed by the Developer pursuant to the terms and conditions of this Agreement, as provided in Section 301 hereof. The Scope of Development is attached hereto as Attachment No. 4 and incorporated herein.

"Site" means that certain approximately 13.91 acres of real property in the City of Garden Grove known as the "Brookhurst Triangle," which is bounded by Brookhurst Street on the east, Garden Grove Boulevard on the south, and Brookhurst Way on the northern and western edge. The Site is legally described in the Legal Description and depicted on the Site Map.

"Site Map" means the map of the Site which is attached hereto as Attachment No. 2 and incorporated herein.

"State" means the State of California.

"Subphase(s)" means the separate multiple subphase(s) within Phase II.

"Title Company" is defined in Section 203 hereof.

"Title Policy" is defined in Section 204 hereof.

"Title Report" means the preliminary title report, as described in Section 203 hereof.

"Transfer" is defined in Section 703.1 hereof.

200. ACQUISITION AND CONVEYANCE OF THE SITE

201. Agreement to Purchase and Sell; Purchase Price. The Developer agrees to purchase the Site from the Agency and the Agency agrees to sell the Site to the Developer at fair market price, in accordance with and subject to all of the terms, covenants, and conditions of this Agreement. The combined purchase price for Phase I and Phase II shall be Thirty Million, Four Hundred Thousand Dollars (\$30,400,000) (the "Purchase Price") allocated Six Million Dollars (\$6,000,000) for Phase I (the "Phase I Purchase Price") and Twenty Four Million, Four Hundred Thousand Dollars (\$24,400,000) (the "Phase II Purchase Price"). The Phase I Purchase Price and Phase II Purchase Price are each equal to or greater than the fair market value of the applicable portion of the Site, as determined by an appraisal performed by a state-certified appraiser.

201.1 Payment of Agency Costs by Developer. The Developer has hereto provided the Agency with the sum of Fifty Thousand Dollars (\$50,000) for use and retention by the

Agency in connection with the preparation and implementation of this Agreement (the "Deposit"). The Deposit shall not be applied to the Purchase Price.

201.2 Payment of the Purchase Price. The Developer shall deposit into the Escrow for the Phase I Closing the all cash sum of Six Million Dollars (\$6,000,000) and for Phase II the all cash sum of Twenty Four Million, Four Hundred Thousand Dollars (\$24,400,000) in cash, wire transfer or other immediately available funds.

202. Escrow. Within five (5) days after the Date of Agreement, the Parties shall open escrow ("Escrow") with First American Title Insurance Company in its Orange County office or with another escrow company mutually satisfactory to both Parties (the "Escrow Agent").

202.1 Costs of Escrow. The Agency and the Developer shall each pay its respective share of the premium for each Title Policy as set forth in Section 204 hereof, the Agency shall pay the documentary transfer taxes due with respect to the Conveyance of each Phase of the Site, and the parties shall each pay one-half of all other usual fees, charges, and costs which arise from Escrow.

202.2 Escrow Instructions. This Agreement constitutes the joint escrow instructions of Developer and Agency, and Escrow Agent to whom these instructions are delivered is hereby empowered to act under this Agreement. The Parties hereto agree to execute and deliver such documents (in recordable form as required), pay or deposit such funds, do all such acts consistent with their respective obligations hereunder as may be reasonably necessary to close the Escrow for each Phase in the shortest possible time and in any event on or before the Outside Date for each Phase. All funds received in the Escrow shall be deposited with other escrow funds in a general escrow account(s) and may be transferred to any other such escrow trust account in any State or National Bank doing business in the State. All disbursements shall be made by check from such account. If in the opinion of Escrow Agent or either Party it is necessary or convenient in order to accomplish the Closing of this transaction, such Party may require that the Parties sign supplemental escrow instructions; provided that if there is any inconsistency between this Agreement and the supplemental escrow instructions, then the provisions of this Agreement shall control. The Parties agree to execute such other and further documents as may be reasonably necessary, helpful or appropriate to effectuate the provisions of this Agreement. Escrow Agent is instructed to release Agency's and Developer's escrow closing statements to both Parties.

202.3 Authority of Escrow Agent. Escrow Agent is authorized to, and shall:

(a) Pay and charge the Agency and the Developer for their respective shares of the premium of the Title Policies, any endorsements thereto as set forth in Section 204 and any amount necessary to place title in the Condition of Title provided for in Section 203 of this Agreement.

(b) Pay and charge Agency and Developer each for one-half of any escrow fees, charges, and costs payable in accordance with Section 202.1 of this Agreement.

(c) Disburse funds and deliver and record, as applicable, the Grant Deed, the Regulatory Agreement, Notice of Affordability Restrictions, Option Agreement, Association CC&Rs, and Declaration of Uses each for the applicable Phase.

(d) Do such other actions as necessary, including, without limitation, obtaining the Title Policies for each Phase, to fulfill its obligations set forth in this Agreement and to close the transactions contemplated hereby.

(e) Within the discretion of Escrow Agent, direct the Agency and the Developer to execute and deliver any instrument, affidavit, and statement, and to perform any act reasonably necessary to comply with the provisions of FIRPTA and any similar state act and regulation promulgated thereunder. Agency agrees to execute a Certificate of Non-Foreign Status by individual transferor and/or a Certification of Compliance with Real Estate Reporting Requirement of the 1986 Tax Reform Act as may be required by Escrow Agent, on the form to be supplied by Escrow Agent.

(f) Prepare and file with all appropriate governmental or taxing authorities a uniform settlement statement, closing statement, tax withholding forms including an IRS 1099-S form, and be responsible for withholding taxes, if any such forms are provided for or required by law.

202.4 Closing. The Site shall be Conveyed in two Phases, Phase I and Phase II. Each Conveyance shall close (the "Closing") simultaneously with or as soon as practical after satisfaction of all of the Conditions Precedent applicable to such Phase. In no event, however, shall the Phase I Closing occur later than September 1, 2011, (the "Phase I Outside Date") and, in no event, shall the Phase II Closing occur later than the earlier of September 1, 2013 or 720 days after the Phase I Closing (the "Phase II Outside Date"). The "Closing" shall mean the time and day the Grant Deed for the applicable Phase is filed for recorded with the County Recorder. The "Closing Date" shall mean the day on which each Closing occurs.

202.5 Termination. If the Escrow is not in a condition to close by the Phase I Outside Date and/or Phase II Outside Date, as applicable, then either Party which is not then in Default (and has not received Notice of a potential Default hereunder which has not been cured) may, in writing, demand the return of its money, documents, or property and terminate the Escrow for such portion of the Site; provided that termination hereunder as to Phase I shall be termination of both Phases and of this Agreement. If either Party makes a written demand for the return of its money, documents, or properties, the Escrow shall not terminate until five (5) days after Escrow Agent shall have delivered copies of such demand to the other Party at its address shown in this Agreement. If any objections are raised within said five (5) day period, Escrow Agent is authorized to hold all funds, documents, and property until instructed by a court of competent jurisdiction or by mutual written instructions of the Parties. Termination of the Escrow shall be without prejudice as to whatever legal rights either Party may have against the other as set forth in Sections 503 and 504 hereof. If no demands are made, the Escrow Agent shall proceed with the Closing as soon as possible.

202.6 Closing Procedure. Escrow Agent shall close each Escrow for the Site as follows:

- (a) Record the Grant Deed for the applicable Phase;
- (b) Record the Option Agreement;

- (c) Record the Regulatory Agreement and Notice of Affordability Restrictions, as applicable;
- (d) Record the Declaration of Uses [for the applicable] Retail Improvement parcels;
- (e) Record the Association CC&Rs;
- (f) Deliver to the Agency the Purchase Price for the applicable Phase, less Escrow and title costs payable by the Agency;
- (g) Deliver and record any loan or financing documents as may be requested by the Developer or its construction lender (if applicable);
- (h) Instruct the Title Company to deliver the owner's Title Policy to the Developer;
- (i) File any informational reports required by Internal Revenue Code Section 6045(e), as amended, and any other applicable requirements;
- (j) Deliver the FIRPTA Certificate, if any, to the Developer; and
- (k) Forward to both the Developer and the Agency a separate accounting of all funds received and disbursed for each Party and copies of all executed and recorded or filed documents deposited into Escrow, with such recording and filing date and information endorsed thereon.

203. Review of Title. Within the time set forth in the Schedule of Performance, the Agency shall cause First American Title Insurance Company or another title company mutually agreeable to both parties (the "Title Company"), to deliver to the Developer a preliminary title report or reports (collectively, the "Title Report") with respect to the title to each Phase of the Site, together with legible copies of the documents underlying the exceptions ("Exceptions") set forth in the Title Report. The Developer shall have the right to reasonably approve or disapprove the Exceptions; provided, however, that the Developer hereby approves the following Exceptions:

- (a) The Redevelopment Plan,
- (b) The lien of any non-delinquent property taxes and assessments (to be prorated as of the Closing Date), and
- (c) The provisions set forth in the Grant Deed and the Declaration of Uses.

The Developer shall have thirty (30) days from the date of its receipt of the Title Report to give written Notice to the Agency and Escrow Agent of the Developer's approval or disapproval of any of such Exceptions set forth in the Title Report, within its reasonable discretion. Developer's failure to provide Notice of its approval of the Title Report within such time limit shall be deemed disapproval of the Title Report. If the Developer delivers Notice to the Agency of its disapproval of any Exceptions in the Title Report, the Agency shall have the right, but not the obligation, to elect to remove any disapproved Exceptions within thirty (30) days after receiving written Notice of the Developer's disapproval or to deliver Notice to the Developer providing assurances satisfactory to

the Developer within said time period that such Exception(s) will be removed on or before the Closing. If the Agency cannot or does not elect to remove any of the disapproved Exceptions within that period, the Developer shall have fifteen (15) days after the expiration of such thirty (30) day period to either give the Agency written Notice that the Developer elects to proceed with the purchase of the Site subject to the disapproved Exceptions or to give the Agency written Notice that the Developer elects to terminate this Agreement and the Developer's failure to give timely written Notice shall be deemed as an election to terminate this Agreement. Fee simple merchantable title subject only to the Exceptions to title approved by the Developer as provided herein shall hereinafter be referred to as the "Condition of Title." The Developer shall have the right to approve or disapprove any further Exceptions reported by the Title Company after the Developer has approved the Condition of Title for the Site (which are not created by the Developer). The Agency shall not voluntarily create any new exceptions to title following the Date of Agreement.

204. Title Insurance. Concurrently with recordation of the Grant Deed conveying title to each Phase of the Site, the Title Company shall issue to the Developer, at the Developer's election, a CLTA or an ALTA owner's policy of title insurance (the "Title Policy"), together with such endorsements as are reasonably requested by the Developer, insuring that the title to such Phase of the Site is vested in the Developer in the Condition of Title approved by the Developer as provided in Section 203 of this Agreement. The Title Company shall provide the Agency with a copy of the Title Policy. The Agency shall pay the portion of the premium for the Title Policy equal to the cost of a CLTA standard policy of title insurance in the amount of the Purchase Price for such Phase, and the Developer shall pay for any additional costs thereof, including the incremental additional cost of obtaining an ALTA policy, any endorsements to the title policy, and the cost of any survey which is performed.

205. Conditions Precedent to Closing. The Closing of the Conveyance of each portion of the Site is conditioned upon the satisfaction (or written waiver by the benefited Party or Parties in its or their sole and absolute discretion) of the following terms and conditions within the times designated below:

205.1 Agency's Conditions Precedent to the Phase I Closing. The Agency's obligation to proceed with the Phase I Closing is subject to the fulfillment or waiver by Agency of each and all of the conditions precedent (a) through (i), inclusive, described below (the "Agency's Phase I Conditions Precedent"), which are solely for the benefit of the Agency, and which shall be fulfilled or waived by the time periods provided for herein:

(a) No Breach or Default. At the Phase I Closing, the Developer shall not be in Breach or Default of any of its obligations set forth in this Agreement and all representations and warranties of Developer contained herein shall be true and correct in all material respects.

(b) Execution of Documents. The Developer shall have executed the Regulatory Agreement, Notice to Affordability Restrictions, Option Agreement, Association CC&Rs and the Declaration of Uses for Phase I, and any other documents required to be executed by the Developer hereunder, and delivered such documents into Escrow.

(c) Payment of Funds. Prior to the Close of Escrow, the Developer shall have paid the Phase I Purchase Price and deposited into Escrow all costs of Closing that are the Developer's responsibility in accordance with Sections 201, 202, and 204 hereof.

(d) Land Use Approvals. The Developer shall have received all land use approvals, permits and other entitlements that are required for development of the Improvements on the Site pursuant to Sections 302 and 303 of this Agreement. There shall be no litigation pending which challenges such Land Use Approvals, permits or other entitlements, or the validity of this Agreement.

(e) Insurance. The Developer shall have provided proof of insurance for Phase I as required by Section 306 hereof.

(f) Financing. The Agency shall have approved financing of the Improvements for Phase I as provided in Section 311.1 hereof, and such financing shall have closed and funded or shall be ready to close and fund upon the Phase I Closing.

(g) Site Clearance and Relocation. The Agency shall have cleared Phase I and relocated all tenants or other occupants from Phase I.

(h) Developer Approval of Physical and Environmental Condition of the Site. Developer shall have approved the Physical and Environmental Condition of the Site pursuant to Section 208 hereof.

(i) Title Policy. The Title Company is unconditionally committed to issue to Agency a lender's Title Policy for the Site in accordance with Section 204 hereof.

205.2 Developer's Conditions Precedent to the Phase I Closing. Developer's obligation to proceed with the purchase of Phase I is subject to the fulfillment or waiver by Developer of each and all of the conditions precedent (a) through (g), inclusive, described below (the "Developer's Phase I Conditions Precedent"), which are solely for the benefit of Developer, and which shall be fulfilled or waived by the time periods provided for herein:

(a) No Breach or Default. At the Phase I Closing, the Agency shall not be in Breach or Default of any of its obligations set forth in this Agreement and all representations and warranties of Agency contained herein shall be true and correct in all material respects.

(b) Execution of Documents. The Agency shall have executed the Phase I Grant Deed and the Declaration of Uses for Phase I and any other documents required to be executed by the Agency hereunder, and delivered such documents into Escrow.

(c) Financing. The financing of the Improvements for Phase I shall have closed and funded or shall be ready to close and fund upon the Phase I Closing.

(d) Land Use Approvals. The Developer shall have received all Land Use Approvals, permits and other entitlements that are required for development of the Improvements on the Site pursuant to Sections 302 and 303 of this Agreement. There shall be no litigation pending which challenges such Land Use Approvals, or the validity of this Agreement.

(e) Site Clearance and Relocation. The Agency shall have cleared Phase I and relocated all tenants or other occupants from Phase I.

(f) Condition of Site. Developer shall have approved the Physical and Environmental Condition of the Site pursuant to Section 208 hereof.

(g) Title Policy. The Title Company is unconditionally committed to issue to Developer an owner's Title Policy for the Site in accordance with Section 204 hereof.

205.3 Agency's Conditions Precedent to the Phase II Closing. The Agency's obligation to proceed with the Phase II Closing is subject to the fulfillment or waiver by Agency of each and all of the conditions precedent (a) through (g), inclusive, described below (the "Agency's Phase II Conditions Precedent"), which are solely for the benefit of the Agency, and which shall be fulfilled or waived by the time periods provided for herein:

(a) No Breach or Default. At the Phase II Closing, the Developer shall not be in Breach or Default of any of its obligations set forth in this Agreement and all representations and warranties of Developer contained herein shall be true and correct in all material respects.

(b) Execution of Documents. The Developer shall have executed the Regulatory Agreement, Notice to Affordability Restrictions, Option Agreement, Association CC&Rs and the Declaration of Uses for Phase II, and any other documents required to be executed by the Developer hereunder, and delivered such documents into Escrow.

(c) Payment of Funds. Prior to the Close of Escrow, the Developer shall have paid the Phase II Purchase Price and deposited into Escrow all costs of Closing that are the Developer's responsibility in accordance with Sections 201, 202, and 204 hereof.

(d) No Litigation. There shall be no litigation pending which challenges the Land Use Approvals or the validity of this Agreement.

(e) Insurance. The Developer shall have provided proof of insurance for Phase II as required by Section 306 hereof.

(f) Financing. The Agency shall have approved financing of the Improvements for Phase II, Subphase A as provided in Section 311.1 hereof, and such financing shall have closed and funded or shall be ready to close and fund upon the Phase II Closing.

(g) Site Clearance and Relocation. The Agency shall have cleared Phase II and relocated all tenants or other occupants from Phase II.

(h) Ministerial Approvals. Developer shall have secured Ministerial Approvals for Phase II, Subphase A.

205.4 Developer's Conditions Precedent to the Phase II Closing. Developer's obligation to proceed with the purchase of Phase II is subject to the fulfillment or waiver by Developer of each and all of the conditions precedent (a) through (e), inclusive, described below (the "Developer's Phase II Conditions Precedent"), which are solely for the benefit of Developer, and which shall be fulfilled or waived by the time periods provided for herein:

(a) No Breach or Default. At the Phase II Closing, the Agency shall not be in Breach or Default of any of its obligations set forth in this Agreement and all representations and warranties of Agency contained herein shall be true and correct in all material respects.

(b) Execution of Documents. The Agency shall have executed the Grant Deed, the Regulatory Agreement, Notice of Affordability Restrictions, Option Agreement, Association CC&Rs and the Declaration of Uses for Phase II and any other documents required to be executed by the Agency hereunder, and delivered such documents into Escrow.

(c) Financing. The Financing for Phase II, Subphase A shall have closed and funded or shall be ready to close and fund upon the Phase II Closing.

(d) No Litigation. There shall be no litigation pending which challenges the Land Use Approvals or the validity of this Agreement.

(e) Site Clearance and Relocation. The Agency shall have cleared Phase II and relocated all tenants or other occupants from Phase II.

206. Representations and Warranties.

206.1 Agency Representations. The Agency represents and warrants to the Developer as follows:

(a) Authority. The Agency is a public body, corporate and politic, existing pursuant to the Community Redevelopment Law, which has been authorized to transact business pursuant to action of the City. The execution, performance and delivery of this Agreement by the Agency has been fully authorized by all requisite actions on the part of the Agency.

(b) FIRPTA. The Agency is not a "foreign person" within the parameters of FIRPTA or any similar state statute, or is exempt from the provisions of FIRPTA or any similar state statute, or the Agency has complied and will comply with all the requirements under FIRPTA or any similar state statute.

(c) No Conflict. The Agency's execution, delivery and performance of its obligations set forth in this Agreement will not constitute a default or a breach under any contract, agreement or order to which the Agency is a party or by which it is bound.

(d) Condition of the Site. To its Actual Knowledge, the Agency is not aware of and neither the Agency nor the City has received any notice or communication from any government agency having jurisdiction over the Site notifying the Agency or the City of the presence of surface or subsurface zone Hazardous Materials in, on, or under the Site, or any portion thereof. "Actual Knowledge," as used herein, shall not impose a duty of investigation, and shall be limited to the best knowledge of Agency and City employees and agents who are responsible for the management of the Site or have participated in the preparation of this Agreement, and all documents and materials in the possession of the Agency and the City.

(e) No Litigation. To the Agency's Actual Knowledge, there is no threatened or pending litigation against the City or Agency challenging the validity of this Agreement or any of the actions proposed to be undertaken by the City, Agency, or Developer pursuant to this Agreement (including without limitation any of the existing or proposed land use entitlements, permits or approvals).

Until each Closing has occurred, the Agency shall, upon learning of any fact or condition which would cause any of the warranties and representations in this Section 206.1 to not be true as of

such Closing, immediately give written Notice of such fact or condition to the Developer. So long as the representations and warranties contained herein were true as of the Date of Agreement, a change of facts or conditions that renders any such representation or warranty to no longer be true at a later date shall not be deemed a Default by the Agency hereunder if the Agency does not take any affirmative action to cause such representation or warranty to no longer be true, and in such event (i.e., in the event the Agency is not in Default) the changed fact or condition shall constitute an exception which the Developer shall have a right to approve or disapprove if the Developer determines in its reasonable discretion that such exception would have an effect on the value and/or development of the Site. If the Developer elects to close Escrow following the Agency's disclosure of such exception(s), the Agency's representations and warranties contained herein shall be deemed to have been made as of the Closing subject to such exception(s). If, following the disclosure of such exception(s), the Developer elects to not close Escrow, then this Agreement and the Escrow may be terminated by Developer as set forth in Section 503 hereof. The representations and warranties set forth in this Section 206.1 shall survive the Closings.

206.2 Developer's Representations. The Developer represents and warrants to the Agency as follows:

(a) Experience. The Developer is an experienced developer of mixed use residential, including affordable housing, rental, and commercial/retail developments.

(b) Authority. The Developer is a duly organized corporation formed within and in good standing under the laws of the State of California. The Developer has full right, power and lawful authority to purchase and accept the Conveyance of the Site and undertake all obligations as provided herein and the execution, performance and delivery of this Agreement by the Developer has been fully authorized by all requisite actions on the part of the Developer.

(c) No Conflict. The Developer's execution, delivery and performance of its obligations set forth in this Agreement will not constitute a default or a breach under any contract, agreement or order to which the Developer is a party or by which it is bound.

(d) No Developer Bankruptcy. The Developer is not the subject of a current or threatened bankruptcy proceeding.

Until each Closing has occurred, the Developer shall, upon learning of any fact or condition which would cause any of the representations and warranties in this Section 206.2 to not be true as of each of the Closings, immediately give written Notice of such fact or condition to the Agency. So long as the representations and warranties contained herein were true as of the Date of Agreement, a change of facts or conditions that renders any such representation or warranty to no longer be true at a later date shall not be deemed a Default by the Developer hereunder if the Developer does not take any affirmative action to cause such representation or warranty to no longer be true, and in such event (i.e., in the event the Developer is not in Default) the changed fact or condition shall constitute an exception which Agency shall have a right to approve or disapprove if the Agency determines in its reasonable discretion that such exception would have an effect on the Developer's authority or ability to timely develop the Site as provided in this Agreement. If the Agency elects to close Escrow following the Developer's disclosure of such exception(s), the Developer's representations and warranties contained herein shall be deemed to have been made as of the Closing subject to such exception(s). If, following the disclosure of such exception(s), the Agency elects to not close Escrow, then this Agreement and the Escrow may be terminated by the Agency as provided in

Section 504 hereof. The representations and warranties set forth in this Section 206.2 shall survive the Closings.

207. Studies and Reports; Access to the Site for Inspection and Testing. Within the time set forth in the Schedule of Performance, the Agency shall deliver to the Developer a copy of all information in its possession and/or in the possession of the City with respect to the Physical and Environmental Condition of the Site. The Developer shall be permitted to enter onto the Site within the first one hundred twenty (120) days after the date of this Agreement for the purpose of obtaining data and making surveys and tests necessary to carry out this Agreement, including the investigation of the Physical and Environmental Condition of the Site (the "Tests"). The Developer shall execute a right of entry agreement, in the form provided by the Agency, prior to its entry. Any preliminary investigation or work shall be undertaken only after securing any necessary permits from the appropriate governmental agencies.

208. Physical and Environmental Condition of the Site.

208.1 Site Clearance. The Agency shall deliver each Phase free and clear of any above ground structures.

208.2 As-Is Condition; Exceptions. Except as otherwise set forth in this Agreement, the Site shall be conveyed to the Developer in an "as is," with no warranty, express or implied, by the Agency as to its Physical and Environmental Condition, and it shall be the sole responsibility of the Developer at its expense to investigate and determine the Physical and Environmental Condition for the Improvements to be constructed and the proposed use of same. If the Physical or Environmental Condition is not in all respects entirely suitable for the use or uses to which the Site will be put, the Developer may terminate this Agreement as provided in Section 208.2 hereof. If the Developer approves the Physical and Environmental Condition of the Site and accepts the Conveyance of Phase I (and assuming the Agency has not elected to pay for the cost of curing or correcting physical or environmental defects or problems with the Site pursuant to the optional provisions of the fourth sentence of Section 208.2), then it shall be the sole responsibility and obligation of the Developer to take such action as may be necessary to place the Physical and Environmental Conditions of the entire Site in a condition entirely suitable for its development.

208.3 Physical and Environmental Investigation and Testing of Site. The Developer shall have the right, at its sole cost and expense, to engage its own environmental consultant (the "Environmental Consultant") to make such investigations of the Site as the Developer deems necessary, and the Agency shall promptly be provided a copy of all reports and test results provided to the Developer by the Environmental Consultant (collectively, the "Environmental Report"). The Developer shall reasonably approve or disapprove of the Physical and Environmental Condition of the Site within the time set forth in the Schedule of Performance. The Developer's failure to deliver written Notice of its approval within such time limit shall be deemed disapproval of the Physical and Environmental Condition of the Site. If the Developer, based upon the above environmental reports, reasonably disapproves the physical or environmental condition of the Site, then the Agency shall have the right, but not the obligation, to elect to pay for the cost of correcting or curing any physical or environmental defect or problem with the Site identified by the Developer, provided that the Developer must approve in writing the content and timing of any plan requiring removal and/or remediation of Hazardous Materials. If the Agency and the Developer do not agree on such matters within ninety (90) days after the date the Developer initially disapproves or is deemed to have disapproved the Physical and Environmental Condition of the Site, as provided

above, the Developer shall be deemed to have adhered to its initial disapproval and either party may terminate this Agreement by written Notice to the other pursuant to Section 503 hereof.

208.4 Release of Agency. The Developer hereby waives, releases and discharges forever the Agency and the City, and their respective employees, officers, agents and representatives, from all present and future claims, demands, suits, legal and administrative proceedings and from all liability for damages, losses, costs, liabilities, fees and expenses, present and future, arising out of or in any way connected with the Physical and Environmental Condition of the Site, any Hazardous Materials on or under the Site, or the existence of Hazardous Materials contamination due to the generation of Hazardous Materials from the Site, however they came to be placed there.

The Developer acknowledges that it is aware of and familiar with the provisions of Section 1542 of the California Civil Code which provides as follows:

“A general release does not extend to claims which the creditor does not know or suspect to exist in his favor at the time of executing the release, which if known by him must have materially affected his settlement with the debtor.”

As such relates to this Section 208.3, the Developer hereby waives and relinquishes all rights and benefits which it may have under Section 1542 of the California Civil Code.

208.5 Developer Precautions After Closing. Upon and after each Closing, the Developer shall take all necessary but reasonable precautions to prevent the release into the environment of any Hazardous Materials which are located in, on or under the Phase which has been conveyed to the Developer, except as may be provided otherwise by applicable Governmental Requirements. Such precautions shall include compliance with all Governmental Requirements with respect to Hazardous Materials. In addition, the Developer shall install and utilize such equipment and implement and adhere to such procedures as are consistent with commercially reasonable standards as respects the disclosure, storage, use, removal and disposal of Hazardous Materials.

208.6 Developer Indemnity. Upon and after each Closing, the Developer agrees to indemnify, defend and hold the Agency and City and their respective employees, officers, agents and representatives harmless from and against any claim, action, suit, proceeding, loss, cost, damage, liability, deficiency, fine, penalty, punitive damage, or expense (including, without limitation, reasonable attorneys' fees), resulting from, arising out of, or based upon the Physical and Environmental Condition of the Phase acquired, including without limitation, (i) the presence, release, use, generation, discharge, storage or disposal of any Hazardous Materials on, under, in or about, or the transportation of any such Hazardous Materials to or from the Site which occurs during the period of the Developer's ownership of the Site, or (ii) the violation, or alleged violation, of any statute, ordinance, order, rule, regulation, permit, judgment or license relating to the use, generation, release, discharge, storage, disposal or transportation of Hazardous Materials on, under, in or about, to or from, the Site which occurs during the period of the Developer's ownership of the Site. This indemnity shall include, without limitation, any damage, liability, fine, penalty, or expense arising from or out of any claim, action, suit or proceeding for personal injury (including sickness, disease or death), tangible or intangible property damage, compensation for lost wages, business income, profits or other economic loss, damage to the natural resource or the environment, nuisance, contamination, leak, spill, release or other adverse effect on the environment. At the request of the Developer, the Agency shall cooperate with and assist the Developer in its defense of any such claim, action, suit,

proceeding, loss, cost, damage, liability, deficiency, fine, penalty, punitive damage, or expense; provided that the Agency shall not be obligated to incur any expense in connection with such cooperation or assistance.

300. DEVELOPMENT OF THE SITE

301. Scope of Development.

301.1 Developer's Obligation to Construct Improvements. Subject to all of the other terms and conditions set forth in this Agreement, the Developer shall develop or cause the development of the Improvements in accordance with the Scope of Development, the City's Municipal Code, and the plans, drawings and documents submitted by the Developer and approved by the Agency as set forth herein. The Improvements shall generally consist of the following: Phase I of the Improvements will consist of approximately 148 attached For Sale Units in three (3), four (4)-story buildings. Phase II of the Improvements will be developed in multiple Subphases and will consist of approximately 252 attached For Sale Units in five (5), four (4)-story buildings, approximately 200 Rental Units, of which 60 will be Affordable Rental Units or, at the election of the Developer, the Affordable Rental Units may be increased to 120, and approximately 80,000 square feet of retail space. Developer shall also construct related onsite improvements and all public improvements, all as identified in the Scope of Development or required pursuant to the land use approvals listed in Sections 302-303 hereof. Phase II will be developed in multiple Subphases. Phase II may also include the Hotel Component.

301.2 Local Contractors. The Developer shall use good faith efforts to solicit and obtain bids from local businesses for the construction of the Improvements by making available to local contractors all plans for the Improvements in the manner reasonably selected by the Developer, which may include, without limitation, submission to the Building and Trades Council of Orange County, the Plan Room and/or the Green Sheet. To the extent the Developer reasonably determines it is feasible, contracts for work to be performed in connection with the construction of the Improvements shall be awarded to business concerns which are located in, or owned in substantial part by persons residing within, the City, provided, however, the Developer shall not be required to award contracts to the lowest bidder, and may award contracts in accordance with the Developer's normal contracting and purchasing policies based upon criteria such as the experience, financial strength, and dependability of the contractors and subcontractors submitting bids.

302. Design Review.

302.1 Developer Submissions. As a Condition Precedent to the Phase I Closing, and at or prior to the time set forth in the Schedule of Performance, the Developer shall submit to the City any plans and drawings (collectively, the "Design Development Drawings") which may be required by the City with respect to any permits and entitlements which are required to be obtained to develop the Phase I Improvements. Developer, on or prior to the date set forth in the Schedule of Performance, shall further submit to the City such plans for the Phase I Improvements as required by the City in order for Developer to obtain building permits for the Phase I Improvements. To the extent required by the City in order to accept such plans and permit applications for processing (given that the Developer may not own fee title to the Site at the time and may not have obtained the written authorization from the owners of the Parcels to apply for and process such plans and permits), provided that such submittal is in accordance with this Agreement and Developer is not in Breach or Default hereunder, the Agency shall sign any such application as a co-applicant with the Developer

and cooperate with the Developer in order to expedite the City's review thereof (but without any representation or warranty by the Agency that the City will approve any such application or approve such application with or without any particular conditions). Within thirty (30) days after the City's disapproval or conditional approval of such plans, Developer shall revise the portions of such plans identified by the City as requiring revisions and resubmit the revised plans to the City; provided, however, that the Developer reserves the right to deliver a Notice of termination to the Agency pursuant to Section 503 hereof if the Developer determines in its sole and absolute discretion that the required revisions adversely and materially affect the value or development of the Site.

302.2 City Review and Approval. The City shall have all rights to review and approve or disapprove all Design Development Drawings and other required submittals in accordance with the City Municipal Code, and nothing set forth in this Agreement shall be construed as the City's approval of any or all of the Design Development Drawings.

302.3 Revisions. Subject to the Developer's reserved termination right as set forth herein, any and all change orders or revisions required by the City and its inspectors which are required under the Municipal Code and all other applicable Uniform Codes (e.g. Building, Plumbing, Fire, Electrical, etc.) and under other applicable laws and regulations shall be included by the Developer in its Design Development Drawings and other required submittals and shall be completed during the construction of the Improvements.

302.4 Defects in Plans. The Agency and the City shall not be responsible either to the Developer or to third parties in any way for any defects in the Design Development Drawings, nor for any structural or other defects in any work done according to the approved Design Development Drawings, nor for any delays reasonably caused by the City review and approval processes established by this Section 302.

303. Land Use Approvals. As a Condition Precedent to the Phase I Closing, the Developer shall, at its own expense, secure or cause to be secured any and all land use, development and building entitlements, permits and approvals which may be required for the construction and sale and/or operation by the City or any other governmental agency with jurisdiction over such construction or work including, without limitation, those listed in (a) through (g) below ("Land Use Approvals"). The staff of the Agency shall cooperate with and assist the Developer in obtaining such entitlements, permits and approvals (including without limitation signing any applications for such entitlements, permits, and approvals as a co-applicant with the Developer, as provided in Section 302 hereof); provided, however, that this Agreement does not constitute the granting of such entitlements, permits and approvals. The Developer shall, without limitation, apply for and exercise commercially reasonable efforts to secure the following, to the extent required by the City, and the Developer shall pay all normal costs, charges and fees associated therewith:

- (a) General Plan Amendment and zoning change for the Site.
- (b) Site Plan.
- (c) A subdivision map.
- (d) A development agreement between the Developer and the City that provides for the Developer's payment of the City's standard development impact fee ("DIF") for the Improvements.

(e) All other discretionary entitlements, permits, and approvals required by the City, County, and other governmental agencies with jurisdiction over the Improvements.

(f) Any environmental studies and documents required pursuant to the California Environmental Quality Act ("CEQA"), Public Resources Code Section 21000, *et seq.*, with respect to any of the discretionary entitlements, permits, and approvals referred to in clauses (a)-(e), inclusive.

(g) All ministerial entitlements, permits, and approvals as to the Phase I Improvements that may be required, including without limitation and to the extent applicable a final tract map, rough and precise grading permit(s), and approval of final building plans and permits, utility plans, public works improvement plans for the perimeter offsite improvements and any encroachment permits required for work to be performed within the public right-of-way, and landscaping plans ("Ministerial Approvals").

As a Condition Precedent to the Phase II Closing, Developer shall secure the Ministerial Approvals for Phase II, Subphase A.

304. Schedule of Performance. The Developer shall submit all Design Development Drawings, Plan Drawings and Construction Drawings, commence and complete all construction of the Improvements, and satisfy in all material respects all other obligations and conditions of this Agreement, and the Agency shall satisfy all of its obligations and conditions pursuant to this Agreement, within the times established therefor in the Schedule of Performance.

305. Cost of Construction. All of the costs of planning, designing, developing and constructing all of the Improvements, site preparation and grading shall be borne solely by the Developer.

306. Insurance Requirements. The Developer shall take out and maintain or shall cause its contractor to take out and maintain until the issuance of the Release of Construction Covenants pursuant to Section 310 of this Agreement, a commercial general liability policy including contractual liability, in the minimum amount of Five Million Dollars (\$5,000,000), and an automobile liability policy in the minimum amount of Two Million Dollars (\$2,000,000), combined single limit, as shall protect the Developer, the City, and the Agency from claims for such damages, and which policies shall be issued by an "A" rated insurance carrier. Such policy or policies shall be written on an occurrence form. The Developer shall also furnish or cause to be furnished to the Agency evidence satisfactory to the Agency that the Developer and 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. Prior to and as an Agency Condition Precedent to each Phase or Subphase, as applicable, the Developer shall furnish a certificate of insurance countersigned by an authorized agent of the insurance carrier on a form approved by the Agency setting forth the general provisions of the insurance coverage. This countersigned certificate shall name the City and the Agency and their respective officers, agents, and employees as additionally insured parties under the policy, and the certificate shall be accompanied by a duly executed endorsement evidencing such additional insured status. The certificate and endorsement by the insurance carrier shall contain a statement of obligation on the part of the carrier to notify the 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 Developer shall be primary insurance and not be contributing

with any insurance maintained by the Agency or the City, and the policy shall contain such an endorsement. The insurance policy or the endorsement shall contain a waiver of subrogation for the benefit of the City and the Agency. The required certificate shall be furnished by the Developer at the time set forth therefor in the Schedule of Performance.

307. Developer's Indemnity. The Developer shall defend, indemnify, assume all responsibility for, and hold the Agency and the City, and their representatives, volunteers, officers, employees and agents, harmless from all claims, demands, defense costs, and liability of any kind or nature arising out of or related to the design, construction, or operation of the Improvements or the Site, which may be caused by any acts or omissions of the Developer, whether such acts or omissions be by the Developer or by anyone directly or indirectly employed or contracted with by the Developer and whether such damage shall accrue or be discovered before or after termination of this Agreement. The Developer shall further defend, indemnify, assume all responsibility for, and hold the Agency and the City, and their officers, employees, agents, representatives and volunteers, harmless from challenges to the approval, validity, applicability, interpretation or implementation of this Agreement or the California Environmental Quality Act approvals made in connection therewith. The Developer shall not be liable for and this Section 307 not apply to any such matters occasioned by the gross negligence or intentional misconduct of the Agency or its agents or employees, or the Agency's Default of its obligations or breach of its representations or warranties hereunder.

The Developer shall have the obligation to defend any such action as to which this Section 307 applies; provided, however, that this obligation to defend shall not be effective if and to the extent that Developer determines in its reasonable discretion that such action is meritorious or that the interests of the parties justify a compromise or a settlement of such action, in which case Developer shall compromise or settle such action in a way that fully protects Agency and City from any liability or obligation. In this regard, Developer's obligation and right to defend shall include the right to hire (subject to written approval by the Agency and City) attorneys and experts necessary to defend, the right to process and settle reasonable claims, the right to enter into reasonable settlement agreements and pay amounts as required by the terms of such settlement, and the right to pay any judgments assessed against Developer, Agency, or City. If Developer defends any such action as to which this Section 307 applies, as set forth above, it shall indemnify and hold harmless Agency and City and their officers, employees, representatives and agents from and against any claims, losses, liabilities, or damages assessed or awarded against either of them by way of judgment, settlement, or stipulation.

308. Rights of Access. Prior to the issuance of a Release of Construction Covenants (as specified in Section 310 of this Agreement), for purposes of assuring compliance with this Agreement, representatives of the Agency shall have the right of access to the Site, 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 Agency representatives comply with all safety rules. The Agency (or its representatives) shall, except in emergency situations, notify the Developer prior to exercising its rights pursuant to this Section 308. The Agency shall defend, indemnify, assume all responsibility for, and hold the Developer and its representatives, officers, employees, agents, contractors, and subcontractors harmless from all claims, demands, defense costs, and liability of any kind or nature arising out of the Agency's exercise of this right of access, except to the extent caused by the negligence or willful misconduct of the Developer or its representatives, officers, employees, agents, contractors, or subcontractors.

309. Compliance With Governmental Requirements. The Developer shall carry out the design, construction, and operation of the Improvements in conformity with all applicable laws, including the City zoning and development standards, building, plumbing, mechanical and electrical codes, and all Governmental Requirements.

309.1 Taxes and Assessments. The Developer shall pay prior to delinquency all ad valorem real estate taxes and assessments on the Site accruing after the Closing Date, subject to the Developer's right to contest in good faith any such taxes. The Developer shall remove or have removed any levy or attachment made on any portion of the Site which has been conveyed to the Developer with respect to real estate taxes and assessments on the Site accruing after the Closing Date, or assure the satisfaction thereof within a reasonable time. The Developer shall not apply for or receive any exemption from the payment of property taxes or assessments on any interest in or to the Site or the Improvements.

309.2 Relocation; Obligations. The Agency shall be responsible for causing all occupants of the Site to vacate prior to the Closing, and for complying and/or causing compliance with all applicable laws and regulations concerning the displacement and/or relocation of all Eligible Persons from the Site, if any, including without limitation, compliance with the California Relocation Assistance Law, California Government Code Section 7260, *et seq.*, all state and local regulations implementing such laws, and all other applicable state and local laws and regulations relating to such Eligible Persons.

310. Release of Construction Covenants. Promptly after completion of the Improvements or any portion thereof in conformity with this Agreement free and clear of any claims and/or liens, and upon the request of the Developer, the Agency Director shall furnish the Developer with a "Release of Construction Covenants" substantially in the form of Attachment No. 9 hereto which is incorporated herein by reference. The Agency Director shall not unreasonably withhold, condition, or delay delivery of such Release of Construction Covenants. The Release of Construction Covenants shall be a conclusive determination of satisfactory completion of the applicable portion of the Improvements and the Release of Construction Covenants shall so state.

If the Agency Director refuses or fails to furnish the Release of Construction Covenants, after written request from the Developer, the Agency Director shall, within fifteen (15) days of written request therefor, provide the Developer with a written statement of the reasons the Agency Director refused or failed to furnish the Release of Construction Covenants. The statement shall also contain the Agency Director's opinion of the actions the Developer must take to obtain the Release of Construction Covenants. If the Agency shall have failed to provide such written statement within such fifteen day period, the Developer shall be deemed entitled to the Release of Construction Covenants as to the Site. The Release of Construction Covenants shall not constitute evidence of compliance with or satisfaction of any obligation of the Developer to any holder of any mortgage, or any insurer of a mortgage securing money loaned to finance the Improvements, or any part thereof. The Release of Construction Covenants is not a notice of completion as referred to in Section 3093 of the California Civil Code.

311. Financing of the Improvements.

311.1 Approval of Financing. As required herein, the Developer shall submit to the Agency Director reasonable evidence that the Developer has obtained sufficient equity capital and/or that the Developer has obtained commitments for construction financing necessary to

undertake the development of each and the construction of the Improvements for Phase I (as a Condition Precedent to the Phase I Closing) and Phase II, Subphase A (as a Condition Precedent to the Phase II Closing) in accordance with this Agreement. Such evidence of financing shall include, as applicable, the following: (a) the annual report or audited financial statement of the institutional lender proposing to provide the construction financing, (b) a copy of a loan commitment(s) obtained by Developer from one or more institutional lenders, reasonably acceptable to the Agency, for the mortgage loan or loans for financing to fund the construction of the Improvements, subject to such lenders' reasonable, customary and normal conditions and terms, and/or (c) evidence reasonably satisfactory to Agency that Developer has sufficient funds for such construction, and that such funds have been committed to such construction, and/or other documentation reasonably satisfactory to the Agency Director as evidence of other sources of capital sufficient to demonstrate that Developer has adequate funds to cover the difference between the total cost of the construction of the Improvements, less financing authorized by those loans set forth in clause (a) above.

The Agency Director shall approve or disapprove such institutional lender and evidence of financing capacity or commitments within thirty (30) days of receipt of a complete submission. Approval shall not be unreasonably withheld, delayed or conditioned. If the Agency Director shall disapprove any such evidence of financing, he or she shall do so by written Notice to Developer stating the reasons for such disapproval. Upon receipt of the Agency Director's disapproval of the proposed financing, the Developer shall either promptly obtain and submit new evidence of financing to the Agency Director or terminate this Agreement as provided in Section 503 hereof. The Agency Director shall approve or disapprove such new evidence of financing in the same manner and within the same times established in this Section 311.1 for the approval or disapproval of the evidence of financing as initially submitted. If any portion of the Developer's financing consists of secured third party loans, the Developer shall close the approved construction financing at the Closing.

311.2 No Encumbrances Except Mortgages, Deeds of Trust, or Sale and Lease-Back for Development. Mortgages, deeds of trust and sales and leasebacks shall be permitted prior to the issuance of the Release of Construction Covenants only with the Agency Director's prior written approval, which shall not be unreasonably withheld or delayed, but only for the purpose of securing loans of funds to be used for financing the construction of the Improvements (including architecture, engineering, legal, and related direct costs as well as indirect costs) on or in connection with the Site, and any other purposes necessary and appropriate in connection with development under this Agreement. The Developer shall notify the Agency Director in advance of any mortgage, deed of trust or sale and lease-back financing, if the Developer proposes to enter into the same before completion of the construction of the Improvements. The words "mortgage" and "trust deed" as used hereinafter shall include sale and leaseback. Prior to the Agency's issuance of its Release of Construction Covenants for the Site, the Developer shall not enter into any such conveyance for financing encumbering the Site without the prior written approval of the Agency Director.

311.3 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 any portion thereof, or to guarantee such construction or completion; nor shall any covenant or any other provision in this Agreement be construed so as to obligate such holder. 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.

311.4 Notice of Default to Mortgagee or Deed of Trust Holders; Right to Cure.

With respect to any mortgage or deed of trust granted by the Developer as provided herein, whenever the Agency may deliver any notice or demand to the Developer with respect to any Default by the Developer in completion of construction of the Improvements, the Agency may 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 granted by the Agency are concerned) have the right, at its option, within ninety (90) days after the receipt of the notice, to cure or remedy or commence to cure or remedy and thereafter to pursue with due diligence the cure or remedy of 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, or any portion thereof (beyond the extent necessary to conserve or protect the improvements or construction already made) without first having expressly assumed the Developer's obligations to the Agency by written agreement reasonably 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. Any such holder properly completing such improvement shall be entitled, upon compliance with the requirements of Section 310 of this Agreement, to a Release of Construction Covenants. It is understood that a holder shall be deemed to have satisfied the ninety (90) day time limit set forth above for commencing to cure or remedy a Developer Default which requires title and/or possession of the Site (or portion thereof) if and to the extent any such holder has within such ninety (90) day period commenced proceedings to obtain title and/or possession and thereafter the holder diligently pursues such proceedings to completion and cures or remedies the Default.

311.5 Failure of Holder to Complete Developer Improvements. In any case where, thirty (30) days after the holder of any mortgage or deed of trust creating a lien or encumbrance upon the Site or any part thereof receives a notice from Agency of a Default by the Developer in completion of construction of the Developer Improvements under this Agreement, and such holder has not exercised the option to construct as set forth in Section 311, or if it has exercised the option but has Defaulted hereunder and failed to timely cure such Default, 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 Site 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 including reasonable attorneys' fees;
- (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 or defeasance costs imposed by the lender pursuant to its loan documents and agreed to by the Developer.

(g) Any or all other amounts, costs or expenses payable to the holder under the holder's loan document approved pursuant to Section 311.2.

(h) The Agency's right to purchase any mortgage or deed of trust under this Section 311.5 shall terminate upon the issuance of a Release of Construction Covenants pursuant to Section 310.

311.6 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 Developer prior to the completion of the construction of any of the Improvements or any part thereof, the Developer shall immediately deliver to Agency a copy of any mortgage holder's notice of default. If the holder of any mortgage or deed of trust has not exercised its option to construct, the Agency shall have the right but no obligation to cure the default. In such event, the Agency shall be entitled to reimbursement from the Developer 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 to the extent of such costs and disbursements. Any such lien shall be junior and subordinate to the mortgages or deeds of trust pursuant to this Section 311.

400. USE, MAINTENANCE, AND NON-DISCRIMINATION COVENANTS AND RESTRICTIONS

401. Use and Operation in Accordance with the Agreement and the Redevelopment Plan. The Developer covenants and agrees for itself, its successors, assigns, and every successor in interest to the Site or any part thereof to use, operate, and maintain the Site in accordance with in the Redevelopment Plan and this Agreement. All uses conducted on the Site, including, without limitation, all activities undertaken by the Developer pursuant to this Agreement, shall conform to the Redevelopment Plan, all applicable provisions of the City Municipal Code and the recorded documents pertaining to and running with the Site. The foregoing covenant shall run with the land.

402. Use of Retail Improvements. Until the expiration of the Redevelopment Plan, the Retail Improvements shall be used only for retail and commercial purposes. Upon the Closing for each Phase, the Agency and Developer shall execute and record a Declaration of Uses, substantially in the form attached hereto as Attachment No. 6 and incorporated herein.

403. Maintenance and CC&Rs. The Developer shall maintain or cause to be maintained the Improvements and the Site in a decent, safe and sanitary manner, in accordance with the standard of maintenance of similar mixed-use developments within Orange County, California. The Developer shall prepare and submit to the Agency's legal counsel for its reasonable approval a Declaration of Covenants, Conditions and Restrictions for each of the separate Housing Units and Retail Improvements to be constructed within the Site and a master association over all of the Improvements (the "Association CC&Rs"), which establishes a separate property owner's association for the For Sale Units, Rental Units, and Retail Improvements (each, an "Association(s)") and a property owner's association for all of the Improvements ("Master Association"). Each

Association CC&Rs shall require the owners of the Housing Units and Retail Improvements to be members of the Associations. In addition, the Master Association CC&Rs shall require reciprocal access and parking and the maintenance of the Improvements and the Site in accordance with the standards of this Section 403 and the standards of similar mixed-use developments within the County. The Association CC&Rs shall be enforceable by the Agency, and any substantive amendments to such Association CC&Rs shall require the consent of the Agency, which consent shall not unreasonably be withheld. The Association CC&Rs shall be recorded against the applicable portion of the Site concurrently with the Applicable Closing. The Association CC&Rs shall specifically state that the Agency is an intended third party beneficiary of the Association CC&Rs with the ability to enforce all the obligations set forth therein, including, without limitation, the ability to cause any and all maintenance and repair obligations to be performed. Upon the formation of the Association and its acquisition of the common areas of the Improvements, the Association shall assume the Developer's obligations under this Section 403.

Specifically with respect to the Rental Units, the Developer shall submit for the reasonable approval of the Agency a "Management Plan" which sets forth in detail the Developer's property management duties, a tenant selection process and crime prevention program, the procedures for the collection of rent, the procedures for eviction of tenants, the rules and regulations of the Rental Units and manner of enforcement, a standard lease form, an Operating Budget, the identity of the manager of the Rental Units (the "Property Manager"), and other matters relevant to the management of the Rental Units. The management of the Rental Units shall be in compliance with the Management Plan which is approved by the Agency. The Agency hereby approves Kam Sang Company, Inc. or an Affiliate as the Property Manager for the Rental Units.

If the Agency determines that the performance of the Property Manager is deficient based upon the standards set forth in the Management Plan and in this Agreement, the Agency shall provide notice to the Developer of such deficiencies, and the Developer shall use its best efforts to correct such deficiencies. In the event that such deficiencies have not been cured within ninety (90) days of the date on which Agency provides such notice of deficiencies, the Agency shall have the right to require the Developer to immediately remove and replace the Property Manager with another property manager or property management company which is reasonably acceptable to the Agency, which is not related to or affiliated with the Developer, and which has not less than five (5) years experience in property management, including significant experience managing housing facilities of the size, quality and scope of the applicable Phase of the Rental Units.

404. Nondiscrimination Covenants. Developer herein covenants by and for itself, its successors and assigns, that there shall be no discrimination against or segregation of, any person or group of persons on account of any basis listed in subdivision (a) or (d) of Section 12955 of the Government Code, as those bases are defined in Sections 12926, 12926.1, subdivision (m) and paragraph (1) of subdivision (p) of Section 12955, and Section 12955.2 of the Government Code, in the sale, lease, sublease, transfer, use, occupancy, tenure, or enjoyment of the premises herein conveyed, nor shall the grantee or any person claiming under or through him or her, establish or permit any 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 premises herein conveyed. The foregoing covenants shall run with the land.

Notwithstanding the immediately preceding paragraph, with respect to familial status, the immediately preceding paragraph shall not be construed to apply to housing for older persons, as defined in Section 12955.9 of the Government Code. With respect to familial status, nothing in the

immediately preceding paragraph shall be construed to affect Sections 51.2, 51.3, 51.4, 51.10, 51.11, and 799.5 of the Civil Code, relating to housing for senior citizens. Subdivision (d) of Section 51 and Section 1360 of the Civil Code and subdivisions (n), (o), and (p) of Section 12955 of the Government Code shall apply to the immediately preceding paragraph.

All deeds, leases or contracts entered into by Developer relating to the Site shall contain or be subject to substantially the following nondiscrimination or nonsegregation clauses:

(a) 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 any basis listed in subdivision (a) or (d) of Section 12955 of the Government Code, as those bases are defined in Sections 12926, 12926.1, subdivision (m) and paragraph (1) of subdivision (p) of Section 12955, and Section 12955.2 of the Government Code, in the sale, lease, sublease, transfer, use, occupancy, tenure, or enjoyment of the premises herein conveyed, nor shall the grantee or any person claiming under or through him or her, establish or permit any 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 premises herein conveyed. The foregoing covenants shall run with the land.

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

(b) 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:

"That there shall be no discrimination against or segregation of any person or group of persons, on account of any basis listed in subdivision (a) or (d) of Section 12955 of the Government Code, as those bases are defined in Sections 12926, 12926.1, subdivision (m) and paragraph (1) of subdivision (p) of Section 12955, and Section 12955.2 of the Government Code, in the leasing, subleasing, transferring, use, occupancy, tenure, or enjoyment of the premises herein leased nor shall the lessee himself or herself, or any person claiming under or through him or her, establish or permit any such practice or practices of discrimination or segregation with reference to the selection, location, number, use, or occupancy, of tenants, lessees, sublessees, subtenants, or vendees in the premises herein leased.

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

(c) **In contracts:** "There shall be no discrimination against or segregation of, any person or group of persons on account of any basis listed in subdivision (a) or (d) of Section 12955 of the Government Code, as those bases are defined in Sections 12926, 12926.1, subdivision (m) and paragraph (1) of subdivision (p) of Section 12955, and Section 12955.2 of the Government Code, in the sale, lease, sublease, transfer, use, occupancy, tenure, or enjoyment of the premises which are the subject of this Agreement, nor shall the grantee or any person claiming under or through him or her, establish or permit any 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 premises herein conveyed. The foregoing covenants shall run with the land."

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

The foregoing covenants shall, without regard to technical classification and designation, be binding for the benefit and in favor of Agency, its successors and assigns, any occupants of the Site, and any successor in interest to the Site. The covenants against discrimination shall remain in effect in perpetuity. In no event shall anything in this Section 404 be construed as authority to lease Residential Units unless otherwise permitted herein.

405. Effect of Violation of the Terms and Provisions of this Agreement After Completion of Construction. The covenants and obligations established in this Agreement and the Grant Deeds shall, without regard to technical classification and designation survive the Closing, and be binding for the benefit and in favor of the Agency, its successors and assigns, as to those covenants which are for its benefit. The covenants contained in this Agreement shall remain in effect for the periods of time specified therein. The covenants against discrimination shall remain in effect in perpetuity. 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 and obligations 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 Redevelopment 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 Release of Construction Covenants for the Improvements, all of the terms, covenants, agreements and conditions set forth in this Agreement relating to the construction and development of the Site shall cease and terminate.

500. RENTAL UNITS -- PROVISION OF MODERATE INCOME RENTAL HOUSING

501. Number of Affordable Rental Units. Pursuant to this Agreement and the Regulatory Agreement, the Developer covenants and agrees to make available, restrict occupancy to, and rent not less than one hundred twenty (120) Affordable Rental Units to Persons and Families of Low or Moderate Income at an Affordable Rent as follows:

(a) Seventy (70) of the one (1) bedroom Rental Units in Phase II to Persons and Families of Low or Moderate Income at an Affordable Rent.

(b) Forty (40) of the two (2) bedroom Rental Units in Phase II to Persons and Families of Low or Moderate Income at an Affordable Rent.

(c) Ten (10) of the three (3) bedroom Rental Units in Phase II to Persons and Families of Low or Moderate Income at an Affordable Rent.

502. Duration of Affordability Requirements. The Affordable Rental Units shall be subject to the requirements of this Agreement for fifty-five (55) years from the date of the City's issuance of a certificate of occupancy for the applicable Phase (the "Affordability Period").

503. Selection of Tenants. The Developer shall be responsible for the selection of tenants for the Affordable Rental Units in compliance with lawful and reasonable criteria, as set forth in the Regulatory Agreement and the Management Plan which is required to be submitted and approved by the Agency pursuant to Section 403.

504. Household Income Requirements. Following the initial lease-up of the Affordable Rental Units in Phase II, and annually thereafter, the Developer shall submit to the Agency, at the Developer's expense, a summary of the income, household size and rent payable by each of the tenants of the Affordable Rental Units of such Phase. At the Agency's request, the Developer shall also provide to the Agency completed income computation and certification forms, in a form reasonably acceptable to the Agency, for any such tenant or tenants. The Developer shall obtain, or shall cause to be obtained by the Property Manager, a certification from each household leasing a Affordable Rental Unit demonstrating that such household is/are Persons and Families of Low or Moderate Income, and meets the eligibility requirements established for the Affordable Rental Unit. The Developer shall verify, or shall cause to be verified by the Property Manager, the income certification of the household.

505. Affordable Rent. The maximum Monthly Rent chargeable for the Affordable Rental Units shall be annually determined in accordance with the following requirements. The Monthly Rent for the Affordable Rental Units to be rented to Persons and Families of Low or Moderate Incomes shall not exceed the amount set forth in Section 50093 of the California Health and Safety Code.

For purposes of this Agreement, "Monthly Rent" means the total of monthly payments charged to and paid by tenants for (a) use and occupancy of each Affordable Rental Unit and land and facilities associated therewith, (b) any separately charged fees or service charges assessed by the Developer which are required of all tenants, other than security deposits, (c) a reasonable allowance for an adequate level of service of utilities not included in (a) or (b) above, including garbage collection, sewer, water, electricity, gas and other heating, cooking and refrigeration fuels, but not including telephone service, and (d) possessory interest, taxes or other fees or charges assessed for use of the land and facilities associated therewith by a public or private entity other than the

Developer. In the event that all utility charges are paid by the landlord rather than the tenant, no utility allowance shall be deducted from the rent. "Monthly Rent" does not include optional payments by tenants for optional services provided by the Developer or the Property Manager.

506. Occupancy Limits. The maximum occupancy of the Affordable Rental Units shall not exceed more than such number of persons as is equal to the sum of the number of bedrooms in the unit, multiplied by two (2), plus one (1). For the two (2) bedroom units, the maximum occupancy shall not exceed five (5) persons. For the one (1) bedroom unit, the maximum occupancy shall not exceed three (3) persons.

507. Marketing Program. The Developer shall prepare and obtain Agency Director's approval, which approval shall not be unreasonably withheld, of a marketing program for the leasing of the Affordable Rental Units within each Phase (the "Marketing Program"). The leasing of the Affordable Rental Units shall be marketed in accordance with the approved Marketing Program as the same may be amended from time to time with Agency Director's prior written approval, which approval shall not unreasonably be withheld. The Developer shall provide the Agency with periodic reports with respect to the leasing of the Affordable Rental Units. The Developer shall be responsible to organize, schedule and coordinate a lottery drawing to select potential tenants for the Affordable Rental Units for initial lease-up only, which shall be open to the public. The lottery shall take place not less than 90 days prior to completion of the applicable Phase of the Affordable Rental Units. Preference in the lottery, so long as not inconsistent with federal and State law (including, without limitation, all fair housing laws, rules and regulations), shall be given as follows:

- (1) Any persons who have been displaced from their residences due to programs or projects implemented by the Agency; and
- (2) Other households who live or work in Garden Grove.

Subject to all fair housing laws, rules, and regulations, all categories shall receive preference in the order listed. The requirements of this Section 507 shall only apply to the extent that the number of applicants for Affordable Rental Units exceeds the number of Affordable Rental Units available for lease upon initial lease-up.

For the purpose of the lottery drawing, the lottery will be divided by those who have claimed a preference and those who do not. All lottery forms will be drawn and numbered to create a complete list of alternate applications.

The Developer shall provide written notification to lottery participants informing them of the results and their priority number. This priority number represents the order with which prospective tenants will be reviewed for final determination of eligibility. If a household who was selected claimed a preference but could not verify such preference, then that participant will be deemed ineligible and the next selected participant will be notified.

508. Monitoring and Recordkeeping. Throughout the Affordability Period, Developer shall comply with all applicable recordkeeping and monitoring requirements set forth in Health and Safety Code Section 33418 and shall annually complete and submit to the Agency a report, prior to January 30th of each year, for the Affordable Rental Units which includes the name, address, income and age of each occupant of a Affordable Rental Unit, the bedroom count and Monthly Rent for such Affordable Rental Unit. Representatives of the Agency shall be entitled to enter the Rental Units,

upon at least seventy-two (72) hours prior written notice, to monitor compliance with this Agreement, to inspect the records, and to conduct an independent audit or inspection of such records. The Developer agrees to cooperate with the Agency in making the Rental Units available for such inspection or audit. The Developer agrees to maintain records in a businesslike manner, and to maintain such records for the term of this Agreement.

509. Regulatory Agreement and Notice of Affordability Restrictions. The requirements of this Agreement which are applicable to the Affordable Rental Units after the conveyance of the Site to the Developer are set forth in each Regulatory Agreement. Additionally, the Developer shall record a Notice of Affordability Restrictions on Transfer of Property ("Notice of Affordability Restrictions") as to each Phase of the Rental Units, which shall run with the land and shall be enforceable against any owner who violates a covenant or restriction and each successor in interest who continues the violation pursuant thereto. The execution of a Regulatory Agreement and the Developer's execution of a Notice of Affordability Restrictions is a Condition Precedent to the Closing for each Phase, as set forth in Section 205. The Agency shall not subordinate this Agreement, each Regulatory Agreement and Notice of Affordability Restrictions to the construction and permanent financing approved pursuant to Section 311.1. Any such lender shall specifically subordinate its lien to the lien of each Regulatory Agreement and Notice of Affordability Restrictions.

510. Option to Increase Number of Affordable Rental Units. Not less than thirty (30) days prior to the Phase II Closing, the Developer may elect to increase the number of Affordable Rental Units from 60 to 120 in which case the Agency will pay to Developer the all cash sum of Six Million, Four Hundred Thousand Dollars (\$6,400,000) at the Phase II Closing from its Housing Set Aside Fund for the purpose of providing funds sufficient to allow the Developer to provide the additional 60 Affordable Rental Units to Families of Low or Moderate Income at Affordable Rent. In the event of such election, Developer shall identify the Subphase in which the Affordable Rental Units will be located.

600. DEFAULTS, TERMINATION, AND REMEDIES

601. Default Remedies. Subject to any extensions of time of the deadlines for performance that may be permitted in accordance with Section 702 of this Agreement, failure by either Party to perform any action or covenant required by this Agreement, constitutes a "Breach" under this Agreement. A Party claiming a Breach shall give written Notice of Breach to the other Party specifying the Breach complained of. Except as otherwise expressly provided in this Agreement, the claimant shall not institute any proceeding against the other Party, and the other Party shall not be in Default if such Party cures such Breach within thirty (30) days from receipt of such Notice, or if such Breach cannot reasonably be cured within such thirty (30) day period, if the other Party immediately, with due diligence, commences to cure, correct or remedy such failure or delay and completes such cure, correction or remedy with diligence, but in no event later than ninety (90) days after the date of receipt of the Notice. Failure to cure the Breach as described in the immediately preceding sentence is a "Default" hereunder.

602. Institution of Legal Actions. In addition to any other rights or remedies and subject to the restrictions otherwise set forth in this Agreement, either Party may institute an action at law or equity to seek specific performance of the terms of this Agreement, or to cure, correct or remedy any Breach, 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.

603. Termination by the Developer Prior to the Conveyance. In the event that prior to the Conveyance of any Phase of the Site the Developer is not in Breach or Default of its obligations set forth in this Agreement and either (a) one or more of the Developer's Conditions Precedent is not fulfilled within the time set forth in the Schedule of Performance, or (b) the Agency is in Default of this Agreement, then this Agreement may, at the option of the Developer, be terminated by written Notice thereof to the Agency. From the date of the written Notice of termination of this Agreement by the Developer to the Agency and thereafter this Agreement shall be deemed terminated, and. Upon such a termination, there shall be no further rights or obligations between the Parties with respect to the Site by virtue of or with respect to this Agreement, except that (i) this Agreement shall remain in effect as to any Phases of the Site which have previously been conveyed to the Developer, and (ii) the Developer reserves all of its damages remedies in the event of a termination made pursuant to clause (b) above.

604. Termination by the Agency Prior to the Conveyance. In the event that prior to the Conveyance of any Phase of the Site the Agency is not in Breach or Default of its obligations set forth in this Agreement and either (a) one or more of the Agency's Conditions Precedent is not fulfilled within the time set forth in the Schedule of Performance, or (b) the Developer is in Default of this Agreement, then this Agreement may, at the option of the Agency, be terminated by the Agency by written Notice thereof to the Developer. From the date of the written Notice of termination of this Agreement by the Agency to the Developer and thereafter this Agreement shall be deemed terminated. Unless otherwise stated herein, upon such a termination, there shall be no further rights or obligations between the Parties, except that (i) this Agreement shall remain in effect as to any Phases of the Site which have previously been conveyed to the Developer, and (ii) the Agency reserves all of its damages remedies in the event of a termination made pursuant to clause (b) above.

605. Option to Acquire Site Upon Default. Developer agrees to enter into an Option Agreement, in substantially the form attached hereto as Attachment No. 10, which grants to Agency an option to purchase each Phase within the Site and the Improvements thereon in the event that the Developer (or its successors in interest) shall:

(a) fail to start the construction of the Improvements as required by this Agreement for a period of ninety (90) days after written notice thereof from the Agency; or

(b) abandon or substantially suspend construction of the Improvements required by this Agreement for a period of ninety (90) days after written notice thereof from the Agency; or

(c) contrary to the provisions of Section 703, transfer or suffer any involuntary transfer in violation of this Agreement, and such transfer has not been approved by the Agency or rescinded within thirty (30) days of notice thereof from Agency to Developer.

606. Acceptance of Service of Process. In the event that any legal action is commenced by the Developer against the Agency, service of process on the Agency shall be made by personal service upon the Agency's 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 Developer, service of process on the Developer shall be made in the manner required by law or, in the alternative, by personal service

upon any officer of the Developer so long as a copy of such service is delivered in accordance with Section 701 of this Agreement, and said service shall be effective whether made within or outside the State of California.

607. 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.

608. 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.

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

610. Non-Liability of Officials and Employees of the Agency. No member, official or employee of the Agency or the City shall be personally liable to the Developer, or any successor in interest, in the event of any Default or breach by the Agency or for any amount which may become due to the Developer or its successors, or on any obligations under the terms of this Agreement.

611. Attorneys' Fees. In any action between the Parties to interpret, enforce, reform, modify, rescind, or otherwise in connection with any of the terms or provisions of this Agreement, the prevailing Party in the action shall be entitled, in addition to damages, injunctive relief, or any other relief to which it might be entitled, reasonable costs and expenses including, without limitation, litigation costs, expert witness fees and reasonable attorneys' fees.

700. GENERAL PROVISIONS

701. Notices, Demands and Communications Between the Parties. Any approval, disapproval, demand, document or other notice ("Notice") which either Party may desire to give to the other Party under this Agreement must be in writing and delivered either personally, by first class United States mail with postage prepaid, or by a national commercial delivery services (such as Federal Express) that provides a receipt verifying the date and time of delivery. Notices shall be directed to the address or addresses of the Party as set forth below, or to any other address or addresses as that Party may later designate by Notice delivered in accordance with this Section 701. Any delivered Notices shall be deemed effective upon actual receipt.

To Agency: Garden Grove Agency for Community Development
 11222 Acacia Parkway
 P.O. Box 3070
 Garden Grove, California 92842
 Attention: Director

Copy to: Stradling Yocca Carlson & Rauth
660 Newport Center Drive, Suite 1600
Newport Beach, California 92660
Attention: Thomas P. Clark, Jr.

To Developer: New Age Brookhurst, LLC
411 E. Huntington Drive, Suite 305
Arcadia, California 91016
Attention: Mr. Ronnie Lam

Copy to: _____, Suite _____
_____, California _____
Attention: _____

702. Force Majeure; Extension of Times of Performance. In addition to specific provisions of this Agreement, performance by either Party hereunder shall not be deemed to be in Breach, and all performance and other dates specified in this Agreement shall be extended, where a delay or Breach is due to causes beyond the control and without the fault of the Party claiming an extension of time to perform, which may include the following: war; acts of terrorism; 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 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 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 ("Force Majeure"). 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 Developer. Notwithstanding any provision of this Agreement to the contrary, the lack of funding to complete the Improvements, and/or lack of financial feasibility shall not constitute grounds of enforced delay pursuant to this Section 702.

703. Transfers of Interest in Site or Agreement.

703.1 Prohibition. The qualifications and identity of the Developer are of particular concern to the Agency. It is because of those qualifications and identity that the Agency has entered into this Agreement with the Developer. Furthermore, the parties acknowledge that the Agency has negotiated the terms of this Agreement in contemplation of the construction of the Improvements and the property tax increment revenues to be generated by the operation of the Improvements on the Site. Accordingly, for the period commencing upon the date of this Agreement and until the expiration of the Declaration of Uses, no changes in the owner of the Retail Improvements shall occur, and for the period commencing upon the date of this Agreement and until the issuance of the Release of Construction Covenants, no voluntary or involuntary successor in interest of the Developer shall acquire any rights or powers under this Agreement, nor shall the Developer make any total or partial sale, transfer, conveyance, assignment, or lease of the whole or

any part of the Site or the Improvements thereon (collectively referred to herein as a "Transfer"), without the prior written approval of the Agency, except as expressly set forth herein.

703.2 Permitted Transfers. Notwithstanding any other provision of this Agreement to the contrary, Agency approval of a Transfer shall not be required in connection with any of the following:

(a) The conveyance or dedication of any portion of the Site to the City or other appropriate governmental agency, or the granting of easements or permits to facilitate construction of the Improvements.

(b) Any requested assignment for financing purposes (subject to such financing being considered and approved by the Agency pursuant to Section 311.1 herein), including the grant of a deed of trust to secure the funds necessary for land acquisition, construction and permanent financing of the Improvements, and further including the approved lender's acquisition of the Site by foreclosure or deed in lieu of foreclosure.

(c) The sale of completed For Sale Units to individual homebuyers or the lease of Rental Units or Retail Improvements all in the ordinary course of business.

(d) If Developer is a publicly held corporation, real estate investment trust or publicly held partnership, a Transfer of stock or other shares, provided there is no material change in the actual management and control of the Developer.

In the event of a Transfer by Developer under subparagraph (a) above not requiring the Agency's prior approval, Developer nevertheless agrees that prior to such Transfer it shall give written Notice to Agency of such assignment and satisfactory evidence that the assignee has assumed in writing through an assignment and assumption agreement all of the Developer's obligations set forth in this Agreement. Such assignment shall not, however, release the assigning Developer from any obligations to the Agency hereunder.

703.3 Agency Consideration of Requested Transfer. The Agency agrees that it will not unreasonably withhold, condition, or delay approval of a request for approval of a Transfer made pursuant to this Section 703 which requires the Agency's approval, provided the Developer delivers written Notice to the Agency requesting such approval. Such Notice shall be accompanied by evidence regarding the proposed transferee's development and/or operational qualifications and experience and its financial commitments and resources in sufficient detail to enable the Agency to evaluate the proposed assignee or purchaser pursuant to the criteria set forth in this Section 703 and as reasonably determined by the Agency. The Agency may, in considering any such request, take into consideration such factors as, without limitation, the transferee's experience and expertise, the transferee's past performance as developer or operator of similar developments, and the transferee's current financial condition and capabilities.

An assignment and assumption agreement in form reasonably satisfactory to the Agency's legal counsel shall also be required for all proposed Transfers requiring the Agency's approval hereunder. Within fifteen (15) days after the receipt of the Developer's written Notice requesting Agency approval of a Transfer pursuant to this Section 703, the Agency shall either approve or disapprove such proposed assignment or shall respond in writing by stating what further information, if any, the Agency reasonably requires in order to determine the request complete and determine

whether or not to grant the requested approval. Upon receipt of such a response, the Developer shall promptly furnish to the Agency such further information as may be reasonably requested and the Agency shall approve or disapprove the requested Transfer within fifteen (15) days after the receipt of such information. Upon the effective date of an assignment approved by the Agency, the assignor or transferor shall be released from all obligations to the Agency hereunder.

703.4 Successors and Assigns. All of the terms, covenants and conditions set forth in this Agreement shall be binding upon the Developer and its permitted successors and assigns. Whenever the term "Developer" is used in this Agreement, such term shall include any other permitted successors and assigns as herein provided.

703.5 Assignment by Agency. The Agency may assign or transfer any of its rights or obligations under this Agreement with the approval of the Developer, which approval shall not be unreasonably withheld; provided, however, that the Agency may assign or transfer any of its interests in the affordable housing covenants hereunder to the City at any time without the consent of the Developer.

704. Relationship Between Agency and Developer. It is hereby acknowledged that the relationship between the Agency and the Developer is not that of a partnership or 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. Accordingly, except as expressly provided herein or in the Attachments hereto, the Agency shall have no rights, powers, duties or obligations with respect to the development, operation, maintenance or management of the Improvements.

705. Agency Approvals and Actions. The Agency shall maintain authority of this Agreement and the authority to implement this Agreement through the Agency Director (or his or her duly authorized representative). The Agency Director shall have the authority to make approvals, issue interpretations, waive provisions, sign documents and/or enter into certain amendments of this Agreement on behalf of the Agency so long as such actions do not materially or substantially change the uses or development permitted on the Site, or add to the costs incurred or to be incurred by the Agency as specified herein, and such approvals, interpretations, waivers and/or amendments may include extensions of time to perform as specified in the Schedule of Performance. All other material and/or substantive interpretations, waivers, or amendments shall require the consideration, action and written consent of the Agency Board.

706. Counterparts. This Agreement may be signed in multiple counterparts which, when signed by both Parties, shall constitute a binding agreement. This Agreement is executed in three (3) originals, each of which is deemed to be an original.

707. Integration. This Agreement contains the entire understanding between the Parties relating to the transaction contemplated by this Agreement, notwithstanding any previous negotiations or agreements between the Parties or their predecessors in interest with respect to all or any part of the subject matter hereof. All prior or contemporaneous agreements, understandings, representations and statements, oral or written, including without limitation the Exclusive Negotiating Agreement, are merged in this Agreement and shall be of no further force or effect. Each Party is entering this Agreement based solely upon the representations set forth herein and upon each Party's own independent investigation of any and all facts such Party deems material. This Agreement includes Attachment Nos. 1 through 11, which are incorporated herein.

708. Real Estate Brokerage Commission. The Developer shall be responsible for any brokerage fees payable in connection with this transaction, which fees shall be included in the Site Acquisition Costs. The Agency and the Developer each represents that it has not engaged the services of any other finder or broker and that it is not liable for any other real estate commissions, broker's fees, or finder's fees which may accrue by reason of the acquisition and the conveyance of all or part 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.

709. Titles and Captions. Titles and captions are for convenience of reference only and do not define, describe or limit the scope or the intent of this Agreement or of any of its terms. Reference to section numbers are to sections in this Agreement, unless expressly stated otherwise.

710. Interpretation. As used in this Agreement, masculine, feminine or neuter gender and the singular or plural number shall each be deemed to include the others where and when the context so dictates. The word "including" shall be construed as if followed by the words "without limitation." This Agreement shall be interpreted as though prepared jointly by both Parties.

711. No Waiver. A waiver by either Party of a breach of any of the covenants, conditions or agreements under this Agreement to be performed by the other Party must be in writing and executed by the waiving Party to be enforceable and no such waiver shall be construed as a waiver of any succeeding breach of the same or other covenants, agreements, restrictions or conditions of this Agreement.

712. Modifications. Any alteration, change or modification of or to this Agreement, in order to become effective, shall be made in writing and in each instance signed on behalf of each Party. The Agency agrees to reasonably consider making changes to this Agreement and entering into supplemental agreements which are proposed by the Developer's lender.

713. Severability. If any term, provision, condition or covenant of this Agreement or its application to a Party or circumstances shall be held, to any extent, invalid or unenforceable, the remainder of this Agreement, or the application of the term, provision, condition or covenant to persons or circumstances other than those as to whom or which it is held invalid or unenforceable, shall not be affected, and shall be valid and enforceable to the fullest extent permitted by law.

714. Computation of Time. The time in which any act is to be done under this Agreement is computed by excluding the first day (such as the day escrow opens), and including the last day, unless the last day is a holiday or Saturday or Sunday, and then that day is also excluded. The term "holiday" shall mean all holidays as specified in Section 6700 and 6701 of the California Government Code. If any act is to be done by a particular time during a day, that time shall be Pacific Time Zone time.

715. Legal Advice. Each Party represents and warrants to the other the following: it has carefully read this Agreement, and in signing this Agreement it does so with full knowledge of any right which it may have; it has received independent legal advice from its legal counsel as to the matters set forth in this Agreement, or has knowingly chosen not to consult legal counsel as to the matters set forth in this Agreement; and, it has freely signed this Agreement without any reliance upon any agreement, promise, statement or representation by or on behalf of the other Party or its agents, employees, or attorneys, except as specifically set forth in this Agreement, and without duress or coercion, whether economic or otherwise.

716. Time of Essence. Time is expressly made of the essence with respect to the performance by the Agency and the Developer of each and every obligation and condition of this Agreement.

717. Cooperation. Each Party agrees to cooperate with the other in this transaction and, in that regard, to sign any and all documents which may be reasonably necessary, helpful, or appropriate to carry out the purposes and intent of this Agreement including, but not limited to, releases or additional agreements.

718. 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 such 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.

719. Time for Acceptance of Agreement by Agency. This Agreement, when executed by the Developer and delivered to the Agency, must be authorized, executed and delivered by the Agency on or before forty-five (45) days after signing and delivery of this Agreement by the Developer or this Agreement shall be void, except to the extent that the Developer shall consent in writing to a further extension of time for the authorization, execution and delivery of this Agreement.

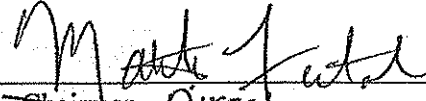
720. Estoppel Certificate. Each of the Parties shall at any time and from time to time upon not less than twenty (20) days prior notice by the other, execute, acknowledge and deliver to such other Party a statement in writing certifying that this Agreement is unmodified and is in full force and effect (or if there shall have been modifications that this Agreement is in full force and effect as modified and stating the modifications), and stating whether or not to the best knowledge of the signer of such certificate such other Party is in Breach or Default in performing or observing any provision of this Agreement, and, if in Breach or Default, specifying each such Breach or Default of which the signer may have knowledge, and such other matters as such other Party may reasonably request, it being intended that any such statement delivered by Developer may be relied upon by Agency or any successor in interest to Agency, and it being further intended that any such statement delivered by Agency may be relied upon by any prospective assignee of Developer's interest in this Agreement or any prospective mortgagee or encumbrancer thereof. Reliance on any such certificate may not extend to any Breach or Default as to which the signer of the certificate shall have had no actual knowledge. The Party requesting the Estoppel Certificate shall reimburse the other Party for all actual and direct third party costs incurred by such Party in connection with such Estoppel Certificate within ten (10) days after written demand therefor which notice shall contain all relevant invoices or other evidence of such costs.

721. No Third Party Beneficiaries. Except to the extent the City is given express rights hereunder, there are no third party beneficiaries of this Agreement.

IN WITNESS WHEREOF, the Agency and the Developer have executed this Disposition and Development Agreement to be effective as of the Date of Agreement first set forth above.

AGENCY:

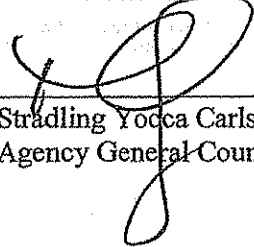
**GARDEN GROVE AGENCY FOR
COMMUNITY DEVELOPMENT,**
a public body, corporate and politic

By: 
~~Chairman~~ Director

ATTEST:

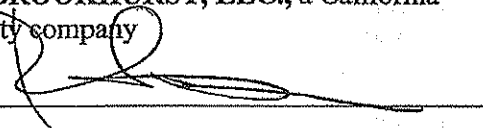

Agency Secretary

APPROVED AS TO FORM:


Stradling Yocca Carlson & Rauth,
Agency General Counsel

DEVELOPER:

NEW AGE BROOKHURST, LLC., a California
limited liability company

By: 

By: Its Manager, Kam Sang Co., Inc.
Ronnie Lam, its President



**State of California
Secretary of State**

LLC-1

File #

201032010313

**Limited Liability Company
Articles of Organization**

ENDORSED - FILED
in the office of the Secretary of State
of the State of California

NOV - 9 2010

A \$70.00 filing fee must accompany this form.

Important - Read instructions before completing this form.

This Space For Filing Use Only

Entity Name (End the name with the words "Limited Liability Company," or the abbreviations "LLC" or "L.L.C." The words "Limited" and "Company" may be abbreviated to "Ltd." and "Co.," respectively.)

1. NAME OF LIMITED LIABILITY COMPANY
NEW AGE BROOKHURST, LLC

Purpose (The following statement is required by statute and should not be altered.)

2. THE PURPOSE OF THE LIMITED LIABILITY COMPANY IS TO ENGAGE IN ANY LAWFUL ACT OR ACTIVITY FOR WHICH A LIMITED LIABILITY COMPANY MAY BE ORGANIZED UNDER THE BEVERLY-KILLEA LIMITED LIABILITY COMPANY ACT.

Initial Agent for Service of Process (If the agent is an individual, the agent must reside in California and both Items 3 and 4 must be completed. If the agent is a corporation, the agent must have on file with the California Secretary of State a certificate pursuant to California Corporations Code section 1505 and Item 3 must be completed (leave Item 4 blank).)

3. NAME OF INITIAL AGENT FOR SERVICE OF PROCESS
KAM SANG COMPANY, INC.

4. IF AN INDIVIDUAL, ADDRESS OF INITIAL AGENT FOR SERVICE OF PROCESS IN CALIFORNIA CITY STATE ZIP CODE
CA

Management (Check only one)

5. THE LIMITED LIABILITY COMPANY WILL BE MANAGED BY:

- ONE MANAGER
- MORE THAN ONE MANAGER
- ALL LIMITED LIABILITY COMPANY MEMBER(S)

Additional Information

6. ADDITIONAL INFORMATION SET FORTH ON THE ATTACHED PAGES, IF ANY, IS INCORPORATED HEREIN BY THIS REFERENCE AND MADE A PART OF THIS CERTIFICATE.

Execution

7. I DECLARE I AM THE PERSON WHO EXECUTED THIS INSTRUMENT, WHICH EXECUTION IS MY ACT AND DEED.

November 8, 2010

DATE

SIGNATURE OF ORGANIZER

Kam Sang Co., Inc., By Ronnie Lam, its President

TYPE OR PRINT NAME OF ORGANIZER



I hereby certify that the foregoing
transcript of _____ page(s)
is a full, true and correct copy of the
original record in the custody of the
California Secretary of State's office.

NOV 30 2010 SH

Date: _____

Debra Bowen
DEBRA BOWEN, Secretary of State

ATTACHMENT NO. 1

LEGAL DESCRIPTION

Parcel A

Real property in the City of Garden Grove, County of Orange, State of California, described as follows:

That Portion Of The Southwest Quarter Of The Southwest Quarter Of Section 32, Township 4 South, Range 10 West, In The Rancho Las Bolsas, As Shown On A Map Recorded In Book 51, Page 10 Of Miscellaneous Maps, Records Of Orange County, California, Described As Follows:

Beginning At The Southwest Corner Of The North 5 Acres Of The West Half Of The Southwest Quarter Of The Southwest Quarter Of Said Section 32; Thence North $0^{\circ} 35' 50''$ West, Along The West Line Of Said North 5 Acres, A Distance Of 100.00 Feet; Thence North $89^{\circ} 52' 10''$ East, Parallel With The South Line Of Said North 5 Acres, A Distance Of 36.14 Feet To A Point On The Easterly Right-Of-Way Of Brookhurst Way, 80 Feet Wide, Said Point Being The "TRUE POINT OF BEGINNING-A (TPOB-A)"; Thence North $89^{\circ} 52' 10''$ East, Parallel With Said South Line Of North 5 Acres, A Distance Of 308.81 Feet To A Point On The West Right-Of-Way Of Brookhurst Street, 120 Feet Wide ; Thence South $33^{\circ} 33' 43''$ East Along Said West Right-Of-Way Of Brookhurst Street, A Distance Of 418.60 Feet ; Thence South $56^{\circ} 26' 17''$ West, A Distance Of 272.86 Feet ; Thence North $33^{\circ} 33' 43''$ West Parallel To Said West Right-Of-Way Of Brookhurst Street, A Distance Of 250.53 Feet ; Thence South $89^{\circ} 24' 10''$ West, A Distance Of 171.32 Feet To A Point On Said Easterly Right-Of-Way Of Brookhurst Way, 80' Wide ; Thence North $0^{\circ} 35' 50''$ West, A Distance Of 292.00 Feet To The " TRUE POINT OF BEGINNING-A."

Containing total of 3.700 acres, more or less.

Parcel B

Real property in the City of Garden Grove, County of Orange, State of California, described as follows:

That Portion Of The Southwest Quarter Of The Southwest Quarter Of Section 32, Township 4 South, Range 10 West, In The Rancho Las Bolsas, As Shown On A Map Recorded In Book 51, Page 10 Of Miscellaneous Maps, Records Of Orange County, California, Described As Follows:

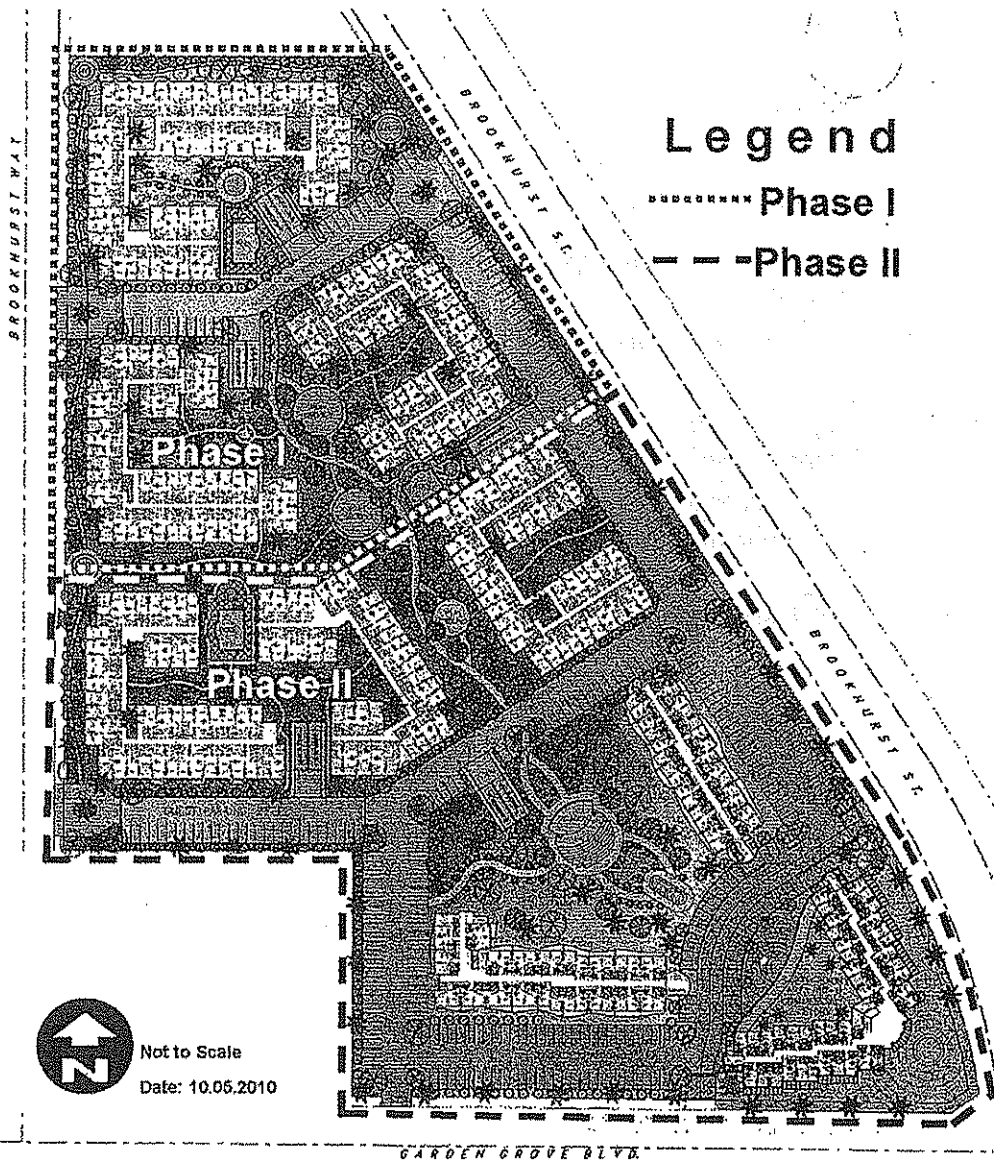
Beginning At The Southwest Corner Of The North 5 Acres Of The West Half Of The Southwest Quarter Of The Southwest Quarter Of Said Section 32; Thence North $89^{\circ} 52' 10''$ East, Along The South Line Of Said North 5 Acres, A Distance Of 36.49 Feet To A Point On The Easterly Right-Of-Way Of Brookhurst Way, 80 Feet Wide ; Thence South $0^{\circ} 35' 50''$ East, Along Said Easterly Right-Of-Way Of Brookhurst Way, A Distance Of 192.00 Feet To The "TRUE POINT OF BEGINNING-B (TPOB-B)"; Thence North $89^{\circ} 24' 10''$ East, A Distance Of 171.32 Feet ; Thence South $33^{\circ} 33' 43''$ East Parallel To West Right-Of-Way Of Brookhurst Street, A Distance Of 250.53 Feet ; Thence North $56^{\circ} 26' 17''$ East, A Distance Of 272.86 Feet To A Point On The Westerly Right-Of-Way Of Said Brookhurst Street, 120 Feet Wide ; Thence South $33^{\circ} 33' 43''$ East Along Said Westerly Right-Of-Way Of Brookhurst Street, A Distance Of 494.74 Feet To The Beginning Of A Curve, Concave To The West And Having A Radius Of 740.00 Feet ; Thence Southeasterly Along Said Curve, Through A Central Angle Of $22^{\circ} 25' 30''$, An Arc Distance Of 289.63 Feet ; Thence South $39^{\circ} 46' 16''$ West, A Distance Of 25.66 Feet To A Point On The Northerly Right-Of-Way Of Garden Grove Blvd., 100 Feet Wide, Thence South $89^{\circ} 53' 57''$ West Along Said Northerly Right-Of-Way Of Garden Grove Blvd., A Distance Of 603.69 Feet To A Point On The Westerly Line Of The East Half Of The Southwest Quarter Of The Southwest Quarter Of The Southwest Quarter Of Said Section 32 ; Thence North $0^{\circ} 24' 30''$ West Along Said Westerly Line, A Distance Of 229.94 Feet ; Thence South $89^{\circ} 54' 35''$ West, A Distance Of 292.91 Feet To A Point On The Easterly Right-Of-Way Of Brookhurst Way, 80 Feet Wide ; Thence North $0^{\circ} 35' 50''$ West, A Distance Of 525.89 Feet To The " TRUE POINT OF BEGINNING-B."

Containing total of 10.228 acres, more or less.

ATTACHMENT NO. 2

SITE MAP

Site Plan



ATTACHMENT NO. 5

CONDENSED SCHEDULE OF PERFORMANCE

ITEM OF PERFORMANCE	TIME FOR PERFORMANCE
Initial consideration of DDA by the Agency Board.	Within thirty (30) days after Developer's delivery to the Agency of three (3) executed copies of this DDA.
Developer submits Deposit.	Prior to consideration of the DDA by the Agency.
Agency and Developer open Escrow.	Within ten (10) days after Agency and Developer execute DDA.
Developer completes its Site Investigation pursuant to Section 208.3.	On or before the Due Diligence Date.
Developer commences Construction Documents.	Within ninety (90) days after Agency approves DDA.
Developer presents Site Plan and Tentative Tract Map to the Planning Commission.	Within 180 days after Agency approves DDA.
Developer completes and submits Construction Documents.	Within 270 days after Agency approves DDA.
Developer to provide Agency evidence of Financing for Phase I Improvements.	Within 360 days after Agency approves DDA.
Developer presents Final Tract Map for Phase I Improvements to the City Council and Agency Board.	Within 270 days after Agency approves DDA.
Developer to provide evidence of insurance prior to the Close of Escrow	Prior to the Close of Escrow.
Close of Escrow.	On or before December 1, 2011.
Developer secures Permits and commences Construction on Phase I Improvements.	Within fifteen (15) days after Close of Escrow.
Developer completes the first building (80) units of the Phase I Improvements.	Within 455 days after Phase 1 Close of Escrow.
Developer to provide Agency evidence of Financing for Phase II , Subphase A Improvements.	The earlier to occur 470 days after Phase I Close of Escrow or one hundred eighty 180 days after completion of the first building of Phase 1
Phase II Close of Escrow.	On or before the earlier of September 1, 2013 or 570 days after the Phase 1 Closing.

ATTACHMENT NO. 3

RECORDING REQUESTED BY,)
MAIL TAX STATEMENTS TO)
AND WHEN RECORDED MAIL TO:)

New Age Brookhurst, LLC)
411 E. Huntington Drive, Suite 305)
Arcadia, California 91006)
Attention: Mr. Ronnie Lam)

This document is exempt from payment of a recording fee pursuant to Government Code Section 27383.

GRANT DEED

For valuable consideration, receipt of which is hereby acknowledged,

The GARDEN GROVE AGENCY FOR COMMUNITY DEVELOPMENT, a public body, corporate and politic (the "Agency"), hereby grants to NEW AGE BROOKHURST, LLC., a California limited liability company ("Developer"), the real property hereinafter referred to as the "Phase ___ Site," as applicable, described in Exhibit A attached hereto and incorporated herein, subject to the following:

1. **Conveyance in Accordance With Disposition and Development Agreement.** The Site is conveyed in accordance with and subject to the provisions of the Disposition and Development Agreement entered into by and between Agency and Developer dated _____, 2010 (the "DDA"), a copy of which is on file with the Agency at its offices located at 11222 Acacia Parkway, Garden Grove, California 92840, as a public record and which is incorporated herein by reference. The DDA generally requires the Developer to construct and develop the Improvements, and to comply with all of the other requirements set forth therein. The covenants in the DDA shall run with the land and shall be binding upon the Developer and all of the successors and assigns of the Developer's right, title, and interest in and to any portion of the Site for the periods of time set forth therein. All the terms used herein, unless otherwise defined herein shall have the meaning as in the DDA.

2. **Nondiscrimination.** Developer herein covenants by and for itself, its successors and assigns, that there shall be no discrimination against or segregation of, any person or group of persons on account of any basis listed in subdivision (a) or (d) of Section 12955 of the Government Code, as those bases are defined in Sections 12926, 12926.1, subdivision (m) and paragraph (1) of subdivision (p) of Section 12955, and Section 12955.2 of the Government Code, in the sale, lease, sublease, transfer, use, occupancy, tenure, or enjoyment of the premises herein conveyed, nor shall the grantee or any person claiming under or through him or her, establish or permit any 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 premises herein conveyed. The foregoing covenants shall run with the land.

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

All deeds, leases or contracts entered into by Developer relating to the Phase ___ Site shall contain or be subject to substantially the following nondiscrimination or nonsegregation clauses:

(a) 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 any basis listed in subdivision (a) or (d) of Section 12955 of the Government Code, as those bases are defined in Sections 12926, 12926.1, subdivision (m) and paragraph (1) of subdivision (p) of Section 12955, and Section 12955.2 of the Government Code, in the sale, lease, sublease, transfer, use, occupancy, tenure, or enjoyment of the premises herein conveyed, nor shall the grantee or any person claiming under or through him or her, establish or permit any 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 premises herein conveyed. The foregoing covenants shall run with the land.

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

(b) 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:

"That there shall be no discrimination against or segregation of any person or group of persons, on account of any basis listed in subdivision (a) or (d) of Section 12955 of the Government Code, as those bases are defined in Sections 12926, 12926.1, subdivision (m) and paragraph (1) of subdivision (p) of Section 12955, and Section 12955.2 of the Government Code, in the leasing, subleasing, transferring, use, occupancy, tenure, or enjoyment of the premises herein leased nor shall the lessee himself or herself, or any person claiming under or through him or her, establish or permit any such practice or practices of discrimination or segregation with reference to the selection, location, number, use, or occupancy, of tenants, lessees, sublessees, subtenants, or vendees in the premises herein leased.

"Notwithstanding the immediately preceding paragraph, with respect to familial status, the immediately preceding paragraph shall not be construed to apply to housing for older persons, as defined in Section 12955.9 of the Government Code. With respect to familial status,

nothing in the immediately preceding paragraph shall be construed to affect Sections 51.2, 51.3, 51.4, 51.10, 51.11, and 799.5 of the Civil Code, relating to housing for senior citizens. Subdivision (d) of Section 51 and Section 1360 of the Civil Code and subdivisions (n), (o), and (p) of Section 12955 of the Government Code shall apply to the immediately preceding paragraph.”

(c) In contracts: “There shall be no discrimination against or segregation of, any person or group of persons on account of any basis listed in subdivision (a) or (d) of Section 12955 of the Government Code, as those bases are defined in Sections 12926, 12926.1, subdivision (m) and paragraph (1) of subdivision (p) of Section 12955, and Section 12955.2 of the Government Code, in the sale, lease, sublease, transfer, use, occupancy, tenure, or enjoyment of the premises which are the subject of this Agreement, nor shall the grantee or any person claiming under or through him or her, establish or permit any 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 premises herein conveyed. The foregoing covenants shall run with the land.”

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

(d) The foregoing covenants shall, without regard to technical classification and designation, be binding for the benefit and in favor of Agency, its successors and assigns, any occupants of the Phase ___ Site, and any successor in interest to the Phase ___ Site. The covenants against discrimination shall remain in effect in perpetuity. In no event shall anything in this Section 2 be construed as authority to lease Residential Units unless otherwise permitted herein.

3. Violations Do Not Impair Liens. No violation or breach of the covenants, conditions, restrictions, provisions or limitations contained in this Grant Deed shall defeat or render invalid or in any way impair the lien or charge of any mortgage or deed of trust or security interest permitted by the DDA; provided, however, that any subsequent owner of the Site shall be bound by such remaining covenants, conditions, restrictions, limitations and provisions, whether such owner’s title was acquired by foreclosure, deed in lieu of foreclosure, trustee’s sale or otherwise.

4. Covenants For Benefit of Agency Only. All covenants without regard to technical classification or designation shall be binding for the benefit of the Agency, and such covenants shall run in favor of the Agency for the entire period during which such covenants shall be in force and effect consistent with Paragraphs 2 and 3 hereof, without regard to whether the Agency is or remains an owner of any land or interest therein to which such covenants relate. The Agency, in the event of any breach of any such covenants, shall have the right to exercise all the rights and remedies and to maintain any actions at law or suits in equity or other proper proceedings to enforce the curing of such breach. The covenants contained in this Grant Deed, without regard to technical classification, shall not benefit or be enforceable by any owner of any other real property within or outside the Project Area, or any person or entity having any interest in any other such realty.

AGENCY:

**GARDEN GROVE AGENCY FOR
COMMUNITY DEVELOPMENT,**
a public body, corporate and politic

By: _____

ATTEST:

Secretary of the Agency

APPROVED AS TO FORM:

Stradling Yocca Carlson & Rauth
Agency General Counsel

ACCEPTED BY DEVELOPER:

NEW AGE BROOKHURST, LLC., a California
limited liability company

By: _____

By: _____

EXHIBIT A TO ATTACHMENT NO. 3

LEGAL DESCRIPTION OF SITE

[TO BE INSERTED]

ATTACHMENT NO. 4

SCOPE OF DEVELOPMENT

Unless otherwise specified herein, all capitalized terms in the Scope of Development shall have the meaning(s) set forth for the same Disposition and Development Agreement to which this Scope of Development is attached (DDA).

I. DEVELOPER OBLIGATIONS

A. PROJECT

The Project shall be a first-class mixed use commercial residential development and related parking, open space, landscape and hardscape improvements. The Project shall be consistent with the Redevelopment Plan and the approved PUD.

B. ARCHITECTURE AND DESIGN

1. The Developer shall develop construction plans and design documents shall be developed in compliance with the approved PUD for the Site and shall be consistent with the Conceptual Site Plan. The Residential Component shall include the use of high quality materials including the incorporation of glass, and stone building materials. Each Phase of the project will include architecture that is varied in modern and contemporary Architectural styles. Particular attention shall be paid to massing, scale, color, and materials in order to articulate the buildings elevations. The elevations shall be articulated to extent as possible, avoid flat or one-dimensional elevations. Architectural icon shall be incorporated at the corner of Garden Grove Boulevard and Brookhurst Street, which is a major focal point for the Project.
2. The Project shall have amenities including, but not limited to interior passive water feature, outdoor seating arrangements, decorative trellis shaded area, grassy recreational areas, common BBQ cooking facilities, landscaped meandering walks, urban walking trail along right-of-way on the perimeter of the property, exterior balconies for each unit, enhanced landscaped and paved entry, private streets with decorative paving accent areas, and water fountain in included in the open space program.

C. BUILDING SERVICE, PROJECT TRAFFIC AND MANAGEMENT

1. The Developer shall develop a building service, project traffic and management plan to be included in the Declaration. The Declaration shall specifically include without limitation, the following:
 - (a) A service plan that includes general times for deliveries, trash collection, street cleaning and the agreed upon routing for such service-vehicles. This plan shall include routing and stopping for patron drop-off and small service-vehicles including mail, overnight delivery and messengers as well as conference facility deliveries.

This plan shall also include routing and marked areas for emergency services.

- (b) A traffic plan that includes the Developer's commitment to pay for traffic control officers at the entrances to the parking structures during holiday peak periods and for special events that are expected to generate large volumes of traffic.
- (c) A maintenance and management plan that includes cleaning and refuse policing, no visibility into service areas from public streets, degreasing and deodorizing (particularly for the service, trash and garbage areas), re-stripping, re-painting, re-lighting, drainage cleaning, signage, graffiti management and security.

D. LANDSCAPING

All areas of the Site that are not used for buildings, sidewalks, driveways or other hardscape improvements shall be landscaped in accordance with a landscaping plan to be approved by the Agency. The Developer, at its sole cost and expense, shall be responsible for all these area. Landscaping shall consist of ground cover, trees, potted plants, and fountains, pools, or other water features, if applicable. A permanent automatic water sprinkler system shall be provided in all landscaped areas as required for adequate coverage/maintenance.

E. REFUSE

Refuse areas shall be provided in accordance with the requirements of the Land Use Approvals.

F. SIGNS

The Developer shall develop a sign program. The Project shall have a comprehensive graphics/logos and sign program that shall govern the entire Project; all signs shall conform as to location, size, shape, illumination system, cabinet and copy face colors, letter style, shall be complementary to the overall architectural theme, and comply with the high standards of Underwriter Laboratories. The sign program is to be approved by the Agency.

G. UTILITIES

The Developer shall be responsible for, adequate utilities and utility capacity, roadway and traffic improvements, traffic mitigation measures required by the City to accommodate the project and offsite landscape work to incorporate the proposed urban pedestrian trail on the outside public right-of-way perimeter on Garden Grove Boulevard, Brookhurst Way and Brookhurst Street.

The provision of water, sewer, gas, cable television, and electricity to the Agency Property, although the point of connection will be the responsibility of the Developer, regardless of whether of whether the point of connection is at the property line of the Agency Property or within the public right-of-way adjacent to the Agency Property.

The provision for roadway and traffic improvements and traffic mitigation measures required to accommodate the Project.

H. HOTEL COMPONENT ALTERNATIVE

Developer may, at its election, construct a Hotel Component with approximately one hundred (100) rooms. The Hotel Component shall include the use of high quality materials including the incorporation of glass, and stone building materials. Particular attention shall be paid to massing, scale, color, and materials in order to articulate the buildings elevations. The elevations shall be articulated to extent as possible, avoid flat or one-dimensional elevations. The Hotel Component shall be a Limited-Select Service Hotel such as Aloft Element, Hyatt Place, Hyatt Summerfield Suites, or Marriot Springhill Suites.

II. AGENCY OBLIGATIONS

1. Acquisition of the Site and relocation of all occupants of the Site in compliance with all applicable federal, state and local laws and regulations concerning displacement and relocation;
2. The demolition and removal of all existing structures and above ground improvements, in compliance with all applicable federal, state and local laws and regulations with respect to demolition and/or disposal and mitigation as described above; and
3. The vacation or abandonment of all existing utilities on the Site which would interfere with the proposed development, provided that the Developer agrees to grant easement rights which do not interfere with proposed buildings or which are required to serve the Project.

ATTACHMENT NO. 6

RECORDING REQUESTED BY)
AND WHEN RECORDED MAIL TO:)
)
New Age Brookhurst, LLC)
411 E. Huntington Drive, Suite 305)
Arcadia, California 91006)
Attention: Mr. Ronnie Lam)
)

This document is exempt from the payment of a recording fee pursuant to Government Code Section 27383.

RELEASE OF CONSTRUCTION COVENANTS

THIS RELEASE OF CONSTRUCTION COVENANTS (the "Release") is made as of _____, 200_, by the GARDEN GROVE AGENCY FOR COMMUNITY DEVELOPMENT, a public body, corporate and politic (the "Agency"), in favor of [DEVELOPER], a _____ (the "Developer"), as of the date set forth below.

RECITALS

A. The Agency and the Developer have entered into that certain Disposition and Development Agreement (the "DDA") dated _____, 2010 concerning the redevelopment of certain real property situated in the City of Garden Grove, California, as more fully described therein (the "Site").

B. As referenced in Section 310 of the DDA, the Agency is required to furnish the Developer or its successors with a Release of Construction Covenants upon completion of construction of the Improvements (as defined in Section 100 of the DDA) within the Site, which Release is required to be in such form as to permit it to be recorded in the Recorder's office of Orange County.

C. The Agency has determined that the construction and development of [Specify Improvements] has been satisfactorily completed on and with respect to that certain real property within the Site more fully described in Exhibit "A" attached hereto and made a part hereof (the "Site"). This Release is conclusive determination of satisfactory completion of the construction and development required by the DDA on and with respect to the [Specify Improvements].

NOW, THEREFORE, the Agency hereby certifies as follows:

1. The [Specify Improvements] to be constructed by the Developer on and with respect to the Site have been fully and satisfactorily completed in conformance with the DDA free and clear of any claims and/or liens. Any operating requirements and all use, maintenance or nondiscrimination covenants contained in the DDA and other documents executed and recorded pursuant to the DDA shall remain in effect and enforceable according to their terms.

2. Nothing contained in this instrument shall modify in any other way any provisions of the DDA.

IN WITNESS WHEREOF, the Agency has executed this Release as of the date set forth above.

**GARDEN GROVE AGENCY FOR
COMMUNITY DEVELOPMENT,**
a public body, corporate and politic

By: _____

Its: _____

ATTEST:

Agency Secretary

APPROVED AS TO FORM:

Stradling Yocca Carlson & Rauth
Agency General Counsel

APPROVED BY DEVELOPER:

NEW AGE BROOKHURST, LLC., a California
limited liability company

By: _____

EXHIBIT A EXHIBIT A TO ATTACHMENT NO. 6

PROPERTY DESCRIPTION

Parcel A

Real property in the City of Garden Grove, County of Orange, State of California, described as follows:

That Portion Of The Southwest Quarter Of The Southwest Quarter Of Section 32, Township 4 South, Range 10 West, In The Rancho Las Bolsas, As Shown On A Map Recorded In Book 51, Page 10 Of Miscellaneous Maps, Records Of Orange County, California, Described As Follows:

Beginning At The Southwest Corner Of The North 5 Acres Of The West Half Of The Southwest Quarter Of The Southwest Quarter Of Said Section 32; Thence North $0^{\circ} 35' 50''$ West, Along The West Line Of Said North 5 Acres, A Distance Of 100.00 Feet; Thence North $89^{\circ} 52' 10''$ East, Parallel With The South Line Of Said North 5 Acres, A Distance Of 36.14 Feet To A Point On The Easterly Right-Of-Way Of Brookhurst Way, 80 Feet Wide, Said Point Being The "TRUE POINT OF BEGINNING-A (TPOB-A)"; Thence North $89^{\circ} 52' 10''$ East, Parallel With Said South Line Of North 5 Acres, A Distance Of 308.81 Feet To A Point On The West Right-Of-Way Of Brookhurst Street, 120 Feet Wide; Thence South $33^{\circ} 33' 43''$ East Along Said West Right-Of-Way Of Brookhurst Street, A Distance Of 418.60 Feet; Thence South $56^{\circ} 26' 17''$ West, A Distance Of 272.86 Feet; Thence North $33^{\circ} 33' 43''$ West Parallel To Said West Right-Of-Way Of Brookhurst Street, A Distance Of 250.53 Feet; Thence South $89^{\circ} 24' 10''$ West, A Distance Of 171.32 Feet To A Point On Said Easterly Right-Of-Way Of Brookhurst Way, 80' Wide; Thence North $0^{\circ} 35' 50''$ West, A Distance Of 292.00 Feet To The " TRUE POINT OF BEGINNING-A."

Containing total of 3.700 acres, more or less.

Parcel B

Real property in the City of Garden Grove, County of Orange, State of California, described as follows:

That Portion Of The Southwest Quarter Of The Southwest Quarter Of Section 32, Township 4 South, Range 10 West, In The Rancho Las Bolsas, As Shown On A Map Recorded In Book 51, Page 10 Of Miscellaneous Maps, Records Of Orange County, California, Described As Follows:

Beginning At The Southwest Corner Of The North 5 Acres Of The West Half Of The Southwest Quarter Of The Southwest Quarter Of Said Section 32; Thence North $89^{\circ} 52' 10''$ East, Along The South Line Of Said North 5 Acres, A Distance Of 36.49 Feet To A Point On The Easterly Right-Of-Way Of Brookhurst Way, 80 Feet Wide; Thence South $0^{\circ} 35' 50''$ East, Along Said Easterly Right-Of-Way Of Brookhurst Way, A Distance Of 192.00 Feet To The "TRUE POINT OF BEGINNING-B (TPOB-B)"; Thence North $89^{\circ} 24' 10''$ East, A Distance Of 171.32 Feet; Thence South $33^{\circ} 33' 43''$ East Parallel To West Right-Of-Way Of Brookhurst Street, A Distance Of 250.53 Feet; Thence North $56^{\circ} 26' 17''$ East, A Distance Of 272.86 Feet To A Point On The Westerly Right-Of-Way Of Said Brookhurst Street, 120 Feet Wide; Thence South $33^{\circ} 33' 43''$ East Along Said Westerly Right-Of Way Of Brookhurst Street, A Distance Of 494.74 Feet To The Beginning Of A Curve, Concave To The West And Having A Radius Of 740.00 Feet; Thence Southeasterly Along Said Curve, Through A Central Angle Of $22^{\circ} 25' 30''$, An Arc Distance Of 289.63 Feet; Thence South $39^{\circ} 46' 16''$ West, A Distance Of 25.66 Feet To A Point On The Northerly Right-Of-Way Of Garden Grove Blvd., 100 Feet Wide, Thence South $89^{\circ} 53' 57''$ West Along Said Northerly Right-Of-Way Of Garden Grove Blvd., A Distance Of 603.69 Feet To A Point On The Westerly Line Of The East Half Of The Southwest Quarter Of The Southwest Quarter Of The Southwest Quarter Of Said Section 32; Thence North $0^{\circ} 24' 30''$ West Along Said Westerly Line, A Distance Of 229.94 Feet; Thence South $89^{\circ} 54' 35''$ West, A Distance Of 292.91 Feet To A Point On The Easterly Right-Of-Way Of Brookhurst Way, 80 Feet Wide; Thence North $0^{\circ} 35' 50''$ West, A Distance Of 525.89 Feet To The " TRUE POINT OF BEGINNING-B."

Containing total of 10.228 acres, more or less.

ATTACHMENT NO. 7

RECORDING REQUESTED BY)
AND WHEN RECORDED MAIL TO:)
)
Garden Grove Agency for)
Community Development)
11222 Acacia Parkway)
Garden Grove, California 92840)
Attn: Director)
)

This document is exempt from the payment of a recording fee pursuant to Government Code Section 27383.

DECLARATION OF USES

THIS DECLARATION OF USES (the "Declaration") is made as of _____, 200_, by and between the GARDEN GROVE AGENCY FOR COMMUNITY DEVELOPMENT, a public body corporate and politic (the "Agency"), and NEW AGE BROOKHURST, LLC., a California limited liability company (the "Developer"), with reference to the following:

A. The Agency and the Developer have executed a Disposition and Development Agreement (the "Agreement"), dated as of _____, 2010, which provides for the development of retail improvements on certain real property located in the City of Garden Grove, County of Orange, State of California, more fully described in Exhibit "A" attached hereto and incorporated herein by this reference (the "Retail Improvements"). The Agreement is available for public inspection and copying at the office of the Agency, 11222 Acacia Parkway, Garden Grove, California 92840. All of the terms, conditions, provisions and covenants of the Agreement are incorporated in this Declaration by reference as though written out at length herein. Capitalized terms used herein and not otherwise defined shall have the same meaning as set forth in Section 100 of the Agreement.

B. The Agreement provides for, among other things, the Developer's execution of this Declaration with respect to the retail improvements to be developed on the Retail Improvements (the "Retail Improvements").

NOW, THEREFORE, the Developer and the Agency hereby agree as follows:

1. **Use Covenant.** For a term commencing upon the date that the Agency issues a Release of Construction Covenants for the Retail Improvements, and ending upon the _____ anniversary thereof, the Developer hereby covenants and agrees that the Retail Improvements shall be used only for commercial retail uses, and Developer shall use good faith, commercially reasonable efforts to lease all of the Retail Improvements within the Retail Improvements to retail and commercial businesses.

2. **Prohibited Uses.** Without limitation upon the foregoing, no use or operation will be made, conducted or permitted on or with respect to all or any part of the Retail Improvements, which use or operation is obnoxious to, or out of harmony with, the development or operation of retail or commercial uses and facilities, including but not limited to, the following:

- (a) any public or private nuisance, any noise or sound that is objectionable due to intermittence, beat, frequency, shrillness or loudness, or any obnoxious odor;
- (b) any excessive quantity of dust, dirt, or fly ash; provided, however, this prohibition shall not preclude the sale of soils, fertilizers, or other garden materials or building materials in containers if incident to the operation of a home improvement or general merchandise store;
- (c) any fire, explosion or other damaging or dangerous hazard, including the storage, display or sale of explosives or fireworks;
- (d) any adult bookstore, adult entertainment establishment, or other establishment primarily selling or displaying sexually oriented materials;
- (e) any distillation (except for a microbrewery associated with a restaurant use, or similar operation), refining, smelting, agriculture or mining operations;
- (f) any mobilehome or trailer court, labor camp, junk yard, stock yard or animal raising;
- (g) any drilling for and/or removal of subsurface substances; provided, however, that slant drilling is permitted so long as no drilling equipment is located upon the surface of the Property;
- (h) any dumping of garbage or refuse, other than in enclosed receptacles intended for such purpose;
- (i) any cemetery, mortuary or similar service establishment;
- (j) any car washing establishment;
- (k) any automobile body and fender repair work;
- (l) any skating rink, bowling alley, teenage discotheque, discotheque, dance hall, pool room, massage parlor, off-track betting facility, casino, card club, bingo parlor or facility containing gaming equipment;
- (m) any fire sale, flea market, bankruptcy sale (unless pursuant to a court order) or auction operation;
- (n) any automobile, truck, trailer or recreational vehicle sales, leasing or display which is not entirely conducted inside of a building;
- (o) any bar, tavern, restaurant or other establishment whose annual gross revenues from the sale of alcoholic beverages for on-premises consumption exceeds fifty percent (50%) of the gross revenues of such business, except for a microbrewery or wine bar associated with a restaurant use or similar operation;

(p) any school, training, educational or day care facility, including but not limited to: beauty schools, barber colleges, nursery schools, diet centers, reading rooms, places of instruction or other operations catering primarily to students or trainees rather than to customers;

(q) any church, synagogue, mosque or other place of worship;

(r) any apartment, home or other residential use; and

(s) any industrial use.

3. **Nuisances.** No noxious or offensive trade or activity shall be carried on within the Retail Improvements, nor shall anything be done thereon which may be, or may become, an annoyance or nuisance to the neighborhood, or which shall in any way interfere with the quiet enjoyment by each of the owners of the neighboring property, or which shall in any way increase the rate of insurance for any other neighboring property. No uses shall violate the nuisance provisions of the Garden Grove Municipal Code.

4. **Unsightly Items.** All weeds, rubbish, debris or unsightly material or objects of any kind shall be regularly removed from the Retail Improvements, at the sole expense of the Developer and its tenants, and shall not be allowed to accumulate thereon. All refuse containers, trash cans, wood piles, storage areas, machinery and equipment shall be prohibited upon the Retail Improvements except in accordance with rules adopted by the parties to this Declaration.

5. **Mineral Exploration.** No oil development, oil refining, coring or mining operations of any kind shall be permitted upon or in the Retail Improvements, nor shall oil wells, tanks, tunnels or mineral excavations or shafts be permitted upon the surface of the Retail Improvements or within five hundred (500) feet below the surface of the Retail Improvements. No derrick or other structure designed for use in boring for water, oil, natural gas or other minerals shall be erected, maintained or permitted on the Retail Improvements.

6. **Compliance with Governmental Regulations.** Nothing herein contained shall be deemed or constitute approval of any use which is inconsistent with ordinances of the City of Garden Grove or the other provisions of this Declaration.

7. **Miscellaneous Provisions.**

a. If any provision of this Declaration or portion thereof, or the application to any person or circumstances, shall to any extent be held invalid, inoperative or unenforceable, the remainder of this Declaration, or the application of such provision or portion thereof to any other persons or circumstances, shall not be affected thereby; it shall not be deemed that any such invalid provision affects the consideration for this Declaration; and each provision of this Declaration shall be valid and enforceable to the fullest extent permitted by law.

b. This Declaration shall be construed in accordance with the laws of the State of California.

c. This Declaration shall be binding upon and inure to the benefit of the successors and assigns of the Developer and the Agency.

d. In the event action is instituted to enforce any of the provisions of this Declaration, the prevailing party in such action shall be entitled to recover from the other party thereto as part of the judgment, reasonable attorney's fees and costs.

8. **Effect of Declaration.** The covenants and agreements established in this Declaration shall, without regard to technical classification and designation, run with the land and be binding on each owner of the Retail Improvements and any successor in interest to the Retail Improvements, or any part thereof (including each parcel thereof), for the benefit of and in favor of the Agency, its successor and assigns, and the City of Garden Grove.

IN WITNESS WHEREOF, the parties hereto have executed this Declaration the day and year first hereinabove written.

AGENCY:

**GARDEN GROVE AGENCY FOR
COMMUNITY DEVELOPMENT**, a public body,
corporate and politic

ATTEST:

Agency Secretary

APPROVED AS TO FORM:

Stradling Yocca Carlson & Rauth,
Agency General Counsel

DEVELOPER:

NEW AGE BROOKHURST, LLC., a California
limited liability company

By: _____

EXHIBIT A TO ATTACHMENT NO. 7

LEGAL DESCRIPTION OF SITE

Parcel A

Real property in the City of Garden Grove, County of Orange, State of California, described as follows:

That Portion Of The Southwest Quarter Of The Southwest Quarter Of Section 32, Township 4 South, Range 10 West, In The Rancho Las Bolsas, As Shown On A Map Recorded In Book 51, Page 10 Of Miscellaneous Maps, Records Of Orange County, California, Described As Follows:

Beginning At The Southwest Corner Of The North 5 Acres Of The West Half Of The Southwest Quarter Of The Southwest Quarter Of Said Section 32; Thence North 0° 35' 50" West, Along The West Line Of Said North 5 Acres, A Distance Of 100.00 Feet; Thence North 89° 52' 10" East, Parallel With The South Line Of Said North 5 Acres, A Distance Of 36.14 Feet To A Point On The Easterly Right-Of-Way Of Brookhurst Way, 80 Feet Wide, Said Point Being The "TRUE POINT OF BEGINNING-A (TPOB-A)"; Thence North 89° 52' 10" East, Parallel With Said South Line Of North 5 Acres, A Distance Of 308.81 Feet To A Point On The West Right-Of-Way Of Brookhurst Street, 120 Feet Wide ; Thence South 33° 33' 43" East Along Said West Right-Of-Way Of Brookhurst Street, A Distance Of 418.60 Feet ; Thence South 56° 26' 17" West, A Distance Of 272.86 Feet ; Thence North 33° 33' 43" West Parallel To Said West Right-Of-Way Of Brookhurst Street, A Distance Of 250.53 Feet ; Thence South 89° 24' 10" West, A Distance Of 171.32 Feet To A Point On Said Easterly Right-Of-Way Of Brookhurst Way, 80' Wide ; Thence North 0° 35' 50" West, A Distance Of 292.00 Feet To The " TRUE POINT OF BEGINNING-A."

Containing total of 3.700 acres, more or less.

Parcel B

Real property in the City of Garden Grove, County of Orange, State of California, described as follows:

That Portion Of The Southwest Quarter Of The Southwest Quarter Of Section 32, Township 4 South, Range 10 West, In The Rancho Las Bolsas, As Shown On A Map Recorded In Book 51, Page 10 Of Miscellaneous Maps, Records Of Orange County, California, Described As Follows:

Beginning At The Southwest Corner Of The North 5 Acres Of The West Half Of The Southwest Quarter Of The Southwest Quarter Of Said Section 32; Thence North 89° 52' 10" East, Along The South Line Of Said North 5 Acres, A Distance Of 36.49 Feet To A Point On The Easterly Right-Of-Way Of Brookhurst Way, 80 Feet Wide ; Thence South 0° 35' 50" East, Along Said Easterly Right-Of-Way Of Brookhurst Way, A Distance Of 192.00 Feet To The "TRUE POINT OF BEGINNING-B (TPOB-B)"; Thence North 89° 24' 10" East, A Distance Of 171.32 Feet ; Thence South 33° 33' 43" East Parallel To West Right-Of-Way Of Brookhurst Street, A Distance Of 250.53 Feet ; Thence North 56° 26' 17" East, A Distance Of 272.86 Feet To A Point On The Westerly Right-Of-Way Of Said Brookhurst Street, 120 Feet Wide ; Thence South 33° 33' 43" East Along Said Westerly Right-Of Way Of Brookhurst Street, A Distance Of 494.74 Feet To The Beginning Of A Curve, Concave To The West And Having A Radius Of 740.00 Feet ; Thence Southeasterly Along Said Curve, Through A Central Angle Of 22° 25' 30", An Arc Distance Of 289.63 Feet ; Thence South 39° 46' 16" West, A Distance Of 25.66 Feet To A Point On The Northerly Right-Of-Way Of Garden Grove Blvd., 100 Feet Wide, Thence South 89° 53' 57" West Along Said Northerly Right-Of-Way Of Garden Grove Blvd., A Distance Of 603.69 Feet To A Point On The Westerly Line Of The East Half Of The Southwest Quarter Of The Southwest Quarter Of The Southwest Quarter Of Said Section 32 ; Thence North 0° 24' 30" West Along Said Westerly Line, A Distance Of 229.94 Feet ; Thence South 89° 54' 35" West, A Distance Of 292.91 Feet To A Point On The Easterly Right-Of-Way Of Brookhurst Way, 80 Feet Wide ; Thence North 0° 35' 50" West, A Distance Of 525.89 Feet To The " TRUE POINT OF BEGINNING-B."

Containing total of 10.228 acres, more or less.

ATTACHMENT NO. 8

REGULATORY AGREEMENT

RECORDING REQUESTED BY)
 AND WHEN RECORDED MAIL TO:)
)
 Garden Grove Agency for)
 Community Development)
 11222 Acacia Parkway)
 Garden Grove, California 92840)
 Attention: Agency Director)
)

This document is exempt from the payment of a recording fee pursuant to Government Code Section 27383.

REGULATORY AGREEMENT

THIS REGULATORY AGREEMENT (the "Agreement") is entered into as of _____, 2010, by and between the **GARDEN GROVE AGENCY FOR COMMUNITY DEVELOPMENT**, a public body corporate and politic (the "Agency"), and **NEW AGE BROOKHURST, LLC.**, a California limited liability company (the "Developer").

RECITALS

A. Developer has acquired from the Agency certain real property located within the City of Garden Grove, as particularly described in the Legal Description attached hereto as Exhibit A, which is incorporated herein by reference (the "Site").

B. Developer desires to construct a multifamily affordable housing development, which will consist of a minimum of one hundred forty (140) units (the "Rental Units"), and to make available and rent not less than one hundred twenty (120) of the Rental Units to Moderate Income Households at Affordable Rent (the "Affordable Rental Units").

C. Developer and Agency have entered into a Disposition and Development Agreement (the "DDA") dated as of _____, 2010. Capitalized terms not defined herein shall have the meaning set forth in the DDA. Subject to the terms and conditions therein, the Developer has agreed to acquire the Site and construct and operate, among other things, the Affordable Rental Units and the Developer has agreed to make available and lease all of the Affordable Rental Units to Persons and Families of Low or Moderate Income, all at an Affordable Rent (as those terms are defined herein). The execution and recording of this Agreement is a requirement of the DDA.

NOW, THEREFORE, the parties hereto agree as follows:

1. Number of Affordable Rental Units. The Developer covenants and agrees to make available, restrict occupancy to, and rent not less than one hundred twenty (120) Affordable Rental Units to Persons and Families of Low or Moderate Income at an Affordable Rent as follows:

(a) _____ () of the two (2) bedroom Rental Units in Phase I to Persons and Families of Low or Moderate Income at an Affordable Rent;

(b) _____ () of the one (1) bedroom Rental Units in Phase I to Persons and Families of Low or Moderate Income at an Affordable Rent;

(c) _____ () of the two (2) bedroom Rental Units in Phase II to Persons and Families of Low or Moderate Income at an Affordable Rent; and

(d) _____ () of the one (1) bedroom Rental Units in Phase II to Persons and Families of Low or Moderate Income at an Affordable Rent.

2. Duration of Affordability Requirements. The Affordable Rental Units shall be subject to the requirements of this Agreement for fifty-five (55) years from the date of the City's issuance of a certificate of occupancy for the applicable Phase.

3. Selection of Tenants. The Developer shall be responsible for the selection of tenants for the Affordable Rental Units in compliance with lawful and reasonable criteria, as set forth in the Regulatory Agreement and the Management Plan which is required to be submitted and approved by the Agency pursuant to Section 403.

4. Household Income Requirements. Following the initial lease-up of the Rental Units in each of Phase R-1 and Phase R-2, and annually thereafter, the Developer shall submit to the Agency, at the Developer's expense, a summary of the income, household size and rent payable by each of the tenants of the Rental Units of such Phase. At the Agency's request, the Developer shall also provide to the Agency completed income computation and certification forms, in a form reasonably acceptable to the Agency, for any such tenant or tenants. The Developer shall obtain, or shall cause to be obtained by the Property Manager, a certification from each household leasing a Rental Unit demonstrating that such household is/are Persons and Families of Low or Moderate Income, and meets the eligibility requirements established for the Affordable Rental Unit. The Developer shall verify, or shall cause to be verified by the Property Manager, the income certification of the household.

5. Affordable Rent. The maximum Monthly Rent chargeable for the Affordable Rental Units shall be annually determined in accordance with the following requirements. The Monthly Rent for the Affordable Rental Units to be rented to Persons and Families of Low or Moderate Incomes shall not exceed the amount set forth in Section 50093 of the California Health and Safety Code.

For purposes of this Agreement, "Monthly Rent" means the total of monthly payments charged to and paid by tenants for (a) use and occupancy of each Affordable Rental Unit and land and facilities associated therewith, (b) any separately charged fees or service charges assessed by the Developer which are required of all tenants, other than security deposits, (c) a reasonable allowance for an adequate level of service of utilities not included in (a) or (b) above, including garbage collection, sewer, water, electricity, gas and other heating, cooking and refrigeration fuels, but not including telephone service, and (d) possessory interest, taxes or other fees or charges assessed for use of the land and facilities associated therewith by a public or private entity other than the Developer. In the event that all utility charges are paid by the landlord rather than the tenant, no

utility allowance shall be deducted from the rent. "Monthly Rent" does not include optional payments by tenants for optional services provided by the Developer or the Property Manager.

6. Occupancy Limits. The maximum occupancy of the Affordable Rental Units shall not exceed more than such number of persons as is equal to the sum of the number of bedrooms in the unit, multiplied by two (2), plus one (1). For the two (2) bedroom units, the maximum occupancy shall not exceed five (5) persons. For the one (1) bedroom unit, the maximum occupancy shall not exceed three (3) persons.

7. Marketing Program. The Developer shall prepare and obtain Agency Director's approval, which approval shall not be unreasonably withheld, of a marketing program for the leasing of the Affordable Rental Units within each Phase (the "Marketing Program"). The leasing of the Affordable Rental Units shall be marketed in accordance with the approved Marketing Program as the same may be amended from time to time with Agency Director's prior written approval, which approval shall not unreasonably be withheld. The Developer shall provide the Agency with periodic reports with respect to the leasing of the Affordable Rental Units. The Developer shall be responsible to organize, schedule and coordinate a lottery drawing to select potential tenants for the Affordable Rental Units for initial lease-up only, which shall be open to the public. The lottery shall take place not less than 90 days prior to completion of the applicable Phase of the Affordable Rental Units. Preference in the lottery, so long as not inconsistent with federal and State law (including, without limitation, all fair housing laws, rules and regulations), shall be given as follows:

- (1) Any persons who have been displaced from their residences due to programs or projects implemented by the Agency; and
- (2) Other households who live or work in Garden Grove.

Subject to all fair housing laws, rules, and regulations, all categories shall receive preference in the order listed. The requirements of this Section 507 shall only apply to the extent that the number of applicants for Affordable Rental Units exceeds the number of Affordable Rental Units available for lease upon initial lease-up.

For the purpose of the lottery drawing, the lottery will be divided by those who have claimed a preference and those who do not. All lottery forms will be drawn and numbered to create a complete list of alternate applications.

The Developer shall provide written notification to lottery participants informing them of the results and their priority number. This priority number represents the order with which prospective tenants will be reviewed for final determination of eligibility. If a household who was selected claimed a preference but could not verify such preference, then that participant will be deemed ineligible and the next selected participant will be notified.

8. Monitoring and Recordkeeping. Throughout the Affordability Period, Developer shall comply with all applicable recordkeeping and monitoring requirements set forth in Health and Safety Code Section 33418 and shall annually complete and submit to the Agency a report, prior to January 30th of each year, for the Affordable Rental Units which includes the name, address, income and age of each occupant of a Affordable Rental Unit, the bedroom count and Monthly Rent for such Affordable Rental Unit. Representatives of the Agency shall be entitled to enter the Rental Units, upon at least seventy-two (72) hours prior written notice, to monitor compliance with this

Agreement, to inspect the records, and to conduct an independent audit or inspection of such records. The Developer agrees to cooperate with the Agency in making the Rental Units available for such inspection or audit. The Developer agrees to maintain records in a businesslike manner, and to maintain such records for the term of this Agreement.

9. **Successors and Assigns.** This Agreement shall run with the land, and all of the terms, covenants and conditions of this Agreement shall be binding upon the Developer and the Agency and the permitted successors and assigns of the Developer and the Agency. Whenever the term "Developer," or "Agency" is used in this Agreement, such term shall include any other successors and assigns as herein provided.

10. **No Third Party Beneficiaries.** This Agreement is made and entered into for the sole protection and benefit of the Agency and its successors and assigns, and Developer and its successors and assigns, and no other person or persons shall have any right of action hereon.

11. **Partial Invalidity.** If any provision of this Agreement shall be declared invalid, illegal, or unenforceable, the validity, legality, and enforceability of the remaining provisions hereof shall not in any way be affected or impaired.

12. **Governing Law.** This Agreement and the documents and other instruments given pursuant hereto shall be construed in accordance with and be governed by the laws of the State of California. Any references herein to particular statutes or regulations shall be deemed to refer to successor statutes or regulations, or amendments thereto.

13. **Amendment.** This Agreement may not be changed orally, but only by agreement in writing signed by Developer and the Agency.

14. **Definitions.** Any word, term or phrase not specifically defined in this Agreement shall have the same meaning as ascribed to it in the DDA.

[Signature block begins on follow page.]

ATTACHMENT NO. 9

NOTICE OF AFFORDABILITY RESTRICTION

RECORDING REQUESTED BY)
 AND WHEN RECORDED MAIL TO:)
)
 Garden Grove Agency for)
 Community Development)
 11222 Acacia Parkway)
 Garden Grove, California 92840)
 Attn: Director)
)

This document is exempt from the payment of a recording fee pursuant to Government Code Section 27383.

NOTICE OF AFFORDABILITY RESTRICTIONS ON TRANSFER OF PROPERTY

This NOTICE OF AFFORDABILITY RESTRICTIONS ON TRANSFER OF PROPERTY (or "Notice of Affordability Restrictions") is executed and recorded pursuant to Section 33334.3(f)(3)(B) of the California Health & Safety Code as amended by AB 987, Chapter 690, Statutes of 2007 (herein, "Chapter 690"), and affects that certain real property generally located at _____ in the City of Garden Grove, California ("City") as legally described in Exhibit A hereto ("Property"). The GARDEN GROVE AGENCY FOR COMMUNITY DEVELOPMENT, a public body corporate and politic ("Agency"), and NEW AGE BROOKHURST, LLC. ("Developer") have entered into that certain DISPOSITION AND DEVELOPMENT AGREEMENT dated as of _____, 20__ ("DDA") and have entered into that certain REGULATORY AGREEMENT as of _____, 20__ ("Regulatory Agreement"). Capitalized terms not defined herein shall have the meaning set forth in the DDA.

1. The Regulatory Agreement provides for affordability restrictions and restrictions on the transfer of the Property, as more particularly set forth in the Regulatory Agreement. A copy of the Regulatory Agreement is on file with Agency as a public record and is deemed incorporated herein. Reference is made

to the Regulatory Agreement with regard to the complete text of the provisions of such agreement and all defined terms therein, which provides for affordability restrictions and restrictions on the transfer of the Site.

2. The Regulatory Agreement generally provides for the Developer to construct and operate not less than one twenty (120) Affordable Rental Units for rent to Moderate Income Households at Affordable Rents for a period commencing upon the date on which certificates of occupancy are granted for the Affordable Rental Unit and terminating on the fifty-fifth (55th) anniversary thereof.

3. Section 500 of the DDA provides as follows:

“501. Number of Affordable Rental Units. Pursuant to this Agreement and the Regulatory Agreement, the Developer covenants and agrees to make available, restrict occupancy to, and rent not less than one hundred twenty (120) Affordable Rental Units to Persons and Families of Low or Moderate Income at an Affordable Rent as follows:

(a) Seventy (70) of the one (1) bedroom Rental Units in Phase II to Persons and Families of Low or Moderate Income at an Affordable Rent.

(b) Forty (40) of the two (2) bedroom Rental Units in Phase II to Persons and Families of Low or Moderate Income at an Affordable Rent.

(c) Ten (10) of the three (3) bedroom Rental Units in Phase II to Persons and Families of Low or Moderate Income at an Affordable Rent.

“502. Duration of Affordability Requirements. The Affordable Rental Units shall be subject to the requirements of this Agreement for fifty-five (55) years from the date of the City’s issuance of a certificate of occupancy for the applicable Phase (the “Affordability Period”).

“503. Selection of Tenants. The Developer shall be responsible for the selection of tenants for the Affordable Rental Units in compliance with lawful and reasonable criteria, as set forth in the Regulatory Agreement and the Management Plan which is required to be submitted and approved by the Agency pursuant to Section 403.

"504. Household Income Requirements. Following the initial lease-up of the Affordable Rental Units in each of Phase I and Phase II, and annually thereafter, the Developer shall submit to the Agency, at the Developer's expense, a summary of the income, household size and rent payable by each of the tenants of the Affordable Rental Units of such Phase. At the Agency's request, the Developer shall also provide to the Agency completed income computation and certification forms, in a form reasonably acceptable to the Agency, for any such tenant or tenants. The Developer shall obtain, or shall cause to be obtained by the Property Manager, a certification from each household leasing a Affordable Rental Unit demonstrating that such household is/are Persons and Families of Low or Moderate Income, and meets the eligibility requirements established for the Affordable Rental Unit. The Developer shall verify, or shall cause to be verified by the Property Manager, the income certification of the household.

"505. Affordable Rent. The maximum Monthly Rent chargeable for the Affordable Rental Units shall be annually determined in accordance with the following requirements. The Monthly Rent for the Affordable Rental Units to be rented to Persons and Families of Low or Moderate Incomes shall not exceed the amount set forth in Section 50093 of the California Health and Safety Code.

For purposes of this Agreement, "Monthly Rent" means the total of monthly payments charged to and paid by tenants for (a) use and occupancy of each Affordable Rental Unit and land and facilities associated therewith, (b) any separately charged fees or service charges assessed by the Developer which are required of all tenants, other than security deposits, (c) a reasonable allowance for an adequate level of service of utilities not included in (a) or (b) above, including garbage collection, sewer, water, electricity, gas and other heating, cooking and refrigeration fuels, but not including telephone service, and (d) possessory interest, taxes or other fees or charges assessed for use of the land and facilities associated therewith by a public or private entity other than the Developer. In the event that all utility charges are paid by the landlord rather than the tenant, no utility allowance shall be deducted from the rent. "Monthly Rent" does not include optional payments by tenants for optional services provided by the Developer or the Property Manager.

"506. Occupancy Limits. The maximum occupancy of the Affordable Rental Units shall not exceed more than such number of persons as is equal to the sum of the number of bedrooms in the unit, multiplied by two (2), plus one (1). For the two (2) bedroom units, the maximum occupancy shall not

exceed five (5) persons. For the one (1) bedroom unit, the maximum occupancy shall not exceed three (3) persons.

“507. Marketing Program. The Developer shall prepare and obtain Agency Director’s approval, which approval shall not be unreasonably withheld, of a marketing program for the leasing of the Affordable Rental Units within each Phase (the “Marketing Program”). The leasing of the Affordable Rental Units shall be marketed in accordance with the approved Marketing Program as the same may be amended from time to time with Agency Director’s prior written approval, which approval shall not unreasonably be withheld. The Developer shall provide the Agency with periodic reports with respect to the leasing of the Affordable Rental Units. The Developer shall be responsible to organize, schedule and coordinate a lottery drawing to select potential tenants for the Affordable Rental Units for initial lease-up only, which shall be open to the public. The lottery shall take place not less than 90 days prior to completion of the applicable Phase of the Affordable Rental Units. Preference in the lottery, so long as not inconsistent with federal and State law (including, without limitation, all fair housing laws, rules and regulations), shall be given as follows:

- (1) Any persons who have been displaced from their residences due to programs or projects implemented by the Agency; and
- (2) Other households who live or work in Garden Grove.

Subject to all fair housing laws, rules, and regulations, all categories shall receive preference in the order listed. The requirements of this Section 507 shall only apply to the extent that the number of applicants for Affordable Rental Units exceeds the number of Affordable Rental Units available for lease upon initial lease-up.

For the purpose of the lottery drawing, the lottery will be divided by those who have claimed a preference and those who do not. All lottery forms will be drawn and numbered to create a complete list of alternate applications.

The Developer shall provide written notification to lottery participants informing them of the results and their priority number. This priority number represents the order with which prospective tenants will be reviewed for final determination of eligibility. If a household who was selected claimed a preference but could not verify such preference, then that participant will be deemed ineligible and the next selected participant will be notified.

“508. Monitoring and Recordkeeping. Throughout the Affordability Period, Developer shall comply with all applicable recordkeeping and monitoring requirements set forth in Health and Safety Code Section 33418 and shall annually complete and submit to the Agency a report, prior to January 30th of each year, for the Affordable Rental Units which includes the name, address, income and age of each occupant of a Affordable Rental Unit, the bedroom count and Monthly Rent for such Affordable Rental Unit. Representatives of the Agency shall be entitled to enter the Rental Units, upon at least seventy-two (72) hours prior written notice, to monitor compliance with this Agreement, to inspect the records, and to conduct an independent audit or inspection of such records. The Developer agrees to cooperate with the Agency in making the Rental Units available for such inspection or audit. The Developer agrees to maintain records in a businesslike manner, and to maintain such records for the term of this Agreement.

“509. Regulatory Agreement and Notice of Affordability Restrictions. The requirements of this Agreement which are applicable to the Affordable Rental Units after the conveyance of the Site to the Developer are set forth in each Regulatory Agreement. Additionally, the Developer shall record a Notice of Affordability Restrictions on Transfer of Property (“Notice of Affordability Restrictions”) as to each Phase of the Rental Units, which shall run with the land and shall be enforceable against any owner who violates a covenant or restriction and each successor in interest who continues the violation pursuant thereto. The execution of a Regulatory Agreement and the Developer’s execution of a Notice of Affordability Restrictions is a Condition Precedent to the Closing for each Phase, as set forth in Section 205. The Agency shall subordinate this Agreement, each Regulatory Agreement and Notice of Affordability Restrictions to the construction and permanent financing approved pursuant to Section 311.1 by the execution of a subordination agreement in a form determined to be reasonably acceptable to the Executive Director.”

[Signature block begins on follow page.]

HOMEBUYER:

By: _____

Printed Name: _____

By: _____

Printed Name: _____

AGENCY:

**GARDEN GROVE AGENCY FOR
COMMUNITY DEVELOPMENT,**
a public body, corporate and politic

By: _____

Chairman

ATTEST:

Agency Secretary

APPROVED AS TO FORM:

Stradling Yocca Carlson & Rauth,
Agency General Counsel

EXHIBIT A EXHIBIT A TO ATTACHMENT 9

LEGAL DESCRIPTION

Parcel A

Real property in the City of Garden Grove, County of Orange, State of California, described as follows:

That Portion Of The Southwest Quarter Of The Southwest Quarter Of Section 32, Township 4 South, Range 10 West, In The Rancho Las Bolsas, As Shown On A Map Recorded In Book 51, Page 10 Of Miscellaneous Maps, Records Of Orange County, California, Described As Follows:

Beginning At The Southwest Corner Of The North 5 Acres Of The West Half Of The Southwest Quarter Of The Southwest Quarter Of Said Section 32; Thence North $0^{\circ} 35' 50''$ West, Along The West Line Of Said North 5 Acres, A Distance Of 100.00 Feet; Thence North $89^{\circ} 52' 10''$ East, Parallel With The South Line Of Said North 5 Acres, A Distance Of 36.14 Feet To A Point On The Easterly Right-Of-Way Of Brookhurst Way, 80 Feet Wide, Said Point Being The "TRUE POINT OF BEGINNING-A (TPOB-A)"; Thence North $89^{\circ} 52' 10''$ East, Parallel With Said South Line Of North 5 Acres, A Distance Of 308.81 Feet To A Point On The West Right-Of-Way Of Brookhurst Street, 120 Feet Wide ; Thence South $33^{\circ} 33' 43''$ East Along Said West Right-Of-Way Of Brookhurst Street, A Distance Of 418.60 Feet ; Thence South $56^{\circ} 26' 17''$ West, A Distance Of 272.86 Feet ; Thence North $33^{\circ} 33' 43''$ West Parallel To Said West Right-Of-Way Of Brookhurst Street, A Distance Of 250.53 Feet ; Thence South $89^{\circ} 24' 10''$ West, A Distance Of 171.32 Feet To A Point On Said Easterly Right-Of-Way Of Brookhurst Way, 80' Wide ; Thence North $0^{\circ} 35' 50''$ West, A Distance Of 292.00 Feet To The " TRUE POINT OF BEGINNING-A."

Containing total of 3.700 acres, more or less.

Parcel B

Real property in the City of Garden Grove, County of Orange, State of California, described as follows:

That Portion Of The Southwest Quarter Of The Southwest Quarter Of Section 32, Township 4 South, Range 10 West, In The Rancho Las Bolsas, As Shown On A Map Recorded In Book 51, Page 10 Of Miscellaneous Maps, Records Of Orange County, California, Described As Follows:

Beginning At The Southwest Corner Of The North 5 Acres Of The West Half Of The Southwest Quarter Of The Southwest Quarter Of Said Section 32; Thence North $89^{\circ} 52' 10''$ East, Along The South Line Of Said North 5 Acres, A Distance Of 36.49 Feet To A Point On The Easterly Right-Of-Way Of Brookhurst Way, 80 Feet Wide ; Thence South $0^{\circ} 35' 50''$ East, Along Said Easterly Right-Of-Way Of Brookhurst Way, A Distance Of 192.00 Feet To The "TRUE POINT OF BEGINNING-B (TPOB-B)"; Thence North $89^{\circ} 24' 10''$ East, A Distance Of 171.32 Feet ; Thence South $33^{\circ} 33' 43''$ East Parallel To West Right-Of-Way Of Brookhurst Street, A Distance Of 250.53 Feet ; Thence North $56^{\circ} 26' 17''$ East, A Distance Of 272.86 Feet To A Point On The Westerly Right-Of-Way Of Said Brookhurst Street, 120 Feet Wide ; Thence South $33^{\circ} 33' 43''$ East Along Said Westerly Right-Of-Way Of Brookhurst Street, A Distance Of 494.74 Feet To The Beginning Of A Curve, Concave To The West And Having A Radius Of 740.00 Feet ; Thence Southeasterly Along Said Curve, Through A Central Angle Of $22^{\circ} 25' 30''$, An Arc Distance Of 289.63 Feet ; Thence South $39^{\circ} 46' 16''$ West, A Distance Of 25.66 Feet To A Point On The Northerly Right-Of-Way Of Garden Grove Blvd., 100 Feet Wide, Thence South $89^{\circ} 53' 57''$ West Along Said Northerly Right-Of-Way Of Garden Grove Blvd., A Distance Of 603.69 Feet To A Point On The Westerly Line Of The East Half Of The Southwest Quarter Of The Southwest Quarter Of The Southwest Quarter Of Said Section 32 ; Thence North $0^{\circ} 24' 30''$ West Along Said Westerly Line, A Distance Of 229.94 Feet ; Thence South $89^{\circ} 54' 35''$ West, A Distance Of 292.91 Feet To A Point On The Easterly Right-Of-Way Of Brookhurst Way, 80 Feet Wide ; Thence North $0^{\circ} 35' 50''$ West, A Distance Of 525.89 Feet To The " TRUE POINT OF BEGINNING-B."

Containing total of 10.228 acres, more or less.

ATTACHMENT NO. 10

OPTION AGREEMENT

RECORDING REQUESTED BY)
 AND WHEN RECORDED MAIL TO:)
)
 Garden Grove Agency for)
 Community Development)
 11222 Acacia Parkway)
 Garden Grove, California 92840)
 Attn: Executive Director)
)

This document is exempt from the payment of a recording fee pursuant to Government Code Section 27383.

OPTION AGREEMENT

This **OPTION AGREEMENT** is entered into as of _____, 200__, by and between the **GARDEN GROVE AGENCY FOR COMMUNITY DEVELOPMENT**, a public body, corporate and politic (the "Agency"), and **NEW AGE BROOKHURST, LLC.**, a California limited liability company ("Developer").

RECITALS

A. Developer and Agency have executed a Disposition and Development Agreement (the "DDA"), dated as of _____, 2010, pursuant to which Developer has purchased that certain approximately _____ acres of real property in the City of Garden Grove known as the "Brookhurst Triangle," which is bounded by Brookhurst Street on the east, Garden Grove Boulevard on the south, and Brookhurst Way on the northern and western edge, more particularly described in Exhibit "A" attached hereto and incorporated herein (the "[Phase _____ Site]").

B. Pursuant to Section 505 of the DDA, the Developer has agreed to grant to Agency an option to repurchase the Site or any parcel within the Site upon the occurrence of certain events, as set forth therein.

C. Developer desires to grant to Agency an option to purchase the "[Phase _____ Site]", on the terms and conditions set forth hereinbelow. For purposes of this Option Agreement, "[Phase _____ Site]", shall also be deemed to include any and all improvements located on the real property.

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

1. **Grant of Option.** Developer grants to Agency an option ("Option") to purchase the "[Phase _____ Site]", on the terms and conditions set forth in this Option Agreement. The purchase price payable by Agency to the Developer for the "[Phase _____ Site]", shall be the Purchase Price for the "[Phase _____ Site]", under the DDA, plus the fair market value of the Improvements on the "[Phase _____ Site]", as of the date of the Exercise Notice ("Option Price"). The agreed fair market

value of the Improvements shall be reflected in a memorandum signed by Developer and Agency. In the event Developer and Agency are unable to agree on the fair market value of the Improvements on the ["Phase ____ Site"], within ten (10) days of delivery of the Exercise Notice, the fair market value of the Improvements on the ["Phase ____ Site"], shall be determined by appraisal, as follows: If Developer and Agency cannot agree to the fair market value, each party shall immediately retain, at its expense, an MAI appraiser to appraise the fair market value of the Improvements on the ["Phase ____ Site"]. Each party shall be advised promptly of the appraiser selected by the other, and each shall receive a written and signed copy of the other's appraisal report. The average of the two appraisals of fair market value shall become fair market value; provided, however, if the difference between the two appraisals exceed 10% of the lower appraisal the two appraisers shall immediately select a third MAI appraiser and in the event of their failure to do so, the presiding judge of the Superior Court of Orange County shall upon request of either party appoint the third appraiser. Any valuation then agreed upon by a majority of the three appraisers shall be accepted as final and conclusive between the parties hereto and by any court of competent jurisdiction and shall become the fair market value for the Improvements on the ["Phase ____ Site"]. Should a majority of the three appraisers not be able to agree upon the fair market value, then the average of the three appraisers' reports shall become the fair market value for the ["Phase ____ Site"], or applicable parcel and be binding and conclusive upon the parties. Each party will receive a written and signed copy of the third appraiser's report. The expenses and cost of the third appraiser and any cost incurred to obtain said third appraisal shall be divided equally between Developer and Agency.

2. Term and Consideration for Option. The term of the Option ("Option Term") shall commence on the date of this Option Agreement, and shall expire upon the recordation of a Release Of Construction Covenants with respect to the ["Phase ____ Site"].

3. Exercise of Option. The Option may be exercised by Agency's delivery to Developer of written notice of such exercise ("Exercise Notice") only upon the occurrence of any of the following defaults of the DDA ("Exercise Events"):

(a) Developer shall fail to start the construction of the Improvements as required by the DDA for a period of ninety (90) days after written notice thereof from the Agency; or

(b) Developer shall abandon or substantially suspend construction of the Improvements required by the DDA for a period of ninety (90) days after written notice thereof from the Agency; or

(c) Developer shall, contrary to the provisions of Section 703 of the DDA, transfer or suffer any involuntary transfer in violation of the DDA, and such transfer has not been approved by the Agency or rescinded within thirty (30) days of notice thereof from Agency to Developer.

In the event that Agency exercises the Option, but the Developer cures the default of the DDA prior to the sale of the ["Phase ____ Site"], or applicable parcel to Agency, Agency's exercise of the Option shall be deemed revoked. The revocation of the exercise of the Option shall not terminate this Option Agreement or preclude Agency from subsequently exercising the Option upon a later occurrence of one or more of the Exercise Events.

4. Escrow and Completion of Sale. Within five (5) days after Agency has exercised the Option, or as soon thereafter as reasonably practicable, an escrow shall be opened with an escrow

company mutually acceptable to Agency and Developer for the conveyance of the ["Phase ____ Site"], to Agency. Agency shall deposit the Option Price in escrow not later than one (1) business day prior to the anticipated close of escrow date. Agency's obligation to close escrow shall be subject to Agency's approval of a then-current preliminary title report and, at Agency's option, environmental and other site testing. Any exceptions shown on such preliminary title report created on or after the Developer's acquisition of the ["Phase ____ Site"], shall be removed by Developer at its sole expense prior to the close of escrow pursuant to this Section 4 unless such exception(s) is(are) accepted by Agency in its reasonable discretion; provided, however, that Agency shall accept the following exceptions to title: (i) current taxes not yet delinquent, (ii) matters affecting title existing on the date of Developer's acquisition of the ["Phase ____ Site"], (iii) liens and encumbrances in favor of the City of Garden Grove, and (iv) matters shown as printed exceptions in the standard form ALTA owner's policy of title insurance. The parties shall each be responsible for one-half of the escrow fees, documentary transfer taxes, recording fees and any other costs and expenses of the escrow, and the Developer shall be responsible for the cost of a ALTA owner's policy of title insurance to be provided to the Agency. Agency shall have thirty (30) days after exercise of the Option to enter upon the ["Phase ____ Site"], to conduct any tests, inspections, investigations, or studies of the condition of the ["Phase ____ Site"]. Developer shall permit Agency access to the ["Phase ____ Site"], for such purposes. Agency shall indemnify, defend, and hold harmless Developer and its officers, directors, shareholders, partners, employees, agents, and representatives from and against all claims, liabilities, or damages, and including expert witness fees and reasonable attorney's fees and costs, caused by Agency's activities with respect to or arising out of such testing, inspection, or investigatory activity on the ["Phase ____ Site"]. Escrow shall close promptly after acceptance by Agency of the condition of title and the Physical and Environmental Condition of the ["Phase ____ Site"]. Until the Closing, the terms of the DDA and the documents executed and recorded pursuant thereto shall remain in full force and effect.

5. **Failure to Exercise Option.** If the Option is not exercised in the manner provided in Section 3 above before the expiration of the Option Term, the Option shall terminate. Upon receipt of the written request of Developer, Agency shall cause a quitclaim deed terminating or releasing any and all rights Agency may have to acquire the ["Phase ____ Site"], ("Quitclaim Deed") to be recorded in the Official Records of Orange, California.

6. **Assignment and Nomination.** Agency shall not assign its interest hereunder without the approval of the Developer, which may be given or withheld in Developer's sole and absolute discretion; provided that Agency may nominate another person or entity to acquire the ["Phase ____ Site"], and the identity of such nominee shall not be subject to the approval of the Developer.

7. **Title.** Following the date hereof, except as permitted by the DDA, Developer agrees not to cause, and shall use commercially reasonable efforts not to permit, any lien, easement, encumbrance or other exception to title to be recorded against the ["Phase ____ Site"], without Agency's prior written approval, such approval not to be unreasonably withheld.

8. **Representations and Warranties of Developer.** Developer hereby represents, warrants and covenants to Agency as follows, which representations and warranties shall survive the exercise of the Option and the Close of Escrow:

(a) that this Option Agreement and the other documents to be executed by Developer hereunder, upon execution and delivery thereof by Developer, will have been duly entered into by Developer, and will constitute legal, valid and binding obligations of Developer;

(b) neither this Option Agreement, nor anything provided to be done under this Option Agreement, violates or shall violate any contract, document, understanding, agreement or instrument to which Developer is a party or by which it is bound; and

(c) Developer shall pay, prior to delinquency, any and all real property taxes and assessments which affect the ["Phase ____ Site"].

Developer agrees to indemnify, protect, defend, and hold Agency and the City of Garden Grove harmless from and against any damage, claim, liability, or expense of any kind whatsoever (including, without limitation, reasonable attorneys' fees and fees of expert witnesses) arising from or in connection with any breach of the foregoing representations, warranties and covenants. Such representations and warranties of Developer, shall be true and correct on and as of the date of this Option Agreement and on and as of the date of the Close of Escrow.

9. Representations and Warranties of Agency. Agency hereby represents and warrants and covenants to Developer, as follows, which representations and warranties shall survive the Close of Escrow:

(a) that this Option Agreement and the other documents to be executed by Agency hereunder, upon execution and delivery thereof by Agency, will have been duly entered into by Agency, and will constitute legal, valid and binding obligations of Agency, and

(b) neither this Option Agreement, nor anything provided to be done under this Option Agreement, violates or shall violate any contract, document, understanding, agreement or instrument to which Agency is a party or by which it is bound.

Agency agrees to indemnify, protect, defend, and hold Developer and the Site harmless from and against any damage, claim, liability, or expense of any kind whatsoever (including, without limitation, reasonable attorneys' fees and fees of expert witnesses) arising from or in connection with any breach of the foregoing representations, warranties and covenants. Such representations and warranties of Agency, and any other representations and warranties of Agency contained elsewhere in this Option Agreement shall be true and correct on and as of the date of this Option Agreement and on and as of the date of the Close of Escrow.

10. General Provisions.

10.1 Paragraph Headings. The paragraph headings used in this Option Agreement are for purposes of convenience only. They shall not be construed to limit or extend the meaning of any part of this Option Agreement.

10.2 Notices. Any notice, demand, approval, consent, or other communication required or desired to be given under this Option Agreement shall be in writing and shall be either personally served, sent by telecopy, mailed in the United States mails, certified, return receipt requested, postage prepaid, or sent by other commercially acceptable means, addressed to the party to be served with the copies indicated below, at the last address given by that party to the other under the provisions of this section. All communications shall be deemed delivered at the earlier of actual receipt, the next business day after deposit with Federal Express or other overnight delivery service or two (2) business days following mailing as aforesaid, or if telecopied, when sent, provided a copy is mailed or delivered as provided herein:

To Developer: Kam Sang Company, Inc.
411 E. Huntington Drive, Suite 305
Arcadia, California 91006
Attention: Mr. Ronnie Lam

To Agency: Garden Grove Agency for Community Development
11222 Acacia Parkway
Garden Grove, California 92840
Attn: Executive Director

Copy to: Stradling Yocca Carlson & Rauth
660 Newport Center Drive, Suite 1600
Newport Beach, California 92660
Attention: Thomas P. Clark, Jr.

10.3 Binding Effect. The terms, covenants and conditions of this Option Agreement shall be binding upon and inure to the benefit of the parties hereto and their respective successors, assigns and transferees.

10.4 Entire Agreement. This Option Agreement sets forth the entire agreement between the parties hereto respecting the Option, and supersedes all prior negotiations and agreements, written or oral, concerning or relating to the subject matter of this Option Agreement.

10.5 California Law. This Option Agreement shall be governed by the laws of the State of California and any question arising hereunder shall be construed or determined according to such laws.

10.6 Time of the Essence. Time is of the essence of each and every provision of this Option Agreement.

10.7 Counterparts. This Option Agreement may be signed by the parties hereto in duplicate counterparts which together shall constitute one and the same agreement between the parties and shall become effective at such time as both of the parties shall have signed such counterparts.

10.8 Attorneys' Fees. If either party commences an action against the other to enforce any of the terms hereof or because of the breach by either party of any of the terms hereof, the losing party shall pay to the prevailing party reasonable attorneys' fees, costs and expenses incurred in connection with the prosecution or defense of such action, including appeal of and/or enforcement of a judgment.

10.9 Computation of Time. All periods of time referred to in this Option Agreement shall include all Saturdays, Sundays and state or national holidays, unless the period of time is specified as business days (which shall not include Saturdays, Sundays and state or national holidays), provided that if the date or last date to perform any act or give any notice with respect to this Option Agreement shall fall on a Saturday, Sunday or state or national holiday, such act or notice may be timely performed or given on the next succeeding day which is not a Saturday, Sunday or state or national holiday.

10.10 Definition of Terms. Terms not otherwise defined in this Option Agreement are defined in the DDA.

IN WITNESS WHEREOF, this Option Agreement is executed by the parties hereto on the date first above written.

DEVELOPER:

NEW AGE BROOKHURST, LLC., a California limited liability company

By: _____

By: _____

AGENCY:

GARDEN GROVE AGENCY FOR COMMUNITY DEVELOPMENT, a public body, corporate and politic

By: _____

Its: _____

ATTEST:

Agency Secretary

APPROVED AS TO FORM:

Stradling Yocca Carlson & Rauth
Agency General Counsel

EXHIBIT A TO ATTACHMENT NO. 10
OPTION AGREEMENT

LEGAL DESCRIPTION

Parcel A

Real property in the City of Garden Grove, County of Orange, State of California, described as follows:

That Portion Of The Southwest Quarter Of The Southwest Quarter Of Section 32, Township 4 South, Range 10 West, In The Rancho Las Bolsas, As Shown On A Map Recorded In Book 51, Page 10 Of Miscellaneous Maps, Records Of Orange County, California, Described As Follows:

Beginning At The Southwest Corner Of The North 5 Acres Of The West Half Of The Southwest Quarter Of The Southwest Quarter Of Said Section 32; Thence North $0^{\circ} 35' 50''$ West, Along The West Line Of Said North 5 Acres, A Distance Of 100.00 Feet; Thence North $89^{\circ} 52' 10''$ East, Parallel With The South Line Of Said North 5 Acres, A Distance Of 36.14 Feet To A Point On The Easterly Right-Of-Way Of Brookhurst Way, 80 Feet Wide, Said Point Being The "TRUE POINT OF BEGINNING-A (TPOB-A)"; Thence North $89^{\circ} 52' 10''$ East, Parallel With Said South Line Of North 5 Acres, A Distance Of 308.81 Feet To A Point On The West Right-Of-Way Of Brookhurst Street, 120 Feet Wide ; Thence South $33^{\circ} 33' 43''$ East Along Said West Right-Of-Way Of Brookhurst Street, A Distance Of 418.60 Feet ; Thence South $56^{\circ} 26' 17''$ West, A Distance Of 272.86 Feet ; Thence North $33^{\circ} 33' 43''$ West Parallel To Said West Right-Of-Way Of Brookhurst Street, A Distance Of 250.53 Feet ; Thence South $89^{\circ} 24' 10''$ West, A Distance Of 171.32 Feet To A Point On Said Easterly Right-Of-Way Of Brookhurst Way, 80' Wide ; Thence North $0^{\circ} 35' 50''$ West, A Distance Of 292.00 Feet To The " TRUE POINT OF BEGINNING-A."

Containing total of 3.700 acres, more or less.

Parcel B

Real property in the City of Garden Grove, County of Orange, State of California, described as follows:

That Portion Of The Southwest Quarter Of The Southwest Quarter Of Section 32, Township 4 South, Range 10 West, In The Rancho Las Bolsas, As Shown On A Map Recorded In Book 51, Page 10 Of Miscellaneous Maps, Records Of Orange County, California, Described As Follows:

Beginning At The Southwest Corner Of The North 5 Acres Of The West Half Of The Southwest Quarter Of The Southwest Quarter Of Said Section 32; Thence North $89^{\circ} 52' 10''$ East, Along The South Line Of Said North 5 Acres, A Distance Of 36.49 Feet To A Point On The Easterly Right-Of-Way Of Brookhurst Way, 80 Feet Wide ; Thence South $0^{\circ} 35' 50''$ East, Along Said Easterly Right-Of-Way Of Brookhurst Way, A Distance Of 192.00 Feet To The "TRUE POINT OF BEGINNING-B (TPOB-B)"; Thence North $89^{\circ} 24' 10''$ East, A Distance Of 171.32 Feet ; Thence South $33^{\circ} 33' 43''$ East Parallel To West Right-Of-Way Of Brookhurst Street, A Distance Of 250.53 Feet ; Thence North $56^{\circ} 26' 17''$ East, A Distance Of 272.86 Feet To A Point On The Westerly Right-Of-Way Of Said Brookhurst Street, 120 Feet Wide ; Thence South $33^{\circ} 33' 43''$ East Along Said Westerly Right-Of Way Of Brookhurst Street, A Distance Of 494.74 Feet To The Beginning Of A Curve, Concave To The West And Having A Radius Of 740.00 Feet ; Thence Southeasterly Along Said Curve, Through A Central Angle Of $22^{\circ} 25' 30''$, An Arc Distance Of 289.63 Feet ; Thence South $39^{\circ} 46' 16''$ West, A Distance Of 25.66 Feet To A Point On The Northerly Right-Of-Way Of Garden Grove Blvd., 100 Feet Wide, Thence South $89^{\circ} 53' 57''$ West Along Said Northerly Right-Of-Way Of Garden Grove Blvd., A Distance Of 603.69 Feet To A Point On The Westerly Line Of The East Half Of The Southwest Quarter Of The Southwest Quarter Of The Southwest Quarter Of Said Section 32 ; Thence North $0^{\circ} 24' 30''$ West Along Said Westerly Line, A Distance Of 229.94 Feet ; Thence South $89^{\circ} 54' 35''$ West, A Distance Of 292.91 Feet To A Point On The Easterly Right-Of-Way Of Brookhurst Way, 80 Feet Wide ; Thence North $0^{\circ} 35' 50''$ West, A Distance Of 525.89 Feet To The " TRUE POINT OF BEGINNING-B."

Containing total of 10.228 acres, more or less.

The first part of the document discusses the importance of maintaining accurate records of all transactions. It emphasizes that proper record-keeping is essential for the success of any business or organization. The text also mentions the need for regular audits and reviews to ensure that all data is up-to-date and correct.

Orange Countywide Oversight Board

Agenda Item No. 11a

Date: 9/22/2020

From: Successor Agency to the La Palma Redevelopment Agency

Subject: Resolution of the Countywide Oversight Board Approving the Last and Final Recognized Obligation Payment Schedule (L&F ROPS)

Recommended Action:

Approve resolution approving the L&F ROPS for the La Palma Successor Agency

The La Palma Successor Agency requests approval of the Last and Final Recognized Obligation Payment Schedule (L&F ROPS).

Senate Bill 107 (SB 107) from 2015 added Health and Safety Code Section 34191.6 which allows Successor Agencies that meet certain criteria to submit a L&F ROPS to the State of California Department of Finance (DOF). To submit a L&F ROPS:

- 1) The remaining debt on the ROPS must be limited to payments of enforceable obligations,
- 2) All remaining obligations must have been previously listed on a ROPS and approved for payment by DOF,
- 3) And the Successor Agency is not a party to pending litigation with the State.

The Successor Agency meets all of these requirements. After approval by the Oversight Board, the DOF has the final say as to whether to approve the L&F ROPS.

The remaining obligations on the L&F ROPS are:

- Debt Service (principal and interest) 1993 Tax Allocation Bonds – on December 1, 1993, the former CDC issued tax allocation bonds in the amount of \$5,100,000 to finance a portion of the cost of the redevelopment area known as the Former CDC Project Area. The bonds are in denominations of \$5,000 each and bear interest at rates ranging from 3.30% to 6.10%. Principal is payable annually on June 1. Interest is payable semiannually on June 1 and December 1. The remaining outstanding balance is \$224,400. Debt service will be fully amortized as of June 1, 2022. The final payment of \$206,100 on June 1, 2022 will be paid using reserves held by the Trustee.
- Related bond expenses (bank fees, arbitrage fees) with the final payments in fiscal year 21-22.
- 1999 Loan for Senior Affordable Apartments – DOF approved the outstanding balance of the October 28, 1999 loan at \$4,225,960 in April 2014. No payments have yet been made, so the outstanding balance at June 30, 2021, is \$4,225,960 plus interest. With an approved L&F ROPS, the interest rate will be adjusted upward to 4% simple interest from loan inception. As required by law, 20% of any repayments will have to be paid to the Low-Income Housing Fund.
- 2002 Loan to former CDC from City - DOF approved the outstanding balance of the May 1, 2002 loan at \$794,862 in April 2014. Payments totaling \$539,410 (including the pending amendment to 20-21 of \$204,526) have been approved by DOF. The outstanding balance at June 30, 2021, is \$255,452 plus interest. With an approved L&F ROPS, the interest rate will be adjusted upward to 4% simple interest from loan inception. As required by law, 20% of any repayments will have to be paid to the Low-Income Housing Fund.
- Administrative Costs – the Successor Agency has proposed annual administrative costs of \$10,000 per year. The Successor Agency will still be required to account for the receipt of RPTTF funds, account

for the reserve funds after the final bond payments, allocate interest to remaining funds on hand, and after the final ROPS period (ROPS 33-34), the accounting will have to be submitted to DOF for review.

The Successor Agency has provided copies of 1) the Successor Agency Resolution approving the L&F ROPS, 2) the calculation for items listed on the L&F ROPS prepared by HdL, 3) the DOF determination letter from the ROPS 20-21, and 4) the approved ROPS 20-21 Forms.

Impact on Taxing Entities

There will be no impact on Taxing Entities beyond the necessary use of RPTTF revenue for repayment of Enforceable Obligations as required by law. All tax RPTTF revenue not used to fulfill Auditor Controller administrative costs; tax sharing obligations; and, Enforceable Obligations will be allocated by the Auditor Controller to all eligible taxing entities.

Staff Contact(s)

Mike Matsumoto, Financial Consultant
michaelm@cityoflapalma.org
714-690-3318

Lori Rake, Accounting Supervisor
Lorir@cityoflapalma.org
714-690-3321

Attachments

1. Oversight Board Resolution approving the L&F ROPS
 - a. Exhibit A Last and Final Recognized Obligation Payment Schedule
2. La Palma Successor Agency Resolution approving the L&F ROPS
3. Calculations for items listed on the L&F ROPS
4. DOF 2020-21 ROPS Determination Letter
5. Approved ROPS for FY 2020-21

RESOLUTION NO. _____

A RESOLUTION OF THE ORANGE COUNTYWIDE OVERSIGHT BOARD APPROVING THE LAST AND FINAL RECOGNIZED OBLIGATION PAYMENT SCHEDULE (ROPS) OF THE SUCCESSOR AGENCY TO THE LA PALMA REDEVELOPMENT AGENCY

WHEREAS, the Community Development Commission of the City of La Palma (Former Agency) was activated by the City Council of the City of La Palma as redevelopment agency , under the California Community Redevelopment Law (Health & Safety Code Section 33000 et seq.); and

WHEREAS, Assembly Bill x1 26 added Parts 1.8 and 1.85 to Division 24 of the California Health and Safety Code (HSC), which caused the dissolution of all redevelopment agencies and wind down of the affairs of former agencies, including as such laws were amended by Assembly Bill 1484 and by other subsequent legislation (“Dissolution Law”); and

WHEREAS, as of February 1, 2012, the Former Agency was dissolved under the Dissolution Law, and as a separate public entity, corporate and politic under HSC Section 34171(g), the Successor Agency to the Community Development Commission (Successor Agency) administers the enforceable obligations of the Former Agency and otherwise unwinds the Former Agency’s affairs; and

WHEREAS, prior to July 1, 2018 under the Dissolution Law, in particular HSC Sections 34179 and 34180, certain actions of the Successor Agency were subject to the review and approval by a local seven-member oversight board, which oversaw and administered the Successor Agency’s activities during the period from dissolution until June 30, 2018; and

WHEREAS, as of, on and after July 1, 2018 under the Dissolution Law, in particular HSC Section 34179(j), the County of Orange through the Orange County Auditor-Controller established the single Orange Countywide Oversight Board in compliance with HSC Section 34179(j), which serves as the oversight board to the 25 successor agencies existing and operating in Orange County, including the Successor Agency; and

WHEREAS, every oversight board, both the prior local oversight board and this newly established Orange Countywide Oversight Board, has fiduciary responsibilities to the holders of enforceable obligations and to the taxing entities that benefit from distributions of property tax and other revenues under the Dissolution Law, in particular HSC Section 34188; and

WHEREAS, HSC Section 34191.6 allows Successor Agencies to prepare a Last and Final Recognized Obligation Payment Schedule (L&F ROPS); and

WHEREAS, HSC Sections 34177(o) and 34179 provide that each Recognized Obligation Payment Schedule (“ROPS”) is submitted by the Successor Agency to the Oversight Board and then reviewed and approved by the Oversight Board before final review and approval by the California Department of Finance (“DOF”); and

WHEREAS, the Last and Final Recognized Obligation Payment Schedule (L&F ROPS), has been prepared and presented for consideration to the Orange Countywide Oversight Board; and

WHEREAS, the Orange Countywide Oversight Board has reviewed and duly considered the L&F ROPS, and other evidence and testimony presented related thereto.

NOW, THEREFORE, BE IT RESOLVED THAT THE ORANGE COUNTYWIDE OVERSIGHT BOARD does hereby resolve as follows:

SECTION 1. The foregoing recitals are incorporated into this Resolution by this reference, and constitute a material part of this Resolution.

SECTION 2. Pursuant to the Dissolution Law, the Oversight Board hereby approves the Last and Final Recognized Obligation Payment Schedule (L&F ROPS); provided however, that the L&F ROPS is subject to the condition that such L&F ROPS is to be submitted to and reviewed by the DOF. Further, the City Manager and/or his authorized designees, in consultation with legal counsel, shall be authorized to discuss this matter with the DOF and make augmentations, modifications, additions, or revisions to the L&F ROPS as may be necessary or directed by the DOF.

SECTION 3. The Oversight Board authorizes transmittal of the L&F ROPS to the DOF, with copies to the County Administrative Office, the County Auditor-Controller, and the State Controller's Office.

SECTION 4. The City Manager and/or his authorized designee is directed to post this Resolution, including the L&F ROPS, on the City/Successor Agency website pursuant to the Dissolution Law.

SECTION 5. Under HSC Section 34179(h) written notice and information about certain actions taken by the Orange Countywide Oversight Board shall be provided to the DOF by electronic means and in a manner of DOF's choosing. The Orange Countywide Oversight Board's action shall become effective five (5) business days after notice in the manner specified by the DOF unless the DOF requests a review.

SECTION 6. The Clerk of the Orange Countywide Oversight Board shall certify to the adoption of this resolution.

**Last and Final Recognized Obligation Payment Schedule (ROPS) - Summary
Filed for the July 1, 2021 through June 30, 2034 Period**

Successor Agency: La Palma
County: Orange
Initial ROPS Period: 21-22A
Final ROPS Period: 33-34B

Requested Funding for Enforceable Obligations	Total Outstanding Obligation
A Enforceable Obligations Funded as Follows (B+C)	\$206,100
B Bond Proceeds	-
C Other Funds	206,100
D Redevelopment Property Tax Trust Fund (RPTTF) (E+F)	\$9,573,035
<input type="checkbox"/> RPTTF	9,448,035
F Administrative RPTTF	125,000
G Total Outstanding Obligations (A+D)	\$9,779,135

Certification of Oversight Board Chairman:

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

Name Title

/s/ _____
Signature Date

La Palma
Last and Final Recognized Obligation Payment Schedule (ROPS) - Summary by ROPS Period
July 1, 2021 through June 30, 2034

A Period July - December					
ROPS Period	Fund Sources				Six-month Total
	Bond Proceeds	Other Funds	RPTTF	Admin RPTTF	
	\$-	\$-	\$9,448,035	\$65,000	\$9,513,035
ROPS 21-22A	-	-	264,660	5,000	\$269,660
ROPS 22-23A	-	-	747,177	5,000	\$752,177
ROPS 23-24A	-	-	555,597	5,000	\$560,597
ROPS 24-25A	-	-	703,614	5,000	\$708,614
ROPS 25-26A	-	-	684,538	5,000	\$689,538
ROPS 26-27A	-	-	741,686	5,000	\$746,686
ROPS 27-28A	-	-	760,418	5,000	\$765,418
ROPS 28-29A	-	-	812,652	5,000	\$817,652
ROPS 29-30A	-	-	851,398	5,000	\$856,398
ROPS 30-31A	-	-	900,356	5,000	\$905,356
ROPS 31-32A	-	-	947,897	5,000	\$952,897
ROPS 32-33A	-	-	1,000,070	5,000	\$1,005,070
ROPS 33-34A	-	-	477,972	5,000	\$482,972

B Period January - June						Twelve-month Total
ROPS Period	Fund Sources				Six-month Total	
	Bond Proceeds	Other Funds	RPTTF	Admin RPTTF		
	\$-	\$206,100	\$-	\$60,000	\$266,100	\$9,779,135
ROPS 21-22B	-	206,100	-	5,000	\$211,100	\$480,760
ROPS 22-23B	-	-	-	5,000	\$5,000	\$757,177
ROPS 23-24B	-	-	-	5,000	\$5,000	\$565,597
ROPS 24-25B	-	-	-	5,000	\$5,000	\$713,614
ROPS 25-26B	-	-	-	5,000	\$5,000	\$694,538
ROPS 26-27B	-	-	-	5,000	\$5,000	\$751,686
ROPS 27-28B	-	-	-	5,000	\$5,000	\$770,418
ROPS 28-29B	-	-	-	5,000	\$5,000	\$822,652
ROPS 29-30B	-	-	-	5,000	\$5,000	\$861,398
ROPS 30-31B	-	-	-	5,000	\$5,000	\$910,356
ROPS 31-32B	-	-	-	5,000	\$5,000	\$957,897
ROPS 32-33B	-	-	-	5,000	\$5,000	\$1,010,070
ROPS 33-34B	-	-	-	-	\$-	\$482,972

RESOLUTION NO. SA 2020-09

**RESOLUTION OF THE CITY COUNCIL OF THE CITY OF
LA PALMA ACTING AS THE SUCCESSOR AGENCY TO
THE DISSOLVED COMMUNITY DEVELOPMENT
COMMISSION OF THE CITY OF LA PALMA APPROVING
THE LAST AND FINAL RECOGNIZED OBLIGATION
PAYMENT SCHEDULE (L&F ROPS)**

WHEREAS, the Community Development Commission of the City of La Palma (Former Agency) was activated by the City Council of the City of La Palma as redevelopment agency , under the California Community Redevelopment Law (Health & Safety Code Section 33000 et seq.); and

WHEREAS, Assembly Bill x1 26 added Parts 1.8 and 1.85 to Division 24 of the California Health and Safety Code (HSC), which caused the dissolution of all redevelopment agencies and wind down of the affairs of former agencies, including as such laws were amended by Assembly Bill 1484 and by other subsequent legislation (“Dissolution Law”); and

WHEREAS, as of February 1, 2012, the Former Agency was dissolved under the Dissolution Law, and as a separate public entity, corporate and politic under HSC Section 34171(g), the Successor Agency to the Community Development Commission (Successor Agency) administers the enforceable obligations of the Former Agency and otherwise unwinds the Former Agency’s affairs; and

WHEREAS, HSC Section 34177(l)(1) requires the Successor Agency to prepare a Recognized Obligation Payment Schedule (ROPS) and submit to the Oversight Board pursuant to HSC Sections 34177(l)(2)(B) for approval; and

WHEREAS, Health and Safety Code Section 34177(o)(1) requires a successor agency to submit an oversight board-approved ROPS to the Department of Finance and the County Auditor-Controller no later than February 1 of each year; and

WHEREAS, Health and Safety Code Section 34191.6(a), the City may file a L&F ROPS; and

WHEREAS, if the L&F ROPS is approved by the State Department of Finance, the City would no longer need to prepare annual ROPS, and the interest rate on the City Loans would increase from 3% to 4% retroactive to loan inception; and

WHEREAS, the Last and Final Recognized Obligation Payment Schedule (L&F ROPS) has been considered by the Successor Agency; and

WHEREAS, as of, on and after July 1, 2018, under the Dissolution Law, in particular HSC Section 34179(j), the County of Orange through the Orange County Auditor-Controller established the single Orange Countywide Oversight Board in compliance with HSC Section 34179(j), which serves as the oversight board to the 25 successor agencies existing and operating in Orange County, including the Successor Agency; and

WHEREAS, the City Council acting as the Successor Agency has reviewed and duly considered the Staff Report and other evidence and testimony presented related thereto.

NOW, THEREFORE, the City Council of the City of La Palma Acting as the Successor Agency to the Dissolved Community Development Commission resolves as follows:

SECTION 1. The foregoing recitals are incorporated into this Resolution by this reference, and constitute a material part of this Resolution.

SECTION 2. The City Council acting as the Successor Agency, hereby approves the submission of the L&F Recognized Obligation Payment Schedule.

SECTION 3. The City Manager and/or his authorized designees are hereby authorized to submit the L&F ROPS to the Orange Countywide Oversight Board for its approval and then to the State DOF.

SECTION 4. The City Manager and/or his authorized designees are hereby authorized to negotiate with the State DOF regarding changes to amounts on the L&F ROPS.

PASSED, APPROVED, AND ADOPTED this 4th day of August 2020.



Peter L. Kim
Mayor

ATTEST:



Kimberly Kenney, CMC
City Clerk

STATE OF CALIFORNIA)
COUNTY OF ORANGE) SS
CITY OF LA PALMA)

I, KIMBERLY KENNEY, City Clerk of the City of La Palma, California, DO HEREBY CERTIFY that the foregoing resolution was adopted by the Successor Agency to the dissolved Community Development Commission of City of La Palma, at a regular meeting held on the 4th day of August 2020, and that it was so adopted by called vote as follows:

AYES: Goedhart, Goodman, Kim, Patel, and Steggell

NOES: None



Kimberly Kenney, CMC
City Clerk

Loan Calculator for 2002 Successor Loan

Estimated Loan Balance - Simple Interest - the initial calculation can be shown annually (because there is no compounding). When payments are made, the

Interest Rate 4.0%

Year	Interest - Simple				Principal			Total Loan - End		
	Beginning Int	Current Year Int	Payment	Ending Int	Beginning Pr	Addition	Payment			Ending Prin
2002	0	5,299		5,299	0	794,862		794,862	800,161	Use 5/1/02
2003	5,299	31,794		37,094	794,862			794,862	831,956	
2004	37,094	31,794		68,888	794,862			794,862	863,750	
2005	68,888	31,794		100,683	794,862			794,862	895,545	
2006	100,683	31,794		132,477	794,862			794,862	927,339	
2007	132,477	31,794		164,271	794,862			794,862	959,133	
2008	164,271	31,794		196,066	794,862			794,862	990,928	
2009	196,066	31,794		227,860	794,862			794,862	1,022,722	
2010	227,860	31,794		259,655	794,862			794,862	1,054,517	
2011	259,655	31,794		291,449	794,862			794,862	1,086,311	
2012	291,449	31,794		323,244	794,862			794,862	1,118,106	
2013	323,244	31,794		355,038	794,862			794,862	1,149,900	
13-14A	355,038	15,897		370,935	794,862			794,862	1,165,797	
13-14B	370,935	15,897		386,832	794,862			794,862	1,181,694	
14-15A	386,832	15,897		402,729	794,862			794,862	1,197,591	
14-15B	402,729	15,897		418,626	794,862			794,862	1,213,488	
15-16A	418,626	14,215		432,841	794,862		(84,097)	710,765	1,143,606	
15-16B	432,841	14,215		447,056	710,765			710,765	1,157,821	
16-17A	447,056	12,414		459,470	710,765		(90,042)	620,723	1,080,193	
16-17B	459,470	12,414		471,884	620,723			620,723	1,092,607	
17-18A	471,884	11,423		483,307	620,723		(49,583)	571,140	1,054,447	
17-18B	483,307	11,423		494,730	571,140			571,140	1,065,870	
18-19A	494,730	9,200		503,930	571,140		(111,162)	459,978	963,908	
18-19B	503,930	9,200		513,130	459,978			459,978	973,108	
19-20A	513,130	9,200		522,330	459,978		0	459,978	982,308	
19-20B	522,330	9,200		531,530	459,978			459,978	991,508	
20-21A	531,530	9,200		540,730	459,978		0	459,978	1,000,708	
20-21B	540,730	5,109		545,839	459,978		(204,526)	255,452	801,291	
21-22A	545,839	151		545,990	255,452		(247,910)	7,542	553,532	
21-22B	545,990	151		546,141	7,542			7,542	553,683	
22-23A	546,141	0	(546,141)	0	7,542		(7,542)	0	0	
22-23B	0	0		0	0			0	0	
23-24A	0	0		0	0			0	0	
23-24B	0	0		0	0			0	0	
24-25A	0	0		0	0			0	0	
24-25B	0	0		0	0			0	0	
25-26A	0	0		0	0			0	0	
25-26B	0	0		0	0			0	0	
26-27A	0	0		0	0			0	0	
26-27B	0	0		0	0			0	0	
Totals			<u>(546,141)</u>				<u>(794,862)</u>			
					Total est payments		<u>(1,341,003)</u>			

	Residual Amount Avail. for Repayment	Total Loan Payments on ROPS
20-21B		(204,526)
21-22A		(247,910)
22-23A	247,910	(747,177)
23-24A	747,177	(555,597)
24-25A	555,597	(703,614)
25-26A	703,614	(684,538)
26-27A	684,538	(741,686)
27-28A	741,686	(760,418)
28-29A	760,418	(812,652)
29-30A	812,652	(851,398)
30-31A	851,398	(900,356)
31-32A	900,356	(947,897)
32-33A	947,897	(1,000,070)
33-34A	1,000,070	(477,972)
34-35A	1,054,104	0
35-36A	1,402,219	
	1,731,042	

Loan Calculator for 1999 Successor Loan
 Estimated Loan Repayments - Simple Interest - the initial calculation can be shown annually (because there is no compounding). When payme

Interest Rate 4.0%

Year	Interest - Simple			Principal			Total Loan - E
	Beginning Int	Current Year Payment	Ending Int	Beginning Pr Addition	Payment	Ending Prin	
1999	0	28,173	28,173	0	4,225,960	4,225,960	4,254,133
2000	28,173	169,038	197,211	4,225,960		4,225,960	4,423,171
2001	197,211	169,038	366,250	4,225,960		4,225,960	4,592,210
2002	366,250	169,038	535,288	4,225,960		4,225,960	4,761,248
2003	535,288	169,038	704,327	4,225,960		4,225,960	4,930,287
2004	704,327	169,038	873,365	4,225,960		4,225,960	5,099,325
2005	873,365	169,038	1,042,403	4,225,960		4,225,960	5,268,363
2006	1,042,403	169,038	1,211,442	4,225,960		4,225,960	5,437,402
2007	1,211,442	169,038	1,380,480	4,225,960		4,225,960	5,606,440
2008	1,380,480	169,038	1,549,519	4,225,960		4,225,960	5,775,479
2009	1,549,519	169,038	1,718,557	4,225,960		4,225,960	5,944,517
2010	1,718,557	169,038	1,887,595	4,225,960		4,225,960	6,113,555
2011	1,887,595	169,038	2,056,634	4,225,960		4,225,960	6,282,594
2012	2,056,634	169,038	2,225,672	4,225,960		4,225,960	6,451,632
2013	2,225,672	169,038	2,394,711	4,225,960		4,225,960	6,620,671
2014	2,394,711	169,038	2,563,749	4,225,960		4,225,960	6,789,709
2015	2,563,749	169,038	2,732,787	4,225,960		4,225,960	6,958,747
2016	2,732,787	169,038	2,901,826	4,225,960		4,225,960	7,127,786
2017	2,901,826	169,038	3,070,864	4,225,960		4,225,960	7,296,824
2018	3,070,864	169,038	3,239,903	4,225,960		4,225,960	7,465,863
18-19B	3,239,903	84,519	3,324,422	4,225,960		4,225,960	7,550,382
19-20A	3,324,422	84,519	3,408,941	4,225,960		4,225,960	7,634,901
19-20B	3,408,941	84,519	3,493,460	4,225,960		4,225,960	7,719,420
20-21A	3,493,460	84,519	3,577,979	4,225,960		4,225,960	7,803,939
20-21B	3,577,979	84,519	3,662,498	4,225,960		4,225,960	7,888,458
21-22A	3,662,498	84,519	3,747,017	4,225,960		4,225,960	7,972,977
21-22B	3,747,017	84,519	3,831,536	4,225,960		4,225,960	8,057,496
22-23A	3,831,536	80,649	3,912,185	4,225,960	(193,494)	4,032,466	7,944,651
22-23B	3,912,185	80,649	3,992,834	4,032,466		4,032,466	8,025,300
23-24A	3,992,834	69,537	4,062,371	4,032,466	(555,597)	3,476,869	7,539,240
23-24B	4,062,371	69,537	4,131,908	3,476,869		3,476,869	7,608,777
24-25A	4,131,908	55,465	4,187,373	3,476,869	(703,614)	2,773,255	6,960,628
24-25B	4,187,373	55,465	4,242,838	2,773,255		2,773,255	7,016,093
25-26A	4,242,838	41,774	4,284,612	2,773,255	(684,538)	2,088,717	6,373,329
25-26B	4,284,612	41,774	4,326,386	2,088,717		2,088,717	6,415,103
26-27A	4,326,386	26,941	4,353,327	2,088,717	(741,686)	1,347,031	5,700,358
26-27B	4,353,327	26,941	4,380,268	1,347,031		1,347,031	5,727,299
27-28A	4,380,268	11,732	4,392,000	1,347,031	(760,418)	586,613	4,978,613
27-28B	4,392,000	11,732	4,403,732	586,613		586,613	4,990,345
28-29A	4,403,732	0	(226,039)	4,177,693	586,613	(586,613)	0
28-29B	4,177,693	0	4,177,693	0		0	4,177,693
29-30A	4,177,693	0	(851,398)	3,326,295	0	0	3,326,295
29-30B	3,326,295	0	3,326,295	0		0	3,326,295
30-31A	3,326,295	0	(900,356)	2,425,939	0	0	2,425,939
30-31B	2,425,939	0	2,425,939	0		0	2,425,939
31-32A	2,425,939	0	(947,897)	1,478,042	0	0	1,478,042
31-32B	1,478,042	0	1,478,042	0		0	1,478,042
32-33A	1,478,042	0	(1,000,070)	477,972	0	0	477,972
32-33B	477,972	0	477,972	0		0	477,972
33-34A	477,972	0	(477,972)	0	0	0	0
33-34B	0	0	0	0		0	0
34-35A	0	0	0	0		0	0
34-35B	0	0	0	0		0	0
Totals			<u>(4,403,732)</u>			<u>(4,225,960)</u>	
				Total est payments		<u>(8,629,692)</u>	

Note: The Reso said 10/28/1999, but for ease of calculating interest, used 11/1/1999 (2 months in 1999)



Transmitted via e-mail

April 10, 2020

Allan Roeder, City Manager
City of La Palma
7822 Walker Street
La Palma, CA 90623

2020-21 Annual Recognized Obligation Payment Schedule

Pursuant to Health and Safety Code (HSC) section 34177 (o) (1), the City of La Palma Successor Agency (Agency) submitted an annual Recognized Obligation Payment Schedule for the period of July 1, 2020 through June 30, 2021 (ROPS 20-21) to the California Department of Finance (Finance) on January 29, 2020. Finance has completed its review of the ROPS 20-21.

Based on a sample of line items reviewed and application of the law, Finance is approving all of the items listed on the ROPS 20-21 at this time. However, Finance notes the following:

The administrative costs claimed are within the fiscal year administrative cap pursuant to HSC section 34171 (b) (3). However, Finance notes the Oversight Board (OB) has approved an amount that appears excessive, given the number and nature of the obligations listed on the ROPS. HSC section 34179 (i) requires the OB to exercise a fiduciary duty to the taxing entities. Therefore, Finance encourages the OB to apply adequate oversight when evaluating the administrative resources necessary to successfully wind-down the Agency.

Pursuant to HSC section 34186, successor agencies are required to report differences between actual payments and past estimated obligations (prior period adjustments) for the July 1, 2017 through June 30, 2018 (ROPS 17-18) period. Reported differences in Redevelopment Property Tax Trust Fund (RPTTF) are used to offset current RPTTF distributions. The amount of RPTTF authorized includes the prior period adjustment (PPA) resulting from the County Auditor-Controller's review of the PPA form submitted by the Agency.

The Agency's maximum approved RPTTF distribution for the reporting period is \$985,491, as summarized in the Approved RPTTF Distribution table (see Attachment).

RPTTF distributions occur biannually, one distribution for the July 1, 2020 through December 31, 2020 period (ROPS A period), and one distribution for the January 1, 2021 through June 30, 2021 period (ROPS B period), based on Finance's approved amounts. Since this determination is for the entire ROPS 20-21 period the Agency is authorized to receive up to the maximum approved RPTTF through the combined ROPS A and B period distributions.

If the Agency disagrees with our determination with respect to any items on the ROPS 20-21, except items which are the subject of litigation disputing our previous or related determinations, the Agency may request a Meet and Confer within five business days of the date of this letter. The Meet and Confer process and guidelines are available on our website:

http://dof.ca.gov/Programs/Redevelopment/Meet_And_Confer/

The Agency must use the RAD App to complete and submit its Meet and Confer request form.

Absent a Meet and Confer, this is our final determination regarding the obligations listed on the ROPS 20-21. This determination only applies to items when funding was requested for the 12-month period. If a denial by Finance in a previous ROPS is currently the subject of litigation, the item will continue to be deemed denied until the matter is resolved.

The ROPS 20-21 form submitted by the Agency and this determination letter will be posted on our website:

<http://dof.ca.gov/Programs/Redevelopment/ROPS/>

This determination is effective for the ROPS 20-21 period only and should not be conclusively relied upon for future ROPS periods. All items listed on a future ROPS are subject to review and may be denied even if not denied on this ROPS or a preceding ROPS. The only exception is for items that have received a Final and Conclusive determination from Finance pursuant to HSC section 34177.5 (i). Finance's review of Final and Conclusive items is limited to confirming the scheduled payments as required by the obligation.

The amount available from the RPTTF is the same as the amount of property tax increment available prior to the enactment of the redevelopment dissolution law. Therefore, as a practical matter, the ability to fund the items on the ROPS with property tax increment is limited to the amount of funding available to the Agency in the RPTTF.

Please direct inquiries to Anna Kyumba, Supervisor, or Thong Thao, Staff, at (916) 322-2985.

Sincerely,



 JENNIFER WHITAKER
Program Budget Manager

cc: Michael Matsumoto, Financial Consultant, City of La Palma
Israel M. Guevara, Administrative Manager, Property Tax Section, Orange County

Attachment

Approved RPTTF Distribution July 2020 through June 2021			
	ROPS A	ROPS B	ROPS 20-21 Total
RPTTF Requested	\$ 446,612	\$ 436,013	\$ 882,625
Administrative RPTTF Requested	53,550	53,550	107,100
Total RPTTF Requested	500,162	489,563	989,725
RPTTF Authorized	446,612	436,013	882,625
Administrative RPTTF Authorized	53,550	53,550	107,100
ROPS 17-18 prior period adjustment (PPA)	(4,234)	0	(4,234)
Total RPTTF Approved for Distribution	\$ 495,928	\$ 489,563	\$ 985,491

Recognized Obligation Payment Schedule (ROPS 20-21) - Summary
Filed for the July 1, 2020 through June 30, 2021 Period

Successor Agency: La Palma

County: Orange

Current Period Requested Funding for Enforceable Obligations (ROPS Detail)	20-21A Total (July - December)	20-21B Total (January - June)	ROPS 20-21 Total
A Enforceable Obligations Funded as Follows (B+C+D)	\$ -	\$ 407,500	\$ 407,500
B Bond Proceeds	-	-	-
C Reserve Balance	-	407,500	407,500
D Other Funds	-	-	-
E Redevelopment Property Tax Trust Fund (RPTTF) (F+G)	\$ 500,162	\$ 489,563	\$ 989,725
F RPTTF	446,612	436,013	882,625
G Administrative RPTTF	53,550	53,550	107,100
H Current Period Enforceable Obligations (A+E)	\$ 500,162	\$ 897,063	\$ 1,397,225

Certification of Oversight Board Chairman:

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

 Name Title

/s/ _____
 Signature Date

La Palma
Recognized Obligation Payment Schedule (ROPS 20-21) - ROPS Detail
July 1, 2020 through June 30, 2021

A	B	C	D	E	F	G	H	I	J	K	L	M	N	O	P	Q	R	S	T	U	V	W
Item	Project Name	Obligation Type	Agreement Execution Date	Agreement Termination Date	Payee	Description	Project Area	Total Outstanding Obligation	Retired	ROPS 20-21 Total	ROPS 20-21A (Jul - Dec)					20-21A Total	ROPS 20-21B (Jan - Jun)					20-21B Total
											Fund Sources						Fund Sources					
											Bond Proceeds	Reserve Balance	Other Funds	RPTTF	Admin RPTTF		Bond Proceeds	Reserve Balance	Other Funds	RPTTF	Admin RPTTF	
								\$7,405,249		\$1,397,225	\$-	\$-	\$-	\$446,612	\$53,550	\$500,162	\$-	\$407,500	\$-	\$436,013	\$53,550	\$897,063
1	1993 Tax Allocation Bonds	Bonds Issued On or Before 12/31/10	12/01/1993	06/01/2022	US Bank	Tax Increment Bond Pledge	All	224,400	N	\$12,200	-	-	-	6,100	-	\$6,100	-	-	-	6,100	-	\$6,100
2	2001 Tax Allocation Ref. Bonds	Bonds Issued On or Before 12/31/10	12/01/2001	06/01/2021	US Bank	Tax Increment Bond Pledge	All	859,825	N	\$452,326	-	-	-	22,413	-	\$22,413	-	-	-	429,913	-	\$429,913
3	1999 Loan Agreement (Seasons)	City/ County Loan (Prior 06/28/11), Other	10/28/1999	10/28/2029	City of La Palma	Senior Affordable Apartments	All	4,225,960	N	\$-	-	-	-	-	-	\$-	-	-	-	-	-	\$-
4	2002 Loan Agreement (Unisource)	City/ County Loan (Prior 06/28/11), Other	05/21/2002	06/01/2022	City of La Palma	Site Rehabilitation Loan	All	513,739	N	\$-	-	-	-	-	-	\$-	-	-	-	-	-	\$-
9	TAB Fees	Fees	12/01/1993	06/01/2022	U.S. Bank	1993, 2001 TAB Fees	All	15,000	N	\$7,349	-	-	-	7,349	-	\$7,349	-	-	-	-	-	\$-
10	Arbitrage Calculations	Fees	08/12/2003	06/01/2022	Milldan Financial Svcs	Arbitrage Calculations	All	6,500	N	\$3,250	-	-	-	3,250	-	\$3,250	-	-	-	-	-	\$-
16	AB 1X26 Administrative Allowance	Admin Costs	07/01/2012	06/30/2025	City of La Palma	Administrative Cost Allowance	All	700,000	N	\$107,100	-	-	-	-	53,550	\$53,550	-	-	-	-	53,550	\$53,550
19	1993 Tax Allocation Bonds	Reserves	12/01/1993	06/01/2022	US Bank	Tax Increment Bond Pledge	All	-	N	\$-	-	-	-	-	-	\$-	-	-	-	-	-	\$-
20	2001 Tax Allocation Ref. Bonds	Reserves	12/01/2001	06/01/2021	US Bank	Tax Increment Bond Pledge	All	859,825	N	\$815,000	-	-	-	407,500	-	\$407,500	-	407,500	-	-	-	\$407,500

La Palma
Recognized Obligation Payment Schedule (ROPS 20-21) - Report of Cash Balances
July 1, 2017 through June 30, 2018
(Report Amounts in Whole Dollars)

Pursuant to Health and Safety Code section 34177 (l), Redevelopment Property Tax Trust Fund (RPTTF) may be listed as a source of payment on the ROPS, but only to the extent no other funding source is available or when payment from property tax revenues is required by an enforceable obligation.

A	B	C	D	E	F	G	H
ROPS 17-18 Cash Balances (07/01/17 - 06/30/18)		Fund Sources					Comments
		Bond Proceeds		Reserve Balance	Other Funds	RPTTF	
		Bonds issued on or before 12/31/10	Bonds issued on or after 01/01/11	Prior ROPS RPTTF and Reserve Balances retained for future period(s)	Rent, grants, interest, etc.	Non-Admin and Admin	
1	Beginning Available Cash Balance (Actual 07/01/17) RPTTF amount should exclude 1st period distribution amount.	879,940			-	-	
2	Revenue/Income (Actual 06/30/18) RPTTF amount should tie to the ROPS 17-18 total distribution from the County Auditor-Controller	4,156			-	917,538	
3	Expenditures for ROPS 17-18 Enforceable Obligations (Actual 06/30/18)	-			-	915,696	
4	Retention of Available Cash Balance (Actual 06/30/18) RPTTF amount retained should only include the amounts distributed as reserve for future period(s)	884,096			-		
5	ROPS 17-18 RPTTF Prior Period Adjustment RPTTF amount should tie to the Agency's ROPS 17-18 PPA form submitted to the CAC		No entry required				
6	Ending Actual Available Cash Balance (06/30/18) C to F (1 + 2 - 3 - 4), G (1 + 2 - 3 - 4 - 5)	\$-	\$-	\$-	\$-	\$1,842	

La Palma
Recognized Obligation Payment Schedule (ROPS 20-21) - Notes
July 1, 2020 through June 30, 2021

Item #	Notes Comments
1	
2	
3	
4	
9	
10	
16	
19	
20	

**Successor Agency to the Former
City of La Palma Community Development Commission
Draft Administrative Budget
July 1, 2020 to June 30, 2021**

Salaries and Benefits	FY 2020-21 Estimated Costs	Hrly Rate*	SA Hours	SA Administration
City Manager	233,900	118.37	100	11,800
Administrative Services Director	178,200	90.16	285	25,700
Accounting Supervisor	118,600	60.01	285	17,100
Planning Manager	137,700	69.68	85	5,900
Deputy City Clerk	85,700	43.37	75	3,300
Accounting Technician	82,600	41.79	65	2,700
				66,500

**Hourly rate based on 38 hours per week / 1976 hours per year*

Maintenance and Operations

Legal Services	General counsel services; specialized RDA law services			7,200
Annual Audit Services	Annual audit services to issue required financial statements			4,500
ROPS Consultant Services	Review of enforceable obligations; assistance in preparation of ROPS, SA/OB meetings as needed, appeals to DOF as needed.			3,500
Contract Accountant Services	General accounting support; preparation of quarterly SA cash and investment reports.			3,500
Website Hosting & Content Management	SA Share of CivicPlus website hosting and content management contract			600
Maintenance of Granicus System	SA Share of meetings minutes management and audio recording software			700
Bank Fees	SA Share of City National Bank and PFM Portfolio Fees			2,200
Supplies/Services	SA Share of office supplies, postage, printing, etc.)			3,000
General Administrative Overhead	SA share of City Hall overhead and operating costs (utilities, equipment maintenance & leases, technology, insurance, etc.)			15,400
				40,600
TOTAL				107,100

Orange Countywide Oversight Board

Agenda Item No. 12a

Date: 9/22/2020

From: Successor Agency to the La Palma Redevelopment Agency

Subject: Resolution of the Countywide Oversight Board Approving Amendment to the Recognized Obligation Payment Schedule (ROPS)

Recommended Action:

Approve resolution approving amendment to FY 2020-21 ROPS for the La Palma Successor Agency

The La Palma Successor Agency requests approval of the Amended Recognized Obligation Payment Schedule (ROPS) 20-21B for the second half of Fiscal Year 2020-21. The amendment would add a City loan repayment (ROPS Item #4) in the amount of \$204,526.

On January 28, 2020, the Oversight Board approved the ROPS for Fiscal Year 20-21. Subsequent to the approval, staff at La Palma noted that they had neglected to include a City Loan repayment (ROPS Item #4) even though State Law allowed for a repayment in the amount of \$204,526. The only proposed change is the payment of \$204,526 for the City Loan (ROPS Item #4).

Approvals for Amended ROPS

The La Palma Successor Agency approved the Amended ROPS 20-21 at the August 4, 2020 City of La Palma Successor Agency regularly scheduled meeting. Successor Agency approval is subject to submittal to and approval by the Orange Countywide Oversight Board and then by the State Department and Finance (DOF). The Successor Agency also requests authorization to post the approved Amended ROPS on the City's website and to transmit the Amended ROPS 2020-21 to the DOF. Further, the City of La Palma's City Manager and his designees, in consultation with legal counsel, shall be authorized to make augmentations, modifications, additions or revisions as may be necessary or directed by DOF.

Impact on Taxing Entities

The proposed Amended ROPS 20-21 will reduce the residual RPTTF to the taxing entities from the January 2, 2021 distribution by \$204,526. The proposed amendment is to fund an allowable City loan repayment.

Staff Contact(s)

Mike Matsumoto, Financial Consultant
michaelm@cityoflapalma.org
714-690-3318

Lori Rake, Accounting Supervisor
Lorir@cityoflapalma.org
714-690-3321

Attachments

1. Oversight Board Resolution approving the Amended ROPS 20-21
 - a. Exhibit A Amended 20-21 Recognized Obligation Payment Schedule
2. La Palma Successor Agency Resolution approving the ROPS 20-21 Amendment
3. DOF 2020-21 ROPS Determination Letter

RESOLUTION NO. _____

A RESOLUTION OF THE ORANGE COUNTYWIDE OVERSIGHT BOARD WITH OVERSIGHT OF THE SUCCESSOR AGENCY TO THE LA PALMA REDEVELOPMENT AGENCY APPROVING THE AMENDED RECOGNIZED OBLIGATION PAYMENT SCHEDULE (ROPS) 20-21

WHEREAS, the Community Development Commission of the City of La Palma (Former Agency) was activated by the City Council of the City of La Palma as redevelopment agency , under the California Community Redevelopment Law (Health & Safety Code Section 33000 et seq.); and

WHEREAS, Assembly Bill x1 26 added Parts 1.8 and 1.85 to Division 24 of the California Health and Safety Code (HSC), which caused the dissolution of all redevelopment agencies and wind down of the affairs of former agencies, including as such laws were amended by Assembly Bill 1484 and by other subsequent legislation (“Dissolution Law”); and

WHEREAS, as of February 1, 2012, the Former Agency was dissolved under the Dissolution Law, and as a separate public entity, corporate and politic under HSC Section 34171(g), the Successor Agency to the Community Development Commission (Successor Agency) administers the enforceable obligations of the Former Agency and otherwise unwinds the Former Agency’s affairs; and

WHEREAS, prior to July 1, 2018 under the Dissolution Law, in particular HSC Sections 34179 and 34180, certain actions of the Successor Agency were subject to the review and approval by a local seven-member oversight board, which oversaw and administered the Successor Agency’s activities during the period from dissolution until June 30, 2018; and

WHEREAS, as of, on and after July 1, 2018 under the Dissolution Law, in particular HSC Section 34179(j), the County of Orange through the Orange County Auditor-Controller established the single Orange Countywide Oversight Board in compliance with HSC Section 34179(j), which serves as the oversight board to the 25 successor agencies existing and operating in Orange County, including the Successor Agency; and

WHEREAS, every oversight board, both the prior local oversight board and this newly established Orange Countywide Oversight Board, has fiduciary responsibilities to the holders of enforceable obligations and to the taxing entities that benefit from distributions of property tax and other revenues under the Dissolution Law, in particular HSC Section 34188; and

WHEREAS, HSC Section 34177(l)(1) requires the Successor Agency to prepare a Recognized Obligation Payment Schedule (ROPS) and submit to the Oversight Board pursuant to HSC Sections 34177(l)(2)(B) for approval; and

WHEREAS, HSC Sections 34177(o) and 34179 provide that each Recognized Obligation Payment Schedule (“ROPS”) is submitted by the Successor Agency to the Oversight Board and

then reviewed and approved by the Oversight Board before final review and approval by the California Department of Finance (“DOF”); and

WHEREAS, the Amended Recognized Obligation Payment Schedule (Amended ROPS 20-21) has been prepared and presented for consideration to the Orange Countywide Oversight Board; and

WHEREAS, the Orange Countywide Oversight Board has reviewed and duly considered the Amended ROPS 20-21, and other evidence and testimony presented related thereto.

NOW, THEREFORE, BE IT RESOLVED THAT THE ORANGE COUNTYWIDE OVERSIGHT BOARD does hereby resolve as follows:

SECTION 1. The foregoing recitals are incorporated into this Resolution by this reference, and constitute a material part of this Resolution.

SECTION 2. Pursuant to the Dissolution Law, the Oversight Board hereby approves the Amended Recognized Obligation Payment Schedule (Amended ROPS 20-21); provided however, that the Amended ROPS 20-21 is subject to the condition that such ROPS is to be submitted to and reviewed by the DOF. Further, the City Manager and/or his authorized designees, in consultation with legal counsel, shall be authorized to discuss this matter with the DOF and make augmentations, modifications, additions, or revisions to the Amended ROPS 20-21 as may be necessary or directed by the DOF.

SECTION 3. The Oversight Board authorizes transmittal of the Amended ROPS 20-21 to the DOF, with copies to the County Administrative Office, the County Auditor-Controller, and the State Controller’s Office.

SECTION 4. The City Manager and/or his authorized designee is directed to post this Resolution, including the Amended ROPS 20-21, on the City/Successor Agency website pursuant to the Dissolution Law.

SECTION 5. Under HSC Section 34179(h) written notice and information about certain actions taken by the Orange Countywide Oversight Board shall be provided to the DOF by electronic means and in a manner of DOF’s choosing. The Orange Countywide Oversight Board’s action shall become effective five (5) business days after notice in the manner specified by the DOF unless the DOF requests a review.

SECTION 6. The Clerk of the Orange Countywide Oversight Board shall certify to the adoption of this resolution.

**Amended Recognized Obligation Payment Schedule (ROPS 20-21B) - Summary
Filed for the January 1, 2021 through June 30, 2021 Period**

Successor Agency: La Palma

County: Orange

Current Period Requested Funding for Enforceable Obligations (ROPS Detail)	ROPS 20-21B Authorized Amounts	ROPS 20-21B Requested Adjustments	ROPS 20-21B Amended Total
A Enforceable Obligations Funded as Follows (B+C+D)	\$ 407,500	\$ -	\$ 407,500
B Bond Proceeds	-	-	-
C Reserve Balance	407,500	-	407,500
D Other Funds	-	-	-
E Redevelopment Property Tax Trust Fund (RPTTF) (F+G)	\$ 489,563	\$ 204,526	\$ 694,089
F RPTTF	436,013	204,526	640,539
G Administrative RPTTF	53,550	-	53,550
H Current Period Enforceable Obligations (A+E)	\$ 897,063	\$ 204,526	\$ 1,101,589

Certification of Oversight Board Chairman:

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

Name Title

/s/ _____
Signature Date

RESOLUTION NO. SA 2020-08

**RESOLUTION OF THE CITY COUNCIL OF THE CITY OF
LA PALMA ACTING AS THE SUCCESSOR AGENCY TO
THE DISSOLVED COMMUNITY DEVELOPMENT
COMMISSION OF THE CITY OF LA PALMA AMENDING
THE 2020-21 RECOGNIZED OBLIGATION PAYMENT
SCHEDULE (ROPS) 20-21**

WHEREAS, the Community Development Commission of the City of La Palma (Former Agency) was activated by the City Council of the City of La Palma as redevelopment agency, under the California Community Redevelopment Law (Health & Safety Code Section 33000 et seq.); and

WHEREAS, Assembly Bill x1 26 added Parts 1.8 and 1.85 to Division 24 of the California Health and Safety Code (HSC), which caused the dissolution of all redevelopment agencies and wind down of the affairs of former agencies, including as such laws were amended by Assembly Bill 1484 and by other subsequent legislation ("Dissolution Law"); and

WHEREAS, as of February 1, 2012, the Former Agency was dissolved under the Dissolution Law, and as a separate public entity, corporate and politic under HSC Section 34171(g), the Successor Agency to the Community Development Commission (Successor Agency) administers the enforceable obligations of the Former Agency and otherwise unwinds the Former Agency's affairs; and

WHEREAS, HSC Section 34177(l)(1) requires the Successor Agency to prepare a Recognized Obligation Payment Schedule (ROPS) and submit to the Oversight Board pursuant to HSC Sections 34177(l)(2)(B) for approval; and

WHEREAS, the 2020-21 Recognized Obligation Payment Schedule (ROPS 20-21 A/B) has been prepared and presented for consideration to the Successor Agency; and

WHEREAS, Health and Safety Code Section 34177(o)(1) requires a successor agency to submit an oversight board-approved ROPS to the Department of Finance and the County Auditor-Controller no later than February 1 of each year; and

WHEREAS, as of, on and after July 1, 2018, under the Dissolution Law, in particular HSC Section 34179(j), the County of Orange through the Orange County Auditor-Controller established the single Orange Countywide Oversight Board in compliance with HSC Section 34179(j), which serves as the oversight board to the 25 successor agencies existing and operating in Orange County, including the Successor Agency; and

WHEREAS, the City Council acting as the Successor Agency has reviewed and duly considered the Staff Report for amending the ROPS 20-21 and other evidence and testimony presented related thereto.

NOW, THEREFORE, the City Council of the City of La Palma Acting as the Successor Agency to the Dissolved Community Development Commission resolves as follows:

SECTION 1. The foregoing recitals are incorporated into this Resolution by this reference, and constitute a material part of this Resolution.

SECTION 2. The City Council acting as the Successor Agency, hereby approves the Amendment to the 2020-21 Recognized Obligation Payment Schedule (ROPS 20-21).

SECTION 3. The City Manager and/or his authorized designees are hereby authorized to submit the Amended ROPS 20-21 to the Orange Countywide Oversight Board for its approval.

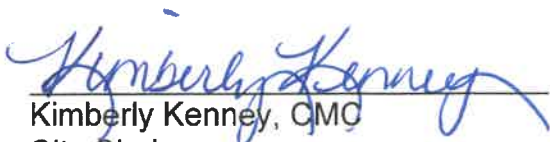
SECTION 4. The City Manager and/or his authorized designees are hereby authorized to submit the Amended ROPS 20-21 for the period July 1, 2020, to June 30, 2021, to the Orange County Auditor-Controller, the California State Controller, and the California Department of Finance, upon approval by the Orange Countywide Oversight Board and shall also post the Amended ROPS 20-21 on the City's website.

PASSED, APPROVED, AND ADOPTED this 4th day of August 2020.



Peter L. Kim
Mayor

ATTEST:




Kimberly Kenney, CMC
City Clerk

STATE OF CALIFORNIA)
COUNTY OF ORANGE) SS
CITY OF LA PALMA)

I, KIMBERLY KENNEY, City Clerk of the City of La Palma, HEREBY DO CERTIFY that the foregoing resolution was adopted at a regular meeting of the City Council of the City of La Palma, held on this 4th day of August 2020.

AYES: Goedhart, Goodman, Kim, Patel, and Steggell

NOES: None



Kimberly Kenney, CMC
City Clerk



Transmitted via e-mail

April 10, 2020

Allan Roeder, City Manager
City of La Palma
7822 Walker Street
La Palma, CA 90623

2020-21 Annual Recognized Obligation Payment Schedule

Pursuant to Health and Safety Code (HSC) section 34177 (o) (1), the City of La Palma Successor Agency (Agency) submitted an annual Recognized Obligation Payment Schedule for the period of July 1, 2020 through June 30, 2021 (ROPS 20-21) to the California Department of Finance (Finance) on January 29, 2020. Finance has completed its review of the ROPS 20-21.

Based on a sample of line items reviewed and application of the law, Finance is approving all of the items listed on the ROPS 20-21 at this time. However, Finance notes the following:

The administrative costs claimed are within the fiscal year administrative cap pursuant to HSC section 34171 (b) (3). However, Finance notes the Oversight Board (OB) has approved an amount that appears excessive, given the number and nature of the obligations listed on the ROPS. HSC section 34179 (i) requires the OB to exercise a fiduciary duty to the taxing entities. Therefore, Finance encourages the OB to apply adequate oversight when evaluating the administrative resources necessary to successfully wind-down the Agency.

Pursuant to HSC section 34186, successor agencies are required to report differences between actual payments and past estimated obligations (prior period adjustments) for the July 1, 2017 through June 30, 2018 (ROPS 17-18) period. Reported differences in Redevelopment Property Tax Trust Fund (RPTTF) are used to offset current RPTTF distributions. The amount of RPTTF authorized includes the prior period adjustment (PPA) resulting from the County Auditor-Controller's review of the PPA form submitted by the Agency.

The Agency's maximum approved RPTTF distribution for the reporting period is \$985,491, as summarized in the Approved RPTTF Distribution table (see Attachment).

RPTTF distributions occur biannually, one distribution for the July 1, 2020 through December 31, 2020 period (ROPS A period), and one distribution for the January 1, 2021 through June 30, 2021 period (ROPS B period), based on Finance's approved amounts. Since this determination is for the entire ROPS 20-21 period the Agency is authorized to receive up to the maximum approved RPTTF through the combined ROPS A and B period distributions.

If the Agency disagrees with our determination with respect to any items on the ROPS 20-21, except items which are the subject of litigation disputing our previous or related determinations, the Agency may request a Meet and Confer within five business days of the date of this letter. The Meet and Confer process and guidelines are available on our website:

http://dof.ca.gov/Programs/Redevelopment/Meet_And_Confer/

The Agency must use the RAD App to complete and submit its Meet and Confer request form.

Absent a Meet and Confer, this is our final determination regarding the obligations listed on the ROPS 20-21. This determination only applies to items when funding was requested for the 12-month period. If a denial by Finance in a previous ROPS is currently the subject of litigation, the item will continue to be deemed denied until the matter is resolved.

The ROPS 20-21 form submitted by the Agency and this determination letter will be posted on our website:

<http://dof.ca.gov/Programs/Redevelopment/ROPS/>

This determination is effective for the ROPS 20-21 period only and should not be conclusively relied upon for future ROPS periods. All items listed on a future ROPS are subject to review and may be denied even if not denied on this ROPS or a preceding ROPS. The only exception is for items that have received a Final and Conclusive determination from Finance pursuant to HSC section 34177.5 (i). Finance's review of Final and Conclusive items is limited to confirming the scheduled payments as required by the obligation.

The amount available from the RPTTF is the same as the amount of property tax increment available prior to the enactment of the redevelopment dissolution law. Therefore, as a practical matter, the ability to fund the items on the ROPS with property tax increment is limited to the amount of funding available to the Agency in the RPTTF.

Please direct inquiries to Anna Kyumba, Supervisor, or Thong Thao, Staff, at (916) 322-2985.

Sincerely,



 JENNIFER WHITAKER
Program Budget Manager

cc: Michael Matsumoto, Financial Consultant, City of La Palma
Israel M. Guevara, Administrative Manager, Property Tax Section, Orange County

Attachment

Approved RPTTF Distribution July 2020 through June 2021			
	ROPS A	ROPS B	ROPS 20-21 Total
RPTTF Requested	\$ 446,612	\$ 436,013	\$ 882,625
Administrative RPTTF Requested	53,550	53,550	107,100
Total RPTTF Requested	500,162	489,563	989,725
RPTTF Authorized	446,612	436,013	882,625
Administrative RPTTF Authorized	53,550	53,550	107,100
ROPS 17-18 prior period adjustment (PPA)	(4,234)	0	(4,234)
Total RPTTF Approved for Distribution	\$ 495,928	\$ 489,563	\$ 985,491

Orange Countywide Oversight Board

Agenda Item No. 13a

Date: 9/22/2020

From: Successor Agency to the Stanton Redevelopment Agency

Subject: Resolution of the Countywide Oversight Board Approving First Amendment to the Last and Final ROPS

Recommended Action:

Adopt resolution approving the First Amendment to the Last and Final ROPS prepared by the Successor Agency to the Stanton Redevelopment Agency

The Successor Agency to the Stanton Redevelopment Agency (“Successor Agency”) requests adoption of a resolution approving a First Amendment (“First Amendment”) to the Last and Final Recognized Obligation Payment Schedule (“Last and Final ROPS”) and directing the Successor Agency to submit the First Amendment as approved by the Oversight Board to the County’s Auditor-Controller, the State Controller’s Office and the Department of Finance (“DOF”).

Section 34191.6 to the Health and Safety Code allows successor agencies that meet certain provisions to submit a Last and Final ROPS to the DOF. The provisions include:

- (1) having remaining debt limited to payments pursuant to enforceable obligations,
- (2) all remaining obligations have been previously listed on a ROPS and approved for payment by DOF, and
- (3) the successor agency is not a party to pending litigation.

The Successor Agency meets all these requirements. In September 2019, the Oversight Board approved the Successor Agency’s Last and Final ROPS and on January 2, 2020 the DOF approved the Successor Agency’s Last and Final ROPS.

Upon the DOF approval of the Last and Final ROPS, the Successor Agency was no longer required to file annual ROPS and Administrative Budgets. The successor agency is further limited to submitting up to two requests to amend its Last and Final ROPS before the final obligation of the Successor Agency is paid.

In early August, the Successor Agency sold refunding bonds (“Refunding Bonds”) to refinance outstanding the former Redevelopment Agency’s Tax Allocation Bonds, 2010 Series A (“2010 Bnds”). As a result, an amendment to the Last and Final ROPS to reduce the Redevelopment Property Tax Trust Fund (“RPTTF”) RPTTF payable to the Successor Agency for the 2010 Bonds is required.

The items that are changed on the First Amendment are as follows:

- Eliminate debt service and related reserves for the former Redevelopment Agency’s 2010 Tax Allocation Bonds (Items 3 and 66)
- Add debt service and related reserves for the Refunding Bonds (Items 107 and 108)
- Revise trustee fees to eliminate fees for the 2010 Bonds and add fees for the Refunding Bonds (Item 6)
- Add additional fees for preparation of the California Debt and Investment Advisory Committee’s Annual Debt Transparency Report required for the Refunding Bonds (Item 8)
- Adjust the administrative costs to reflect the lower amount approved by DOF upon its approval of

the Last and Final ROPS.

The Successor Agency will to continue to administer the receipts of RPTTF moneys semiannually, pay debt service on the bonds in accordance with the provisions of the bond indentures, record transactions relating to trustee accounts on the bonds and comply with bond covenants.

The Successor Agency approved the First Amendment on August 25 2020. A copy of the Successor Agency's Resolution No. SA-2020-02 is attached.

In connection with the issuance of the Successor Agency's 2016 Series A and 2016 Series B Tax Allocation Bonds, the bond insurer required the Successor Agency to obtain its consent prior to requesting the Oversight Board or DOF approval of the First Amendment. The Successor Agency received this approval on September 10, 2020.

Impact on Taxing Entities

The refunding of the 2010 Bonds and issuance of the Refunding Bonds will reduce the total RPTTF request by \$2,683,613 through 2035, creating additional annual residual property tax to be distributed to all taxing agencies. The estimated total distribution between taxing agencies (rounded to nearest thousand) based on recent residual distributions is shown below.

City	\$ 367,000
County	148,000
Special Districts	241,000
K-12 Schools	1,235,000
Community College	184,000
County Office of Education	64,000
ERAF	<u>445,000</u>
	\$2,684,000

Staff Contact(s)

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

Attachments

- Proposed Oversight Board Resolution approving First Amendment
- Resolution No. SA-2020-02 of the Successor Agency to the Stanton Redevelopment Agency approving the First Amendment

RESOLUTION NO. _____

**IN THE MATTER OF APPROVING A FIRST AMENDMENT
TO THE SUCCESSOR AGENCY TO THE STANTON
REDEVELOPMENT AGENCY'S LAST AND FINAL RECOGNIZED
OBLIGATION PAYMENT SCHEDULE PURSUANT TO
HEALTH AND SAFETY CODE SECTION 34191.6**

WHEREAS, pursuant to subdivision (a) of Health and Safety Code Section 34191.6, beginning January 1, 2016, successor agencies that have received a Finding of Completion have the option to submit a Last and Final Recognized Obligation Payment Schedule ("ROPS") to the State of California Department of Finance ("DOF") at any time, if all the following conditions are met:

1. The successor agency's remaining debt is limited to payments pursuant to enforceable obligations with defined payment schedules including, but not limited to, debt service, loan agreements, and other contracts.
2. All remaining obligations have been previously listed on a ROPS and approved for payment by the DOF, pursuant to subdivision (m) or (o) of Health and Safety Code Section 34177.
3. The successor agency is not a party to pending litigation, except as specified in subdivision (a)(3) of Health and Safety Code Section 34191.6; and

WHEREAS, the Successor Agency to the Stanton Redevelopment Agency ("Successor Agency") meets the above listed criteria and was and is eligible to file a Last and Final ROPS with DOF; and

WHEREAS, On January 2, 2020, the DOF approved the Last and Final ROPS for the Successor Agency; and

WHEREAS, pursuant to subdivision (a) of Health and Safety Code Section 34191.6(2)(A), the Successor Agency may amend the Last and Final ROPS no more than two times; and

WHEREAS, the Successor Agency refinanced outstanding tax allocation bonds on September 3, 2020 and as a result, the net amount of funding from the Redevelopment Property Tax Trust Fund is reduced; and

WHEREAS, on August 25, 2020 the Successor Agency approved a First Amendment to the Last and Final ROPS ("First Amendment") to reflect the reduced funding request; and

WHEREAS, Health and Safety Code, Section 34191.6 requires the Oversight Board to approve the First Amendment prior to the Successor Agency submitting the First Amendment to DOF; and

WHEREAS, the Successor Agency has submitted the First Amendment to the Orange Countywide Oversight Board ("Oversight Board") to reflect the reduced funding request; and

WHEREAS, the Successor Agency has received consent to request approval for its First Amendment by Orange Countywide Oversight Board (“Oversight Board”) and the DOF from Build America Mutual Assurance Company as bond insurer with respect to certain of the Successor Agency’s tax allocation bonds.

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

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

SECTION 2. The Oversight Board, at its regular meeting of September 22, 2020, reviewed and considered the First Amendment presented by the Successor Agency.

SECTION 3. The Oversight Board hereby approves and adopts the First Amendment, in substantially the form attached to this Resolution as Exhibit A.

SECTION 4. The Oversight Board hereby directs the Successor Agency to submit copies of the First Amendment approved by the Oversight Board to the County of Orange Auditor-Controller, the State Controller’s Office and DOF on or after the effective date of this Resolution, and to post the First Amendment on the Successor Agency’s website, immediately upon the approval of this Resolution.

SECTION 5. The approval of this Resolution does not commit the 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 6. If any provision of this Resolution or the application of any such provision to any person or circumstance is held valid, such invalidity shall not affect other provisions or applications of this Resolution that can be given effect without the invalid provision or application, and to this end the provisions of this Resolution are severable. The Oversight Board declares that the Oversight Board would have adopted this Resolution irrespective of the invalidity of any particular portion of this Resolution.

SECTION 7. This Resolution shall be effective immediately upon adoption.

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

EXHIBIT A
FIRST AMENDMENT TO THE
LAST AND FINAL RECOGNIZED OBLIGATION PAYMENT SCHEDULE

RESOLUTION NO. SA 2020-02

A RESOLUTION OF THE BOARD OF THE SUCCESSOR AGENCY TO THE STANTON REDEVELOPMENT AGENCY, APPROVING THE FIRST AMENDMENT TO THE LAST AND FINAL RECOGNIZED OBLIGATION PAYMENT SCHEDULE ("ROPS") PURSUANT TO HEALTH AND SAFETY CODE SECTION 34191.6

WHEREAS, the Stanton Redevelopment Agency ("Redevelopment Agency") was a redevelopment agency in the City of Stanton ("City"), duly created pursuant to the California Community Redevelopment Law and Health and Safety Code Section 33000, et.seq.; and

WHEREAS, Assembly Bill x1 26 chaptered and effective on June 27, 2011 added Parts 1.8 and 1.85 to Division 24 of the California Health and Safety Code, which caused the dissolution of all redevelopment agencies and winding down of the affairs of former agencies, and was subsequently amended by Assembly Bill 1484, chaptered and effective on June 27, 2012, and Senate Bill 107, chaptered and effective on September 22, 2015 (together, the "Dissolution Act"); and

WHEREAS, as of February 1, 2012, the Redevelopment Agency was dissolved pursuant to the Dissolution Act and pursuant to Health and Safety Code, Section 34173(d), the City of Stanton elected to become the successor agency to the Stanton Redevelopment Agency ("Successor Agency") on January 10, 2012 and the Successor Agency is a separate legal entity from the City of Stanton; and

WHEREAS, the Successor Agency administers the enforceable obligations of the former Redevelopment Agency and otherwise unwinds the Redevelopment Agency's affairs, all subject to the review and approval by a seven-member oversight board; and

WHEREAS, Health and Safety Code, Section 34179(j) established the Orange Countywide Oversight Board ("Oversight Board") by requiring that commencing after July 1, 2018, in each county where more than one oversight board was created, there shall be only one oversight board; and

WHEREAS, the Oversight Board with oversight of the Successor Agency to the former Redevelopment Agency has been appointed pursuant to the provisions of Health and Safety Code Section 34179; and

WHEREAS, pursuant to Health and Safety Code Section 34191.6, the Successor Agency, the Oversight Board and the Department of Finance ("DOF") approved a Last and Final ROPS, effective January 2, 2020; and

WHEREAS, the Last and Final ROPS identifies each enforceable obligation on which payments will be required to be made by the Successor Agency from and after July 1, 2020, until its termination and the amount to be paid for such obligations from the Redevelopment Property Tax Trust Fund ("RPTTF"); and

WHEREAS, pursuant to Health and Safety Code Section 34177.5, the Successor Agency, the Oversight Board and DOF approved a refinancing of the former agency's outstanding Tax Allocation Bonds, 2010 Series A ("2010 Bonds") through the issuance by the Successor Agency of its Tax Allocation Refunding Bonds, 2020 Series A ("Refunding Bonds"); and

WHEREAS, the Successor Agency has sold the Refunding Bonds, reducing the amount of RPTTF required to be remitted to the Successor Agency; and

WHEREAS, the Health and Safety Code Section 34191.6 permits the amendment of the Last and Final ROPS; and

WHEREAS, the Successor Agency will reduce the amount of RPTTF required to be remitted to the Successor Agency by approving a first amendment to the Last and Final ROPS; and

WHEREAS, Health and Safety Code, Section 34191.6 requires the Oversight Board to approve the amendment to the Last and Final ROPS prior to the Successor Agency submitting the amendment to the Last and Final ROPS to DOF.

NOW THEREFORE, THE SUCCESSOR AGENCY TO THE STANTON REDEVELOPMENT AGENCY, DOES HEREBY RESOLVE, DETERMINE, FIND AND ORDER 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 the Amendment. The Successor Agency hereby approves and adopts the first amendment to the Last and Final ROPS ("First Amendment"), in substantially the form attached to this Resolution as Exhibit A, pursuant to Health and Safety Code Section 34191.6.

SECTION 3. Transmittal of the First Amendment. The City Manager is hereby authorized to take all actions necessary under the Dissolution Act to post the First Amendment on the Successor Agency website, transmit the First Amendment to the Auditor-Controller and the County Administrator of the County of Orange and DOF, submit the First Amendment to the Oversight Board, and to take any other actions necessary to ensure the approval and validity of the First Amendment and the validity of any enforceable obligation approved by the Successor Agency in this Resolution. In addition, the Successor Agency authorizes and directs the Successor Agency staff to make such non-substantive revisions to the First Amendment as may be necessary to submit the First Amendment in any modified form required by the Oversight Board or DOF, and the First Amendment as so modified shall thereupon constitute the First Amendment as approved by the Successor Agency pursuant to this Resolution.

SECTION 4. Severability. If any provision of this Resolution or the application of any such provision to any persons or circumstance is held invalid, such invalidity shall not affect other provisions or applications of this Resolution that can be given effect without the invalid provision or application, and to this end the provisions of this Resolution are severable.

SECTION 5. Certification. The Secretary of the Successor Agency shall certify to the adoption of this Resolution on behalf of the Successor Agency.

SECTION 6. Effective Date. This Resolution shall become effective immediately upon its adoption.

PASSED, APPROVED, AND ADOPTED at a regular meeting of the Successor Agency to the Stanton Redevelopment Agency, held on this 25th day of August, 2020.



DAVID J. SHAWVER, CHAIRMAN

APPROVED AS TO FORM:



MATTHEW E. RICHARDSON, AGENCY COUNSEL

ATTEST:

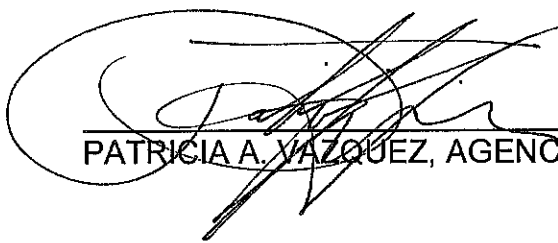
I, Patricia A. Vazquez, Agency Secretary of the City of Stanton, as Successor to Stanton Redevelopment Agency, Stanton, California, DO HEREBY CERTIFY that the foregoing Resolution, being Resolution No. SA 2020-02 has been duly signed by the Chairperson and attested by the Agency Secretary, all at a regular meeting of the City of Stanton, as Successor to Stanton Redevelopment Agency, held on August 25, 2020, 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

**Last and Final Recognized Obligation Payment Schedule (ROPS) - Summary
Filed for the July 1, 2021 through June 30, 2042 Period**

Successor Agency: Stanton
County: Orange
Initial ROPS Period: 21-22A
Final ROPS Period: 41-42B

Requested Funding for Enforceable Obligations

Total Outstanding Obligation

A	Enforceable Obligations Funded as Follows (B+C)	\$254,798
B	Bond Proceeds	-
C	Other Funds	254,798
D	Redevelopment Property Tax Trust Fund (RPTTF) (E+F)	\$77,560,183
E	RPTTF	76,921,183
F	Administrative RPTTF	639,000
G	Total Outstanding Obligations (A+D)	\$77,814,981

Certification of Oversight Board Chairman:

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

David J. Shawver, Chairman
 Name Title

/s/ David John Shawver
 Signature Date

Stanton
Last and Final Recognized Obligation Payment Schedule (ROPS) - Summary by ROPS Period
July 1, 2021 through June 30, 2042

A Period July - December					
ROPS Period	Fund Sources				Six-Month Total
	Bond Proceeds	Other Funds	RPTTF	Admin RPTTF	
	\$-	\$-	\$21,714,232	\$639,000	\$22,353,232
ROPS 21-22A	-	-	975,971	33,000	\$1,008,971
ROPS 22-23A	-	-	970,221	33,000	\$1,003,221
ROPS 23-24A	-	-	857,739	33,000	\$890,739
ROPS 24-25A	-	-	859,490	33,000	\$892,490
ROPS 25-26A	-	-	860,487	33,000	\$893,487
ROPS 26-27A	-	-	859,974	33,000	\$892,974
ROPS 27-28A	-	-	860,468	33,000	\$893,468
ROPS 28-29A	-	-	861,968	33,000	\$894,968
ROPS 29-30A	-	-	866,208	33,000	\$899,208
ROPS 30-31A	-	-	857,578	33,000	\$890,578
ROPS 31-32A	-	-	964,196	33,000	\$997,196
ROPS 32-33A	-	-	1,347,984	33,000	\$1,380,984
ROPS 33-34A	-	-	1,346,409	33,000	\$1,379,409
ROPS 34-35A	-	-	1,345,916	33,000	\$1,378,916
ROPS 35-36A	-	-	1,097,965	29,500	\$1,127,465
ROPS 36-37A	-	-	1,361,650	29,500	\$1,391,150
ROPS 37-38A	-	-	1,362,038	29,500	\$1,391,538
ROPS 38-39A	-	-	1,364,475	29,500	\$1,393,975

B Period January - June						Twelve-Month Total
ROPS Period	Fund Sources				Six-Month Total	
	Bond Proceeds	Other Funds	RPTTF	Admin RPTTF		
	\$-	\$254,798	\$55,206,951	-	\$55,461,749	\$77,814,981
ROPS 21-22B	-	254,798	3,573,871	-	\$3,828,669	\$4,837,640
ROPS 22-23B	-	-	3,885,239	-	\$3,885,239	\$4,888,460
ROPS 23-24B	-	-	3,882,658	-	\$3,882,658	\$4,773,397
ROPS 24-25B	-	-	3,882,497	-	\$3,882,497	\$4,774,987
ROPS 25-26B	-	-	3,882,172	-	\$3,882,172	\$4,775,659
ROPS 26-27B	-	-	3,892,278	-	\$3,892,278	\$4,785,252
ROPS 27-28B	-	-	3,882,978	-	\$3,882,978	\$4,776,446
ROPS 28-29B	-	-	3,877,978	-	\$3,877,978	\$4,772,946
ROPS 29-30B	-	-	3,884,598	-	\$3,884,598	\$4,783,806
ROPS 30-31B	-	-	2,787,142	-	\$2,787,142	\$3,677,720
ROPS 31-32B	-	-	2,404,604	-	\$2,404,604	\$3,401,800
ROPS 32-33B	-	-	2,400,729	-	\$2,400,729	\$3,781,713
ROPS 33-34B	-	-	2,398,636	-	\$2,398,636	\$3,778,045
ROPS 34-35B	-	-	2,159,363	-	\$2,159,363	\$3,538,279
ROPS 35-36B	-	-	1,693,176	-	\$1,693,176	\$2,820,641
ROPS 36-37B	-	-	1,701,738	-	\$1,701,738	\$3,092,888
ROPS 37-38B	-	-	1,695,925	-	\$1,695,925	\$3,087,463
ROPS 38-39B	-	-	1,659,450	-	\$1,659,450	\$3,053,425

EXHIBIT A

A Period July - December					
ROPS Period	Fund Sources				Six-Month Total
	Bond Proceeds	Other Funds	RPTTF	Admin RPTTF	
ROPS 39-40A	-	-	1,343,600	29,500	\$1,373,100
ROPS 40-41A	-	-	1,349,895	29,500	\$1,379,395
ROPS 41-42A	-	-	-	-	\$-

B Period January - June						Twelve-Month Total
ROPS Period	Fund Sources				Six-Month Total	
	Bond Proceeds	Other Funds	RPTTF	Admin RPTTF		
ROPS 39-40B	-	-	1,658,919	-	\$1,658,919	\$3,032,019
ROPS 40-41B	-	-	3,000	-	\$3,000	\$1,382,395
ROPS 41-42B	-	-	-	-	\$-	\$-

Stanton
Last and Final Recognized Obligation Payment Schedule (ROPS) - ROPS Detail
July 1, 2021 through June 30, 2042
(Report Amounts in Whole Dollars)

A	B	C	D	E	F	G	H	I
Item #	Project Name	Obligation Type	Agreement Execution Date	Agreement Termination Date	Payee	Description	Project Area	Total Outstanding Obligation
								\$81,979,313
3	Bond Payment: 2010 Tax Allocation Bonds Series A	Bonds Issued On or Before 12/31/10	10/28/2010	12/01/2035	US Bank	Debt Service on Bonds issued to fund non-housing projects	Consolidated	-
6	Trustee	Fees	07/07/2005	12/01/2040	US Bank	Trustee Fees	Consolidated	140,210
8	Bond Disclosure	Fees	09/10/2019	12/01/2040	Harrell & Company	Bond Continuing Disclosure/Financial Services	Consolidated	132,950
41	Administrative Cost Allowance	Admin Costs	07/01/2019	12/01/2040	City of Stanton	Administrative Cost Allowance	Consolidated	672,000
60	Replacement Housing Obligation under H&S Code	Miscellaneous	07/01/2013	12/01/2040	To be Determined	96 Required Units	Consolidated	-
66	Bond Payment: 2010 Tax Allocation Bonds Series A	Reserves	10/28/2010	12/01/2035	US Bank	ROPS B Reserve for following ROPS A December 1 Debt Service	Consolidated	-
70	City Loan	City/County Loan (Prior 06/28/11), Cash exchange	02/09/2010	12/01/2040	City of Stanton	City Loan to pay SERAF Payment	Consolidated	-
83	City Loan	City/County Loan (Prior 06/28/11), Other	06/24/2003	12/01/2040	City of Stanton	City Loan for Start up costs for 2000 Project Area	Consolidated	-
95	Subordinate Tax Allocation Refunding Bonds, 2016 Series A	Refunding Bonds Issued After 6/27/12	02/23/2016	12/01/2035	US Bank	Refinance 2005 Series B Bonds	Consolidated	4,902,888
96	Subordinate Taxable Tax Allocation Refunding Bonds, 2016 Series B	Refunding Bonds Issued After 6/27/12	02/23/2016	12/01/2035	US Bank	Refinance 2005 Series A Bonds	Consolidated	9,505,195
98	Rebate Consultant	Fees	07/01/2015	12/31/2040	BLX Group	Rebate Calculations	Consolidated	24,600
100	Project Costs	Bond Funded Project - 2011	07/01/2016	06/30/2020	To be Determined	Bond Funded Project from 2011 Proceeds	Consolidated	-
101	Tax Allocation Refunding Parity Bonds, 2016 Series C	Refunding Bonds Issued After 6/27/12	12/15/2016	12/01/2040	US Bank	Partial Refinance 2010 Series A Bonds	Consolidated	12,769,082
102	Taxable Tax Allocation Refunding Parity Bonds, 2016 Series D	Refunding Bonds Issued After 6/27/12	12/15/2016	12/01/2040	US Bank	Refinance 2011 Series A Bonds and 2011 Series B Bonds	Consolidated	6,507,215
103	Subordinate Tax Allocation Refunding Bonds, 2016 Series A	Reserves	02/23/2016	12/01/2035	US Bank	Refinance 2005 Series B Bonds	Consolidated	2,905,200
104	Subordinate Taxable Tax Allocation Refunding Bonds, 2016 Series B	Reserves	02/23/2016	12/01/2035	US Bank	Refinance 2005 Series A Bonds	Consolidated	5,367,500
105	Tax Allocation Refunding Parity Bonds, 2016 Series C	Reserves	12/15/2016	12/01/2040	US Bank	Partial Refinance 2010 Series A Bonds	Consolidated	5,845,918
106	Taxable Tax Allocation Refunding Parity Bonds, 2016 Series D	Reserves	12/15/2016	12/01/2040	US Bank	Refinance 2011 Series A Bonds and 2011 Series B Bonds	Consolidated	23,255,735
107	Tax Allocation Refunding Bonds, 2020 Series A	Refunding Bonds Issued After 6/27/12	09/03/2020	09/01/2035	U.S. Bank, as Trustee	Refinance outstanding 2010 Bonds	Consolidated	1,140,200

EXHIBIT A

A	B	C	D	E	F	G	H	I
Item #	Project Name	Obligation Type	Agreement Execution Date	Agreement Termination Date	Payee	Description	Project Area	Total Outstanding Obligation
108	Tax Allocation Refunding Bonds, 2020 Series A	Reserves	09/03/2020	09/01/2035	U.S Bank, as Trustee	ROPS B Reserve for following ROPS A December 1 Debt Service	Consolidated	8,810,400
109	Annual Debt Transparency Report	Fees	09/03/2020	02/01/2036	Harrell & Company Advisors	Preparation and filing of CDIAAC Annual Debt Transparency Report	Consolidated	-

A	L	M	O	P	T	U	X	AB	AC	AF	AJ	AK	AN	AR	AS	AV	AZ	BA	BD		
	21-22A (Jul-Dec)		21-22B (Jan-Jun)		22-23A (Jul-Dec)		22-23B (Jan-Jun)	23-24A (Jul-Dec)		23-24B (Jan-Jun)		24-25A (Jul-Dec)		24-25B (Jan-Jun)		25-26A (Jul-Dec)		25-26B (Jan-Jun)		26-27A (Jul-Dec)	26-27B (Jan-Jun)
Item #	RPTTF	Admin RPTTF	Other Funds	RPTTF	RPTTF	Admin RPTTF	RPTTF	RPTTF	Admin RPTTF	RPTTF	RPTTF	Admin RPTTF	RPTTF	RPTTF	Admin RPTTF	RPTTF	RPTTF	Admin RPTTF	RPTTF		
	\$975,971	\$33,000	\$254,798	\$3,573,871	\$970,221	\$33,000	\$3,885,239	\$857,739	\$33,000	\$3,882,658	\$859,490	\$33,000	\$3,882,497	\$860,487	\$33,000	\$3,882,172	\$859,974	\$33,000	\$3,892,278		
3	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-		
6	4,200	-	-	3,300	4,200	-	3,300	4,200	-	3,300	4,420	-	3,630	4,620	-	3,630	4,620	-	3,630		
8	-	-	-	6,050	-	-	6,050	-	-	6,050	-	-	6,050	-	-	7,550	-	-	7,550		
41	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-		
60	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-		
66	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-		
70	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-		
83	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-		
95	289,988	-	-	100,188	290,188	-	96,388	246,388	-	88,888	243,888	-	81,138	243,638	-	73,013	245,513	-	64,388		
96	538,050	-	-	189,550	534,550	-	180,063	467,563	-	171,438	468,938	-	162,141	469,641	-	152,147	467,147	-	141,122		
98	-	-	-	1,800	-	-	-	-	-	-	-	-	1,800	-	-	1,800	-	-	1,800		
100	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-		
101	143,733	-	-	242,375	141,283	-	242,375	139,588	-	242,375	142,244	-	242,375	142,588	-	242,375	142,694	-	242,375		
102	-	-	-	388,757	-	-	372,188	-	-	353,588	-	-	333,588	-	-	312,138	-	-	289,188		
103	-	-	-	190,000	-	-	150,000	-	-	155,000	-	-	162,500	-	-	172,500	-	-	180,000		
104	-	-	-	345,000	-	-	287,500	-	-	297,500	-	-	307,500	-	-	315,000	-	-	327,500		
105	-	-	-	101,092	-	-	102,787	-	-	100,131	-	-	99,787	-	-	99,681	-	-	99,537		
106	-	-	-	1,593,757	-	-	1,612,188	-	-	1,633,588	-	-	1,653,588	-	-	1,672,138	-	-	1,699,188		
107	-	-	3,338	150,062	-	-	146,200	-	-	135,400	-	-	124,200	-	-	112,600	-	-	100,500		
108	-	-	251,460	261,940	-	-	686,200	-	-	695,400	-	-	704,200	-	-	717,600	-	-	735,500		
109	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-		

EXHIBIT A

A	BH	BI	BL	BP	BQ	BT	BX	BY	CB	CF	CG	CJ	CN	CO	CR	CV	CW	CZ
	27-28A (Jul-Dec)		27-28B (Jan-Jun)	28-29A (Jul-Dec)		28-29B (Jan-Jun)	29-30A (Jul-Dec)		29-30B (Jan-Jun)	30-31A (Jul-Dec)		30-31B (Jan-Jun)	31-32A (Jul-Dec)		31-32B (Jan-Jun)	32-33A (Jul-Dec)		32-33B (Jan-Jun)
Item #	RPTTF	Admin RPTTF	RPTTF	RPTTF	Admin RPTTF	RPTTF	RPTTF	Admin RPTTF	RPTTF	RPTTF	Admin RPTTF	RPTTF	RPTTF	Admin RPTTF	RPTTF	RPTTF	Admin RPTTF	RPTTF
	\$860,468	\$33,000	\$3,882,978	\$861,968	\$33,000	\$3,877,978	\$866,208	\$33,000	\$3,884,598	\$857,578	\$33,000	\$2,787,142	\$984,196	\$33,000	\$2,404,604	\$1,347,984	\$33,000	\$2,400,729
3	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
6	4,620	-	3,630	4,620	-	3,630	4,860	-	4,000	5,080	-	4,000	5,080	-	4,000	5,080	-	4,000
8	-	-	7,550	-	-	7,550	-	-	7,550	-	-	9,050	-	-	9,050	-	-	9,050
41	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
60	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
66	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
70	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
83	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
95	244,388	-	55,388	245,388	-	45,888	245,888	-	39,388	241,888	-	33,819	246,319	-	27,444	244,944	-	20,919
96	468,622	-	128,022	468,022	-	114,422	469,422	-	100,222	470,222	-	85,422	470,422	-	70,022	470,022	-	53,522
98	-	-	-	-	-	-	-	-	1,800	-	-	1,800	-	-	1,800	-	-	-
100	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
101	142,838	-	242,375	143,938	-	242,375	146,038	-	242,375	140,388	-	242,375	242,375	-	242,375	242,375	-	242,375
102	-	-	260,988	-	-	231,688	-	-	201,288	-	-	169,688	-	-	150,688	385,563	-	130,888
103	-	-	190,000	-	-	200,000	-	-	202,500	-	-	212,500	-	-	217,500	-	-	222,500
104	-	-	340,000	-	-	355,000	-	-	370,000	-	-	385,000	-	-	400,000	-	-	415,000
105	-	-	98,437	-	-	96,337	-	-	101,987	-	-	-	-	-	-	-	-	-
106	-	-	1,725,988	-	-	1,751,688	-	-	1,781,288	-	-	1,119,688	-	-	755,125	-	-	773,875
107	-	-	87,800	-	-	74,700	-	-	61,100	-	-	46,900	-	-	38,300	-	-	29,300
108	-	-	742,800	-	-	754,700	-	-	771,100	-	-	476,900	-	-	488,300	-	-	499,300
109	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-

DD	DE
33-34A (Jul-Dec)	
RPTTF	Admin RPTTF
\$1,346,409	\$33,000
-	-

A	DH	DL	DM	DP	DT	DU	DX	EB	EC	EF	EJ	EK	EN	ER	ES	EV	EZ	FA	FD
	33-34B (Jan-Jun)	34-35A (Jul-Dec)		34-35B (Jan-Jun)	35-36A (Jul-Dec)		35-36B (Jan-Jun)	36-37A (Jul-Dec)		36-37B (Jan-Jun)	37-38A (Jul-Dec)		37-38B (Jan-Jun)	38-39A (Jul-Dec)		38-39B (Jan-Jun)	39-40A (Jul-Dec)		39-40B (Jan-Jun)
Item #	RPTTF	RPTTF	Admin RPTTF	RPTTF	RPTTF	Admin RPTTF	RPTTF	RPTTF	Admin RPTTF	RPTTF	RPTTF	Admin RPTTF	RPTTF	RPTTF	Admin RPTTF	RPTTF	RPTTF	Admin RPTTF	RPTTF
	\$2,398,636	\$1,345,916	\$33,000	\$2,159,363	\$1,097,965	\$29,500	\$1,693,176	\$1,361,650	\$29,500	\$1,701,738	\$1,362,038	\$29,500	\$1,695,925	\$1,364,475	\$29,500	\$1,659,450	\$1,343,600	\$29,500	\$1,658,919
3	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
6	4,000	5,080	-	4,400	-	-	4,400	-	-	4,400	-	-	4,400	-	-	4,400	-	-	4,400
8	9,050	-	-	9,050	-	-	5,550	-	-	5,050	-	-	5,050	-	-	5,050	-	-	5,050
41	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
60	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
66	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
70	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
83	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
95	14,244	244,244	-	7,344	242,344	-	-	-	-	-	-	-	-	-	-	-	-	-	-
96	36,404	468,904	-	18,563	468,563	-	-	-	-	-	-	-	-	-	-	-	-	-	-
98	-	-	-	1,800	-	-	1,800	-	-	1,800	-	-	-	-	-	-	-	-	1,800
100	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
101	242,375	242,375	-	242,375	242,375	-	242,375	1,117,375	-	198,625	1,121,125	-	152,500	1,120,000	-	104,125	1,119,125	-	53,375
102	110,288	385,313	-	87,657	144,683	-	74,163	244,275	-	60,138	240,913	-	45,475	244,475	-	30,175	224,475	-	15,407
103	230,000	-	-	235,000	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
104	432,500	-	-	450,000	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
105	-	-	-	-	-	-	875,000	-	-	922,500	-	-	967,500	-	-	1,015,000	-	-	1,067,500
106	789,975	-	-	577,974	-	-	489,888	-	-	509,225	-	-	521,000	-	-	500,700	-	-	511,387
107	19,900	-	-	10,100	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
108	509,900	-	-	515,100	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
109	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-

A	FH	FI	FL
	40-41A (Jul-Dec)		40-41B (Jan-Jun)
Item #	RPTTF	Admin RPTTF	RPTTF
	\$1,349,895	\$29,500	\$3,000
3	-	-	-
6	-	-	-
8	-	-	-
41	-	-	-
60	-	-	-
66	-	-	-
70	-	-	-
83	-	-	-
95	-	-	-
96	-	-	-
98	-	-	3,000
100	-	-	-
101	1,120,875	-	-
102	229,020	-	-
103	-	-	-
104	-	-	-
105	-	-	-
106	-	-	-
107	-	-	-
108	-	-	-
109	-	-	-

**Last and Final Recognized Obligation Payment Schedule (ROPS) - Summary
Filed for the July 1, 2021 through June 30, 2042 Period**

Successor Agency: Stanton
County: Orange
Initial ROPS Period: 21-22A
Final ROPS Period: 41-42B

Requested Funding for Enforceable Obligations	Total Outstanding Obligation
A Enforceable Obligations Funded as Follows (B+C)	\$254,798
B Bond Proceeds	-
C Other Funds	254,798
D Redevelopment Property Tax Trust Fund (RPTTF) (E+F)	\$77,560,183
E RPTTF	76,921,183
F Administrative RPTTF	639,000
G Total Outstanding Obligations (A+D)	\$77,814,981

Certification of Oversight Board Chairman:

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

Name Title

/s/ _____
Signature Date

Stanton
Last and Final Recognized Obligation Payment Schedule (ROPS) - Summary by ROPS Period
July 1, 2021 through June 30, 2042

A Period July - December						
ROPS Period	Fund Sources			Admin RPTTF	Six-Month Total	
	Bond Proceeds	Other Funds	RPTTF			
	\$-	\$21,714,232	\$639,000	\$639,000	\$22,353,232	
ROPS 21-22A	-	975,971	33,000	33,000	\$1,008,971	
ROPS 22-23A	-	970,221	33,000	33,000	\$1,003,221	
ROPS 23-24A	-	857,739	33,000	33,000	\$890,739	
ROPS 24-25A	-	859,490	33,000	33,000	\$892,490	
ROPS 25-26A	-	860,487	33,000	33,000	\$893,487	
ROPS 26-27A	-	859,974	33,000	33,000	\$892,974	
ROPS 27-28A	-	860,468	33,000	33,000	\$893,468	
ROPS 28-29A	-	861,968	33,000	33,000	\$894,968	
ROPS 29-30A	-	866,208	33,000	33,000	\$899,208	
ROPS 30-31A	-	857,578	33,000	33,000	\$890,578	
ROPS 31-32A	-	964,196	33,000	33,000	\$997,196	
ROPS 32-33A	-	1,347,984	33,000	33,000	\$1,380,984	
ROPS 33-34A	-	1,346,409	33,000	33,000	\$1,379,409	
ROPS 34-35A	-	1,345,916	33,000	33,000	\$1,378,916	
ROPS 35-36A	-	1,097,965	29,500	29,500	\$1,127,465	
ROPS 36-37A	-	1,361,650	29,500	29,500	\$1,391,150	
ROPS 37-38A	-	1,362,038	29,500	29,500	\$1,391,538	
ROPS 38-39A	-	1,364,475	29,500	29,500	\$1,393,975	

B Period January - June						
ROPS Period	Fund Sources			Admin RPTTF	Six-Month Total	Twelve-Month Total
	Bond Proceeds	Other Funds	RPTTF			
	\$-	\$254,798	\$55,206,951	\$-	\$55,461,749	\$77,814,981
ROPS 21-22B	-	254,798	3,573,871	-	\$3,828,669	\$4,837,640
ROPS 22-23B	-	-	3,885,239	-	\$3,885,239	\$4,888,460
ROPS 23-24B	-	-	3,882,658	-	\$3,882,658	\$4,773,397
ROPS 24-25B	-	-	3,882,497	-	\$3,882,497	\$4,774,987
ROPS 25-26B	-	-	3,882,172	-	\$3,882,172	\$4,775,659
ROPS 26-27B	-	-	3,892,278	-	\$3,892,278	\$4,785,252
ROPS 27-28B	-	-	3,882,978	-	\$3,882,978	\$4,776,446
ROPS 28-29B	-	-	3,877,978	-	\$3,877,978	\$4,772,946
ROPS 29-30B	-	-	3,884,598	-	\$3,884,598	\$4,783,806
ROPS 30-31B	-	-	2,787,142	-	\$2,787,142	\$3,677,720
ROPS 31-32B	-	-	2,404,604	-	\$2,404,604	\$3,401,800
ROPS 32-33B	-	-	2,400,729	-	\$2,400,729	\$3,781,713
ROPS 33-34B	-	-	2,398,636	-	\$2,398,636	\$3,778,045
ROPS 34-35B	-	-	2,159,363	-	\$2,159,363	\$3,538,279
ROPS 35-36B	-	-	1,693,176	-	\$1,693,176	\$2,820,641
ROPS 36-37B	-	-	1,701,738	-	\$1,701,738	\$3,092,888
ROPS 37-38B	-	-	1,695,925	-	\$1,695,925	\$3,087,463
ROPS 38-39B	-	-	1,659,450	-	\$1,659,450	\$3,053,425

A Period July - December						
ROPS Period	Fund Sources			Admin RPTTF	Six-Month Total	
	Bond Proceeds	Other Funds	RPTTF			
ROPS 39-40A	-	-	1,343,600	29,500	\$1,373,100	
ROPS 40-41A	-	-	1,349,895	29,500	\$1,379,395	
ROPS 41-42A	-	-	-	-	\$-	

B Period January - June						
ROPS Period	Fund Sources			Admin RPTTF	Six-Month Total	Twelve-Month Total
	Bond Proceeds	Other Funds	RPTTF			
ROPS 39-40B	-	-	1,658,919	-	\$1,658,919	\$3,032,019
ROPS 40-41B	-	-	3,000	-	\$3,000	\$1,382,395
ROPS 41-42B	-	-	-	-	\$-	\$-

Stanton
Last and Final Recognized Obligation Payment Schedule (ROPS) - ROPS Detail
July 1, 2021 through June 30, 2042
(Report Amounts in Whole Dollars)

A	B	C	D	E	F	G	H	I
Item #	Project Name	Obligation Type	Agreement Execution Date	Agreement Termination Date	Payee	Description	Project Area	Total Outstanding Obligation
								\$81,979,313
3	Bond Payment: 2010 Tax Allocation Bonds Series A	Bonds Issued On or Before 12/31/10	10/28/2010	12/01/2035	US Bank	Debt Service on Bonds issued to fund non-housing projects	Consolidated	-
6	Trustee	Fees	07/07/2005	12/01/2040	US Bank	Trustee Fees	Consolidated	140,210
8	Bond Disclosure	Fees	09/10/2019	12/01/2040	Harrell & Company	Bond Continuing Disclosure/Financial Services	Consolidated	132,950
41	Administrative Cost Allowance	Admin Costs	07/01/2019	12/01/2040	City of Stanton	Administrative Cost Allowance	Consolidated	672,000
60	Replacement Housing Obligation under H&S Code	Miscellaneous	07/01/2013	12/01/2040	To be Determined	96 Required Units	Consolidated	-
66	Bond Payment: 2010 Tax Allocation Bonds Series A	Reserves	10/28/2010	12/01/2035	US Bank	ROPS B Reserve for following ROPS A December 1 Debt Service	Consolidated	-
70	City Loan	City/County Loan (Prior 06/28/11), Cash exchange	02/09/2010	12/01/2040	City of Stanton	City Loan to pay SERAF Payment	Consolidated	-
83	City Loan	City/County Loan (Prior 06/28/11), Other	06/24/2003	12/01/2040	City of Stanton	City Loan for Start up costs for 2000 Project Area	Consolidated	-
95	Subordinate Tax Allocation Refunding Bonds, 2016 Series A	Refunding Bonds Issued After 6/27/12	02/23/2016	12/01/2035	US Bank	Refinance 2005 Series B Bonds	Consolidated	4,902,888
96	Subordinate Taxable Tax Allocation Refunding Bonds, 2016 Series B	Refunding Bonds Issued After 6/27/12	02/23/2016	12/01/2035	US Bank	Refinance 2005 Series A Bonds	Consolidated	9,505,195
98	Rebate Consultant	Fees	07/01/2015	12/31/2040	BLX Group	Rebate Calculations	Consolidated	24,600
100	Project Costs	Bond Funded Project - 2011	07/01/2016	06/30/2020	To be Determined	Bond Funded Project from 2011 Proceeds	Consolidated	-
101	Tax Allocation Refunding Parity Bonds, 2016 Series C	Refunding Bonds Issued After 6/27/12	12/15/2016	12/01/2040	US Bank	Partial Refinance 2010 Series A Bonds	Consolidated	12,769,082
102	Taxable Tax Allocation Refunding Parity Bonds, 2016 Series D	Refunding Bonds Issued After 6/27/12	12/15/2016	12/01/2040	US Bank	Refinance 2011 Series A Bonds and 2011 Series B Bonds	Consolidated	6,507,215
103	Subordinate Tax Allocation Refunding Bonds, 2016 Series A	Reserves	02/23/2016	12/01/2035	US Bank	Refinance 2005 Series B Bonds	Consolidated	2,905,200
104	Subordinate Taxable Tax Allocation Refunding Bonds, 2016 Series B	Reserves	02/23/2016	12/01/2035	US Bank	Refinance 2005 Series A Bonds	Consolidated	5,367,500
105	Tax Allocation Refunding Parity Bonds, 2016 Series C	Reserves	12/15/2016	12/01/2040	US Bank	Partial Refinance 2010 Series A Bonds	Consolidated	5,845,918
106	Taxable Tax Allocation Refunding Parity Bonds, 2016 Series D	Reserves	12/15/2016	12/01/2040	US Bank	Refinance 2011 Series A Bonds and 2011 Series B Bonds	Consolidated	23,255,755
107	Tax Allocation Refunding Bonds, 2020 Series A	Refunding Bonds Issued After 6/27/12	09/03/2020	09/01/2035	U.S. Bank, as Trustee	Refinance outstanding 2010 Bonds	Consolidated	1,140,400

A	BH	BI	BL	BP	BQ	BT	BX	BY	CB	CF	CG	CJ	CN	CO	CR	CV	CW	CZ
Item #	27-28A (Jul-Dec)	27-28B (Jan-Jun)	28-29A (Jul-Dec)	28-29B (Jan-Jun)	29-30A (Jul-Dec)	29-30B (Jan-Jun)	30-31A (Jul-Dec)	30-31B (Jan-Jun)	31-32A (Jul-Dec)	31-32B (Jan-Jun)	32-33A (Jul-Dec)	32-33B (Jan-Jun)						
	RPTTF	Admin RPTTF	RPTTF	Admin RPTTF	RPTTF	Admin RPTTF	RPTTF	Admin RPTTF	RPTTF	Admin RPTTF	RPTTF	Admin RPTTF	RPTTF	Admin RPTTF	RPTTF	Admin RPTTF	RPTTF	Admin RPTTF
	\$860,468	\$33,000	\$3,882,978	\$861,968	\$33,000	\$3,877,978	\$866,208	\$33,000	\$3,884,598	\$857,578	\$33,000	\$2,787,142	\$964,196	\$33,000	\$2,404,604	\$1,347,984	\$33,000	\$2,400,729
3	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
6	4,620	-	3,630	4,620	-	3,630	4,860	-	4,000	5,080	-	4,000	5,080	-	4,000	5,080	-	4,000
8	-	-	7,550	-	-	7,550	-	-	7,550	-	-	9,050	-	-	9,050	-	-	9,050
41	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
60	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
66	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
70	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
83	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
95	244,388	-	55,388	245,388	-	45,888	245,888	-	39,388	241,888	-	33,819	246,319	-	27,444	244,944	-	20,919
96	468,622	-	128,022	468,022	-	114,422	469,422	-	100,222	470,222	-	85,422	470,422	-	70,022	470,022	-	53,522
98	-	-	-	-	-	-	-	-	1,800	-	-	1,800	-	-	1,800	-	-	-
100	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
101	142,838	-	242,375	143,938	-	242,375	146,038	-	242,375	140,388	-	242,375	242,375	-	242,375	242,375	-	242,375
102	-	-	260,988	-	-	231,688	-	-	201,288	-	-	169,688	-	-	150,688	385,563	-	130,888
103	-	-	190,000	-	-	200,000	-	-	202,500	-	-	212,500	-	-	217,500	-	-	222,500
104	-	-	340,000	-	-	355,000	-	-	370,000	-	-	385,000	-	-	400,000	-	-	415,000
105	-	-	98,437	-	-	96,337	-	-	101,987	-	-	-	-	-	-	-	-	-
106	-	-	1,725,988	-	-	1,751,688	-	-	1,781,288	-	-	1,119,688	-	-	755,125	-	-	773,875
107	-	-	87,800	-	-	74,700	-	-	61,100	-	-	46,900	-	-	38,300	-	-	29,300
108	-	-	742,800	-	-	754,700	-	-	771,100	-	-	476,900	-	-	488,300	-	-	499,300
109	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-

DD	DE
33-34A (Jul-Dec)	
RPTTF	Admin RPTTF
\$1,346,409	\$33,000
-	-

A	FH	FI	FL
	40-41A (Jul-Dec)	40-41B (Jan-Jun)	
Item #	RPTTF	Admin RPTTF	RPTTF
	\$1,349,895	\$29,500	\$3,000
3	-	-	-
6	-	-	-
8	-	-	-
41	-	-	-
60	-	-	-
66	-	-	-
70	-	-	-
83	-	-	-
95	-	-	-
96	-	-	-
98	-	-	3,000
100	-	-	-
101	1,120,875	-	-
102	229,020	-	-
103	-	-	-
104	-	-	-
105	-	-	-
106	-	-	-
107	-	-	-
108	-	-	-
109	-	-	-

Orange Countywide Oversight Board

Agenda Item No. 14a

Date: 9/22/2020

From: Successor Agency to the Westminster Redevelopment Agency

Subject: Resolution of the Countywide Oversight Board approving the issuance of refunding bonds by the Successor Agency to the Westminster Redevelopment Agency, making certain determinations with respect to the refunding bonds and providing other matters relating thereto.

Recommended Action: 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.

The Westminster Successor Agency requests approval of a Resolution entitled "A Resolution of the Successor Agency to the Westminster Redevelopment Agency Approving the Issuance of Refunding Bonds in Order to Refund Certain Outstanding Bonds of the Dissolved Westminster Redevelopment Agency, Approving the Execution and Delivery of an 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 Related Thereto".

The Successor Agency Financing Team (comprised of Agency staff, the municipal advisory firm of Columbia Capital Management LLC. and bond counsel and disclosure counsel from the firm of Best Best and Krieger LLP) has identified outstanding viable refunding opportunity. In 2011, the Redevelopment Agency issued \$40,265,000 in Westminster Redevelopment Agency Westminster Commercial Redevelopment Project No 1 2011 Series A, B and B-T Tax Allocation Refunding Bonds (the 2011 Bonds). The 2011 Bonds which are currently outstanding total \$20,990,000 in 2011 Series A Bonds, of which all are refundable for savings. The remaining interest rate on the 2011 bonds is 5.8%. The refunding plan is to apply \$10.7 million of unspent 2011 Series A, B and B-T bond proceeds and refund the balance issuing a single series of refunding bonds (the "2020 Refunding Bonds") in the approximate amount of \$9,355,000. The Agency will contribute \$10,709,865 unspent 2011 A and C bond proceeds to the refunding. The unspent funds were caught up in the dissolution legislation, California Health and Safety Code Section HS&C 34191.4(c)(2), which does not allow more than 5% of the applicable 2011 Bonds proceeds to be spent. Furthermore, this section of the law requires that the successor agency retire bonds with the unspent bond proceeds. The Agency has had many discussions with the State on this matter.

The Successor Agency has two bond issues outstanding: (1) \$76,430,000 of 2016 Bonds; and (2) \$12,505,000 of 2018 Bonds. Neither of the 2016 Bonds or the 2018 Bonds are currently candidates for refunding, as the 2016 Bonds cannot be refunded until 2026, and the 2018 Bonds mature in 2027

and are non-callable.

The Agency Board and the Oversight Board are scheduled to approve the refinancing on September 9, 2020 and September 22, 2020, respectively. Assuming timely approvals from all agencies, including the State Department of Finance, the Successor Agency anticipates issuing the 2020 Refunding Bonds in December 2020 (or sooner if expedited State approval can be obtained). The 2020 Refunding Bonds will be underwritten by negotiated sale. Staff is recommending using the underwriter of the 2018 issue: Stifel, Nicolaus & Company, Incorporated.

Impact on Taxing Entities

The purpose of the proposed issuance of the 2020 Refunding Bonds is to lower the debt service payments currently payable out of property tax increment revenues. The Successor Agency can issue bonds for no other purposes. Since the new bonds need less tax increment revenues, there will be a corresponding increase in tax revenues paid to the various taxing agencies. Under current market conditions, annual savings to all taxing agencies are approximately \$1,183,000 through 2027 and approximately \$878,000 through the remainder of the maturities. The total present value savings is approximately \$4,520,584.81, based on current market conditions.

<u>District Type</u>	<u>Taxing Entity</u>	<u>TOTAL SHARE</u>	<u>Incremental Factor</u>
County	ORANGE CO GEN. FUND	\$64,948	5.49%
Special District	ORANGE COUNTY PUBLIC LIBRARY	17,509	1.48%
Special District	O C FLOOD CONTROL DISTRICT	20,821	1.76%
Special District	O C PARKS CSA 26	16,089	1.36%
ERAF	EDUCATIONAL REVENUE AUGMENTATION FUND	210,342	17.78%
Special District	ORANGE CO CEMETERY FUND-GENERAL	379	0.03%
City	WESTMINSTER CITY	87,187	7.37%
City	WESTMINSTER -MUNI LIGHTING DIST.	25,654	2.17%
City	WESTMINSTER CITY-ST LIGHTING REORG	25	0.00%
Special District	MIDWAY CITY SANITARY DIST-GEN.FUND	44,363	3.75%
Special District	ORANGE CO VECTOR CONTROL DIST	1,174	0.10%
Special District	ORANGE COUNTY WATER DISTRICT	8,809	0.74%
Special District	ORANGE CO. WATER DIST-WATER RESERVE	132	0.01%
Special District	ORANGE COUNTY TRANSIT AUTHORITY	2,952	0.25%
Special District	OC SANITATION #3 GEN FUND	37,620	3.18%
K-12	FOUNTAIN VALLEY ELEM GEN FUND	-	0.00%
K-12	OCEAN VIEW ELEM GEN FUND	26,736	2.26%
K-12	WESTMINSTER ELEM GEN FUND	183,369	15.50%
K-12	HUNTINGTON BEACH UNION HIGH GEN FUND	174,378	14.74%
K-12	GARDEN GROVE UNIF GEN FUND	142,791	12.07%
K-12	LOS ALAMITOS UNIF GEN FUND	-	0.00%
Community College	COAST COMM COLLEGE GEN FUND	101,361	8.57%
Department of Education	O C DEPT OF EDUCATION-GEN FUND	15,616	1.32%
		\$1,183,025	100%

Staff Contact(s)

Erin Backs, Acting Finance Director
Alexa Smittle, Community Development Director

Attachments

1. Proposed Resolution

2. Resolution of the Successor Agency to the Westminster Redevelopment Agency
3. Indenture of Trust
4. Escrow Agreement
5. Debt Service Savings Analysis – Bond Refunding Plan
6. Bond Purchase Agreement

RESOLUTION NO. _____

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

WHEREAS, the Westminster 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”); and

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 Westminster Redevelopment Agency (the “Successor Agency”) has become the successor entity to the Former Agency; and

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; and

WHEREAS, the Oversight Board is informed by the Successor Agency that, prior to the dissolution of the Former Agency, the Former Agency issued the \$24,305,000 Westminster Commercial Redevelopment Project No. 1 2011 Tax Allocation Bonds Series A Subordinate Lien (Tax-Exempt) (the “Prior Bonds”) pursuant to an Indenture of Trust dated as of June 1, 2011 (the “Prior Bonds Indenture”); and

WHEREAS, under Section 34191.4(c)(2)(B), under certain circumstances, a successor agency may expend bond proceeds derived from bonds issued on or after January 1, 2011, in excess of amounts needed to satisfy approved enforceable obligations, in a manner consistent with the original bond covenants, subject to the limits set forth in Section 34191.4(c)(2)(B) determined based on the date of issuance of such bonds; and

WHEREAS, under Section 34191.4(c)(2)(C), remaining bond proceeds that cannot be spent pursuant to Section 34191.4(c)(2)(B) shall be used at the earliest date permissible under the applicable bond covenants to defease the bonds or to purchase those same outstanding bonds on the open market for cancellation; and

WHEREAS, the Oversight Board is informed that the Successor Agency has unexpended proceeds of the Prior Bonds and has determined that such proceeds cannot be spent in a manner consistent with the original bond covenants pursuant to 34191.4(c)(2)(B); and

WHEREAS, the Oversight Board is informed that, in accordance with Section 34191.4(c)(2)(C), the Successor Agency desires to use all of the unexpended proceeds of the Prior Bonds (the “Prior Bonds Unexpended Proceeds”) to defease a portion of the outstanding Prior Bonds; and

WHEREAS, The Successor Agency has previously issued its \$77,425,000 Westminster Redevelopment Agency Westminster Commercial Redevelopment Project No. 1 2016 Subordinate Tax Allocation Refunding Bonds. (the “2016 Bonds”) and its \$15,370,000 Westminster Redevelopment Agency Westminster Commercial Redevelopment Project No. 1 2018 Tax Allocation Refunding Bonds (the “2018 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 Westminster Redevelopment Agency 2020 Tax Allocation Refunding Bonds, Subordinate Lien (Federally Taxable) (the “Refunding Bonds”), the Successor Agency has caused its municipal advisor, Columbia Capital Management 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 Prior Bonds; and

WHEREAS, the Successor Agency by its resolution adopted on September 9, 2020 (the “Successor Agency Resolution”) approved the issuance of the Refunding Bonds pursuant to Section 34177.5(a)(1) on a subordinate basis to the outstanding 2016 Bonds and 2018 Bonds; and

WHEREAS, in the Successor Agency Resolution, the Successor Agency approved the issuance of the Refunding Bonds and authorized the execution and delivery of the Indenture of Trust, by and between the Successor Agency and MUFG Union Bank, N.A , as trustee, providing for the issuance of the Refunding Bonds (the “Indenture”); and

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; and

WHEREAS, following approval by this Oversight Board of the issuance of the Refunding Bonds by the Successor Agency and upon submission of this Resolution and the

Successor Agency Resolution to the California Department of Finance, the Successor Agency will, with the assistance of its Disclosure Counsel, Best Best & Krieger LLP, the Municipal Advisor, and the Original Purchaser, 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 Original Purchaser, as underwriter of the Refunding Bonds, to persons and institutions interested in purchasing the Refunding Bonds; and

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, THE ORANGE COUNTYWIDE OVERSIGHT BOARD OF THE SUCCESSOR AGENCY TO THE WESTMINSTER REDEVELOPMENT AGENCY DOES RESOLVE, DETERMINE, FIND AND ORDER 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. Ratification and Adoption of Successor Agency Resolution. The Successor Agency Resolution is hereby approved as set forth in the recitals above.

Section 3. Approval of Application of Unexpended Proceeds. The Oversight Board hereby authorizes that the Successor Agency use of all of the Prior Bonds Unexpended Proceeds to defease a portion of the outstanding Prior Bonds as authorized and in accordance with Section 34191.4(c)(2)(C).

Section 4. 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 5. 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 6. 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 7. 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 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 8. **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 9. **Transmittal.** The Successor Agency is hereby directed to transmit this Resolution to the California Department of Finance.

RESOLUTION NO. _____

A RESOLUTION OF THE SUCCESSOR AGENCY TO THE WESTMINSTER REDEVELOPMENT AGENCY APPROVING THE ISSUANCE OF REFUNDING BONDS IN ORDER TO REFUND CERTAIN OUTSTANDING BONDS OF THE DISSOLVED WESTMINSTER REDEVELOPMENT AGENCY, APPROVING THE EXECUTION AND DELIVERY OF AN 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 City Council elected to assume the activities and obligations of the Westminster Redevelopment Agency (the “Former Agency”), as the successor entity to the Former Agency (the “Successor Agency”);

WHEREAS, prior to the dissolution of the Former Agency, the Former Agency issued \$24,305,000 Westminster Commercial Redevelopment Project No. 1 2011 Tax Allocation Bonds Series A Subordinate Lien (Tax-Exempt) (the “Prior Bonds”) pursuant to an Indenture of Trust dated as of June 1, 2011 (the “Prior Bonds Indenture”) for the purpose of financing redevelopment activities including the construction of a police station;

WHEREAS, under Section 34191.4(c)(2)(B), under certain circumstances, a successor agency may expend bond proceeds derived from bonds issued on or after January 1, 2011, in excess of amounts needed to satisfy approved enforceable obligations, in a manner consistent with the original bond covenants, subject to the limits set forth in Section 34191.4(c)(2)(B) determined based on the date of issuance of such bonds;

WHEREAS, under Section 34191.4(c)(2)(C), remaining bond proceeds that cannot be spent pursuant to Section 34191.4(c)(2)(B) shall be used at the earliest date permissible under the applicable bond covenants to defease the bonds or to purchase those same outstanding bonds on the open market for cancellation;

WHEREAS, the Successor Agency has unexpended proceeds of the Prior Bonds and has determined that such proceeds cannot be spent in a manner consistent with the original bond covenants pursuant to 34191.4(c)(2)(B);

WHEREAS, in accordance with Section 34191.4(c)(2)(C) the Successor Agency desires to use all of the unexpended proceeds of the Prior Bonds (the “Prior Bonds Unexpended Proceeds”) to defease a portion of the outstanding Prior Bonds;

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 to the Westminster Redevelopment Agency of Westminster Community Redevelopment Project No. 1 2020 Tax Allocation Refunding Bonds Subordinate Lien (Federally Taxable) (the “Refunding Bonds”), the Successor Agency has caused its municipal advisor, Columbia Capital Management LLC. (the “Municipal Advisor”), to prepare an 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 repay all or a portion of the Prior Bonds and, thereby, to refund all or a portion of the Prior Bonds (the “Debt Service Savings Analysis”)

WHEREAS, the Successor Agency wishes at this time to approve the issuance of the Refunding Bonds and to approve the form of and authorize the execution and delivery of the Indenture of Trust, expected to be dated as of the first day of the month such bonds are issued, by and between the Successor Agency and MUFG Union Bank, N.A., as trustee, providing for the issuance of the Refunding Bonds (the “Indenture of Trust”), the Escrow Deposit and Trust Agreement by and between the Successor Agency and MUFG Union Bank, N.A., as trustee for the Prior Bonds, expected to be dated as of the date of the issuance and delivery of the Refunding Bonds (the “Escrow Agreement”) and reflecting the portion of the Prior Bonds to be refunded, and a bond purchase agreement (the "Purchase Agreement") between the Successor Agency and Stifel, Nicolaus & Company, Incorporated (the "Original Purchaser"), forms of which are on file with the City Clerk;

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;

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;

WHEREAS, the Successor Agency requests that the Oversight Board approve the issuance of the Refunding Bonds to refund all or a portion of the Prior Bonds as selected by the Successor Agency pursuant to this Resolution and the Indenture of Trust;

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;

WHEREAS, following approval by the Oversight Board of the issuance of the Refunding Bonds by the Successor Agency to be effective upon approval by the California Department of Finance of such approval by the Oversight Board, the Successor Agency, with the assistance of its Municipal Advisor, will cause to be prepared a form of Official Statement describing the Refunding Bonds and containing material information relating to the Refunding Bonds, the preliminary form of which will be submitted to the Successor Agency for approval for distribution

by the underwriter of the Refunding Bonds to persons and institutions interested in purchasing the Refunding Bonds; 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 Original Purchaser, the required good faith estimates and such estimates are included in the agenda report submitted by staff to the Successor Agency in connection with the proposed adoption of this Resolution;

NOW, THEREFORE, THE SUCCESSOR AGENCY TO THE DISSOLVED WESTMINSTER REDEVELOPMENT AGENCY DOES HEREBY FIND AS FOLLOWS:

Section 1. Approval of Application of Unexpended Proceeds. The Successor Agency hereby authorizes and approves the use of all of the Prior Bonds Unexpended Proceeds to defease a portion of the outstanding Prior Bonds as authorized and in accordance with Section 34191.4(c)(2)(C).

Section 2. 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 all or a portion of 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 3. Approval of Issuance of the Bonds. The Successor Agency hereby authorizes and approves the issuance of the Refunding Bonds under the Redevelopment 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.

Section 4. Approval of the Indenture of Trust. The Successor Agency hereby approves the Indenture of Trust prescribing the terms and provisions of the Refunding Bonds and the application of the proceeds of the Refunding Bonds. Each of the Successor Agency Chair, or

the City Manager of the City of Westminster, as the chief administrative officer of the Successor Agency (each, an “Authorized Officer”), is hereby authorized and directed to execute and deliver, and the Secretary of the Successor Agency, is hereby authorized and directed to attest to, the Indenture of Trust for and in the name and on behalf of the Successor Agency, in substantially the form on file with the Successor Agency Clerk, 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 of Trust. The Successor Agency hereby authorizes the delivery and performance of the Indenture of Trust.

Section 5. Approval of Escrow Agreement. The form of the Escrow Agreement on file with the Successor Agency Clerk is hereby approved and the Authorized Officers are, each acting alone hereby authorized and directed, for and in the name and on behalf of the Successor Agency, to execute and deliver the Escrow Agreement upon the issuance of each series of Refunding Bonds. The Successor Agency hereby authorizes the delivery and performance of its obligations under the Escrow Agreement by the Authorized Officers.

Section 6. 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; and (ii) the Original Purchaser's discount (excluding original issue discount, if any) shall not exceed 1.0% of the aggregate principal amount of the Refunding Bonds to be issued.

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) and Section 34180 to approve the issuance of the Refunding Bonds pursuant to Section 34177.5(a)(1) and this Resolution and the Indenture of Trust.

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 each series of the Refunding Bonds, as provided in Section 34177.5(a), shall be implemented by the Successor Agency promptly upon sale and delivery of each series of the Refunding Bonds 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;

(c) The Successor Agency shall be entitled to receive its full Administrative Cost Allowance under Section 34181(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 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 Clerk 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. 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 pursuant to an additional supplement to the Indenture of Trust 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 11. Municipal Bond Insurance and Surety Bonds. The Authorized Officers, each acting alone, are hereby authorized and directed to take all actions necessary to obtain a municipal bond insurance policy for the Refunding Bonds and reserve account surety bonds for the Refunding Bonds from a municipal bond insurance company if it is determined, upon consultation with the Municipal Advisor to the Successor Agency and the Original Purchaser, that such municipal bond insurance policy and/or surety bonds will reduce the true interest costs with respect to the Refunding Bonds.

Section 12. Agreements with Consultants. The firm of Best Best & Krieger LLP is hereby designated as Bond Counsel and Disclosure Counsel, and the firm of Columbia Capital Management LLC is hereby designated as municipal advisor to the Successor Agency. The City Manager is hereby authorized and directed to execute and deliver agreements with such firms for

their services related to the Bonds, each such agreement to be in the respective form on file with the Secretary.

Section 13. **Official Actions.** The Authorized Officers and any and all other officers of the Successor Agency 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 immediately upon its adoption.

PASSED, APPROVED and ADOPTED at a regular meeting of the Successor Agency to the Westminster Redevelopment Agency on this 9th day of September, 2020, by the following vote:

AYES:
NAYS:
ABSENT:
ABSTAIN:

TRI TA, SUCCESSOR AGENCY CHAIR

ATTEST:

CHRISTINE CORDON, SUCCESSOR
AGENCY CLERK

RICHARD D. JONES, SUCCESSOR
AGENCY COUNSEL

CERTIFICATE

I, Christine Cordon, hereby certify that the foregoing Resolution was adopted by the Successor Agency to the Westminster Redevelopment Agency at a regular meeting held on the 9th day of September, 2020.

Christine Cordon, Successor Agency Clerk

INDENTURE OF TRUST

Dated as of _____, 2020

by and between the

**SUCCESSOR AGENCY TO THE
WESTMINSTER REDEVELOPMENT AGENCY**

and

**MUFG UNION BANK, N.A.,
as Trustee**

Relating to

**\$ _____
Successor Agency to the Westminster Redevelopment Agency
Westminster Commercial Redevelopment Project No. 1
2020 Tax Allocation Refunding Bonds
Subordinate Lien
(Federally Taxable)**

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INDENTURE OF TRUST

This INDENTURE OF TRUST (this “Indenture”) is dated as of _____, 2020, by and between the SUCCESSOR AGENCY TO THE WESTMINSTER REDEVELOPMENT AGENCY, a public entity existing under the laws of the State of California (the “Successor Agency”), as successor to the Westminster Redevelopment Agency (the “Former Agency”), and MUFG UNION BANK, N.A., a national banking association duly organized and existing under the laws of the United States of America, as trustee (the “Trustee”);

WITNESSETH:

WHEREAS, 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 “Redevelopment Law”);

WHEREAS, pursuant to the Redevelopment Law, the City Council of the City of Westminster (the “City Council”) has previously adopted a redevelopment plan for the Westminster Commercial Redevelopment Project No. 1 (the “Redevelopment Project”);

WHEREAS, the Former Agency has issued its \$24,305,000 Westminster Commercial Redevelopment Project No. 1 2011 Tax Allocation Bonds Series A Subordinate Lien (Tax-Exempt) (the “Prior Bonds”) pursuant to an Indenture of Trust dated as of June 1, 2011 (the “Prior Bonds 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 as of February 1, 2012 in accordance with California Assembly Bill X1 26 approved by the Governor of the State of California on June 28, 2011 (as amended, the “Dissolution Act”), and as of February 1, 2012, the Successor Agency, in accordance with and pursuant to the Dissolution Act, assumed the duties and obligations of the Former Agency as provided in the Dissolution Act, including, without limitation, the obligations of the Former Agency under the Prior Bonds Indenture and related documents to which the Former Agency was a party; and

WHEREAS, Section 34177.5(a)(1) of the Dissolution Act authorizes the Successor Agency to undertake proceedings for the refunding of outstanding bonds and other obligations of the Former Agency, subject to the conditions precedent contained in said Section 34177.5; and

WHEREAS, 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

WHEREAS, the Successor Agency has determined that it will achieve debt service savings within such parameters by the issuance pursuant to the Redevelopment Law and the Refunding Law of its \$_____ aggregate principal amount of Successor Agency to the Westminster

Redevelopment Agency Westminster Commercial Redevelopment Project No. 1 2020 Tax Allocation Refunding Bonds Subordinate Lien (Federally Taxable) (the “Series 2020 Bonds”) in order to refund, on an advance basis, all of the outstanding Prior Bonds; and

WHEREAS, in order to provide for the authentication and delivery of the Series 2020 Bonds, to establish and declare the terms and conditions upon which the Series 2020 Bonds are to be issued and secured and to secure the payment of the principal thereof and interest and redemption premium (if any) thereon, the Successor Agency and the Trustee have duly authorized the execution and delivery of this Indenture; and

WHEREAS, all acts and proceedings required by law necessary to make the Series 2020 Bonds when executed by the Successor Agency, and authenticated and delivered by the Trustee, the valid, binding and legal special obligations of the Successor Agency, and to constitute this Indenture a legal, valid and binding agreement for the uses and purposes herein set forth in accordance with its terms, have been done or taken;

NOW, THEREFORE, in order to secure the payment of the principal of and the interest and redemption premium (if any) on all the Outstanding Series 2020 Bonds and any other Outstanding Bonds issued under this 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 Series 2020 Bonds and any other 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 Series 2020 Bonds and any other 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 Series 2020 Bonds and any other Bonds, as follows:

ARTICLE I

DEFINITIONS; RULES OF CONSTRUCTION

Section 1.01. Definitions. Unless the context otherwise requires, the terms defined in this Section 1.01 shall, for all purposes of this Indenture, of any Supplemental Indenture, and of any certificate, opinion or other document herein mentioned, have the meanings herein specified.

“Annual Debt Service” means, for each Bond Year, the sum of (a) the interest payable on the Bonds (including any Parity Debt) in such Bond Year, and (b) the principal amount of the Outstanding Bonds (including any Parity Debt) scheduled to be paid in such Bond Year upon the maturity or mandatory sinking account redemption thereof.

“Bond Counsel” means (a) Best Best & Krieger LLP, or (b) any other attorney or firm of attorneys appointed by or acceptable to the Successor Agency of nationally-recognized experience in the issuance of obligations the interest on which is excludable from gross income for federal income tax purposes under the Tax Code.

“Bond Proceeds Fund” means the fund by that name established by Section 3.02.

“Bond Year” means any twelve-month period beginning on November 2 in any year and extending to the next succeeding November 1, both dates inclusive; except that the first Bond Year shall begin on the Closing Date and end on November 1, 2021.

“Bonds” means, collectively, the Series 2020 Bonds and, if the context requires, any additional Parity Debt.

“Business Day” means a day of the year (other than a Saturday or Sunday) on which banks in the State, the State of New York or in the city in which the Trustee maintains its Office are not required or permitted to be closed, and on which the New York Stock Exchange is open.

“Closing Date” means, with respect to the Series 2020 Bonds, the date on which the Series 2020 Bonds are delivered by the Successor Agency to the Original Purchaser.

“Continuing Disclosure Certificate” means that certain Continuing Disclosure Certificate as originally executed by the Successor Agency, and as it may be amended from time to time in accordance with the terms thereof.

“Costs of Issuance” means items of expense payable or reimbursable directly or indirectly by the Successor Agency and related to the authorization, sale and issuance of the Series 2020 Bonds, which items of expense shall include, but not be limited to, printing costs, costs of reproducing and binding documents, closing costs, filing and recording fees, initial fees and charges of the Trustee including its first annual administration fee, expenses incurred by the Successor Agency in connection with the issuance of the Series 2020 Bonds, fees and charges of the Trustee and the Prior Trustee for paying and redeeming the Prior Bonds pursuant to the Escrow Agreement, underwriter’s discount, original issue discount, legal fees and charges, including bond counsel and financial consultants fees, costs of cash flow verification, premiums for any municipal bond insurance policy that may be purchased and for any Reserve Policy the Successor Agency may purchase, rating agency fees, charges for execution, transportation and safekeeping of the Series 2020 Bonds and other costs, charges and fees in connection with the original issuance of the Series 2020 Bonds, reimbursement for City of Westminster staff costs or any other expense directed by the Successor Agency to be paid from moneys in the Costs of Issuance Fund.

“Costs of Issuance Fund” means the fund by that name established by Section 3.03.

“County” means the County of Orange, a county duly organized and existing under the Constitution and laws of the State.

“Debt Service Fund” means the fund by that name established and held by the Trustee pursuant to Section 4.03.

“Defeasance Obligations” means:

- (a) cash;
- (b) Federal Securities; and

(c) Subject to the written approval of the Insurer, pre-refunded municipal bonds rated “Aa” or higher by Moody’s and “AA” or higher by S&P, provided that, the pre-refunded municipal bonds must have been pre-refunded with cash, direct U.S. or U.S. guaranteed obligations, or AAA rated pre-refunded municipals;

“Depository” means (a) initially, DTC, and (b) any other Securities Depository acting as Depository pursuant to Section 2.11.

“Depository System Participant” means any participant in the Depository’s book-entry system.

“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 amended by Senate Bill 107 signed by the Governor on September 22, 2015.

“DOF” means the California Department of Finance.

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

“Escrow Agreement” means the Escrow Deposit and Trust Agreement by and between the Successor Agency and the Escrow Bank relating to the defeasance and redemption of the Prior Bonds.

“Escrow Bank” means MUFG Union Bank, N.A.

“Escrow Fund” means the fund by that name established under the Escrow Agreement.

“Event of Default” means any of the events described in Section 8.01.

“Fair Market Value” means, with respect to any investment, the price at which a willing buyer would purchase the investment from a willing seller in a bona fide, arm’s length transaction (determined as of the date the contract to purchase or sell the investment becomes binding) if the investment is traded on an established securities market (within the meaning of section 1273 of the Tax Code) and, otherwise, the term “Fair Market Value” means the acquisition price in a bona fide arm’s length transaction (as referenced above) if (i) the investment is a certificate of deposit that is acquired in accordance with applicable regulations under the Tax Code, (ii) the investment is an agreement with specifically negotiated withdrawal or reinvestment provisions and a specifically negotiated interest rate (for example, a guaranteed investment contract, a forward supply contract or other investment agreement) that is acquired in accordance with applicable regulations under the Tax Code, (iii) the investment is a United States Treasury Security--State and Local Government Series that is acquired in accordance with applicable regulations of the United States Bureau of Public Debt, or (iv) any commingled investment fund in which the Successor Agency and related parties do not own more than a ten percent (10%) beneficial interest therein if the return paid by the fund is without regard to the source of the investment. The Trustee

shall have no duty in connection with the determination of Fair Market Value other than to follow the investment directions of the Successor Agency in any written directions of the Successor Agency.

“Federal Securities” means any direct, noncallable 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 and CATS and TGRS), or obligations the payment of principal of and interest on which are unconditionally guaranteed by the United States of America.

“Fiscal Year” means any twelve-month period beginning on July 1 in any year and extending to the next succeeding June 30, both dates inclusive, or any other twelve-month period selected and designated by the Successor Agency as its official fiscal year period pursuant to a Request of the Successor Agency filed with the Trustee.

“Former Agency” means the Westminster Redevelopment Agency, a public body corporate and politic duly organized and formerly existing under the Law and dissolved in accordance with the Dissolution Act.

“Indenture” means this Indenture of Trust by and between the Successor Agency and the Trustee, as amended or supplemented from time to time pursuant to any Supplemental Indenture entered into pursuant to the provisions hereof.

“Independent Accountant” means any accountant or firm of such accountants duly licensed or registered or entitled to practice and practicing as such under the laws of the State, appointed by or acceptable to the Successor Agency, and who, or each of whom: (a) is in fact independent and not under domination of the Successor Agency; (b) does not have any substantial interest, direct or indirect, with the Successor Agency; and (c) is not connected with the Successor Agency as an officer or employee of the Successor Agency, but who may be regularly retained to make reports to the Successor Agency.

“Independent Fiscal Consultant” means any consultant or firm of such consultants appointed by or acceptable to the Successor Agency and who, or each of whom: (a) is judged by the Successor Agency to have experience in matters relating to the financing of redevelopment projects; (b) is in fact independent and not under domination of the Successor Agency; and (c) is not connected with the Successor Agency as an officer or employee of the Successor Agency, but who may be regularly retained to make reports to the Successor Agency.

“Independent Redevelopment Consultant” means any consultant or firm of such consultants appointed by the Successor Agency, and who, or each of whom:

- (a) is judged by the Successor Agency to have experience in matters relating to the collection of Tax Revenues or otherwise with respect to the financing of redevelopment projects;
- (b) is in fact independent and not under the domination of the Successor Agency;

(c) does not have any substantial interest, direct or indirect, with the Successor Agency, other than as original purchaser of the Bonds or any Parity Debt; and

(d) is not connected with the Successor Agency as an officer or employee of the Successor Agency, but who may be regularly retained to make reports to the Successor Agency.

“Information Services” means “EMMA” or the “Electronic Municipal Market Access” system of the Municipal Securities Rulemaking Board; or, in accordance with then-current guidelines of the Securities and Exchange Commission, such other services providing information with respect to called bonds as the Successor Agency may designate in a Request of the Successor Agency delivered to the Trustee.

“Insurance Policy” means the municipal bond insurance policy number _____ delivered by the Insurer guaranteeing the principal of and interest on the Insured Bonds when due.

“Insured Bonds” means the Series 2020 Bonds, maturing November 1, _____ through November 1 _____, inclusive, and the Insured Term Bonds maturing November 1, _____.

“Insured Term Bonds” means the Term Bonds so designated in Section 2.03 hereof.

“Insurer” means (i) _____ as provider of the Reserve Policy and as provider of the Insurance Policy, and (ii) the provider of a municipal bond or financial guaranty insurance policy with respect to an issue of Bonds (other than the Series 2020 Bonds) or with respect to an issue of bonds the proceeds of which are used to purchase an issue of Bonds (other than the Series 2020 Bonds).

“Interest Account” means the account by that name established and held by the Trustee pursuant to Section 4.03(a).

“Interest Payment Date” means each May 1 and November 1, commencing May 1, 2021, for so long as any of the Bonds remain unpaid.

“Issuer Representative” means the Chair of the Successor Agency, the City Manager as Chief Administrative Officer of the Successor Agency or any other officer of the Successor Agency designated in writing.

“Law” means the Redevelopment Law, as amended by the Dissolution Act.

“Maximum Annual Debt Service” means, as of the date of calculation, the largest Annual Debt Service for the current or any future Bond Year.

“Moody’s” means Moody’s Investors Service, Inc., its successors and assigns.

“Nominee” means Cede & Co., as nominee of DTC, or any successor nominee.

“Office” means, with respect to the Trustee, the designated corporate trust office of the Trustee in Los Angeles, California, provided that for the purposes of maintenance of the

Registration Books and surrender of the Bonds for transfer, exchange or payment such term shall mean the designated office of the Trustee at which it conducts its corporate agency business or at such other or additional offices as may be specified by the Trustee in writing to the Successor Agency.

“Original Purchaser” means Stifel, Nicolaus & Company, Incorporated as original purchaser of the Series 2020 Bonds.

“Outstanding”, when used as of any particular time with reference to Bonds, means (subject to the provisions of Section 9.05) all Bonds except: (a) Bonds theretofore canceled by the Trustee or surrendered to the Trustee for cancellation; (b) Bonds paid or deemed to have been paid within the meaning of Section 9.03; (c) Bonds in lieu of or in substitution for which other Bonds shall have been authorized, executed, issued and delivered by the Successor Agency pursuant hereto; and (d) Bonds paid in accordance with the last sentence of Section 2.10.

“Oversight Board” means the oversight board duly constituted from time to time pursuant to Section 34179 of the Dissolution Act.

“Owner” means, with respect to any Bond, the person in whose name the ownership of such Bond shall be registered on the Registration Books.

“Parity Debt” means any bonds, notes, loans, advances or other indebtedness issued or incurred by the Successor Agency on a parity with the Series 2020 Bonds pursuant to Section 3.04.

“Parity Debt Instrument” means any resolution, indenture of trust, trust agreement or other instrument authorizing the issuance of any Parity Debt and which otherwise complies with all of the terms and conditions of this Indenture, including, without limitation, the provisions of Section 3.05.

“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 (provided that the Trustee shall be entitled to rely upon any investment direction from the Successor Agency as conclusive certification to the Trustee that the investments described therein are so authorized under the laws of the State and constitute Permitted Investments), but only to the extent that the same are acquired at Fair Market Value:

(a) Federal Securities;

(b) obligations of any of the following federal agencies which obligations represent full faith and credit of the United States of America, including: Export-Import Bank, Farm Credit System Financial Assistance Corporation, Rural Economic Community Development Administration (formerly Farmers Home Administration), General Services Administration, U.S. Maritime Administration, Small Business Administration, Government National Mortgage Association, U.S. Department of Housing & Urban Development, Federal Housing Administration and Federal Financing Bank;

(c) direct obligations for any of the following federal agencies which obligations are not fully guaranteed by the full faith and credit of the United States of

America: senior debt obligations rated “Aaa” by Moody’s and “AAA” by S&P issued by Fannie Mae or Federal Home Loan Mortgage Corporation (FHLMC); obligations of the Resolution Funding Corporation (REFCORP); senior debt obligations of the Federal Home Loan Bank System; and senior debt obligations of other Government Sponsored Agencies approved by the Insurer;

(d) U.S. dollar denominated deposit accounts, federal funds and banker’s acceptances with domestic commercial banks (including those of the Trustee and Affiliates) which mature no more than 360 days after purchase and: (a) have a rating on their short term certificates of deposit on the date of purchase of A-1 or A-1+ by S&P and P-1 by Moody’s; (b) are FDIC insured; or (c) are collateralized by Federal Securities or other Permitted Investments described herein;

(e) commercial paper which is rated at the time of purchase in the single highest classification, A-1+ by S&P and P-1 by Moody’s and which matures not more than 270 days after the date of purchase;

(f) investments in one or more money market mutual funds rated AAAM or AAAM-G or better by S&P, including funds for which the Trustee or its affiliates provide investment advisory or other management services, but excluding funds with a floating net asset value;

(g) any bonds or other obligations of any state of the United States of America or of any agency, instrumentality or local governmental unit of any such state which are not callable at the option of the obligor prior to maturity or as to which irrevocable instructions have been given by the obligor to call on the date specified in the notice; and (i) which are rated, based on the escrow, in the highest rating category of S&P and Moody’s or (ii)(A) which are fully secured as to principal and interest and redemption premium, if any, by a fund consisting only of cash or Federal Securities, which fund may be applied only to the payment of such principal of and interest and redemption premium, if any, in such bonds or other obligations on the maturity date or dates thereof or the specified redemption date or dates pursuant to such irrevocable instructions, as appropriate, and (B) which fund is sufficient, as verified by an Independent Accountant and with the prior approval of S&P, to pay principal of and interest and redemption premium, if any, on the bonds or other obligations described in this paragraph on the maturity date or dates thereof or on the redemption date or dates specified in the irrevocable instructions referred to above, as appropriate;

(h) investment agreements approved in writing by the Insurer;

(i) other forms of investments approved in writing by the Insurer;

(j) the County’s investment pool; and

(k) the Local Agency Investment Fund of the State, created pursuant to Section 11429.1 of the California Government Code but only, in the case of Trustee held funds, to the extent any monies invested by the Trustee are subject to deposit and withdrawal solely by the Trustee.

(l) Money market mutual 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, and a rating by Moody's of Aaa, Aa1 or Aa2 (such funds may include funds for which the Trustee, its affiliates, parent or subsidiaries provide investment advisory or other management services) but excluding such funds with a floating net asset value.

(m) Bonds or notes issued by any state or municipality which are rated by Moody's and S&P in one of the three highest rating categories assigned by such agencies.

"Principal Account" means the account by that name established and held by the Trustee pursuant to Section 4.03(b).

"Prior Bonds" means the \$24,305,000 original principal amount of Westminster Redevelopment Agency Westminster Commercial Redevelopment Project No. 1 2011 Tax Allocation Bonds Series A Subordinate Lien (Tax-Exempt).

"Prior Bonds Indenture" means the Trust Indenture, dated as of June 1, 2011, between the Former Agency and the Prior Trustee.

"Prior Trustee" means MUFG Union Bank, N.A. as trustee under the Prior Bonds Indenture.

"Qualified Reserve Account Credit Instrument" means (i) the Reserve Policy or (ii) an irrevocable standby or direct-pay letter of credit or Reserve Policy issued by a commercial bank or insurance company and deposited with the Trustee pursuant to Section 4.03(d), provided that all of the following requirements are met by the Successor Agency at the time of delivery thereof to the Trustee: (a) the long-term credit rating of such bank or insurance company is "A" (without regard to modifier) or higher; (b) such letter of credit or Reserve Policy has a term of at least twelve (12) months; (c) such letter of credit or Reserve Policy has a stated amount at least equal to the portion of the Reserve Requirement with respect to which funds are proposed to be released pursuant to Section 4.03(d); (d) the Trustee is authorized pursuant to the terms of such letter of credit or Reserve Policy to draw thereunder an amount equal to any deficiencies which may exist from time to time in the Interest Account, the Principal Account or the Sinking Account for the purpose of making payments required pursuant to Section 4.03; and (e) prior written notice is given to the Trustee before the effective date of any such Qualified Reserve Account Credit Instrument.

"Recognized Obligation Payment Schedule" means a Recognized Obligation Payment Schedule, each prepared and approved from time to time pursuant to subdivision (l) of Section 34177 of the California Health and Safety Code.

"Record Date" means, with respect to any Interest Payment Date, the close of business on the fifteenth (15th) calendar day of the month preceding such Interest Payment Date, whether or not such fifteenth (15th) calendar day is a Business Day.

"Redemption Account" means the account by that name established and held by the Trustee pursuant to Section 4.03(e).

“Redevelopment Law” means the Community Redevelopment Law of the State, constituting Part 1 of Division 24 of the Health and Safety Code of the State, and the acts amendatory thereof and supplemental thereto.

“Redevelopment Obligation Retirement Fund” means the fund by that name established pursuant to California Health and Safety Code Section 34170.5(b) and administered by the Successor Agency.

“Redevelopment Property Tax Trust Fund” or “RPTTF” 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.

“Redevelopment Project” means the Westminster Commercial Redevelopment Project No. 1 and such sub-areas or amendment areas thereof.

“Refunding Law” means Article 11 (commencing with Section 53580) of Chapter 3 of Part 1 of Division 2 of Title 5 of the Government Code of the State, and the acts amendatory thereof and supplemented thereto.

“Registration Books” means the records maintained by the Trustee pursuant to Section 2.08 for the registration and transfer of ownership of the Series 2020 Bonds.

“Request of the Successor Agency” means a request in writing signed by the Issuer Representative.

“Reserve Account” means the account by that name established and held by the Trustee pursuant to Section 4.03(d) hereof.

“Reserve Policy” means the municipal bond debt service reserve insurance policy issued by the Insurer as Policy Number _____ in the stated amount of \$_____, deposited into the Reserve Account relating to the Series 2020 Bonds.

“Reserve Requirement” means, with respect to the Series 2020 Bonds, as of the Closing Date, the least of (i) ten percent (10%) of the original par amount of the Series 2020 Bonds, (ii) Maximum Annual Debt Service with respect to the Series 2020 Bonds, or (iii) 125% of average Annual Debt Service on the Series 2020 Bonds; provided, further that the Successor Agency may meet all or a portion of the Reserve Requirement by depositing a Qualified Reserve Account Credit Instrument meeting the requirements of Section 4.03(d) hereof.

“Responsible Officer of the Trustee” means any officer within the corporate trust division (or any successor group or department) of the Trustee including any vice president, assistant vice president, assistant secretary, or any other officer or assistant officer of the Trustee customarily performing functions similar to those performed by the persons who at the time shall be such officers, respectively, with responsibility for the administration of this Indenture.

“S&P” means S&P Global Ratings, its successors and assigns.

“Securities Depositories” means The Depository Trust Company, 55 Water Street, 50th Floor, New York, N.Y. 10041-0099 Attn: Call Notification Department, Fax (212) 855-7232 and, in accordance with then current guidelines of the Securities and Exchange Commission, such other addresses and/or such other securities depositories as the Successor Agency may designate in a Request of the Successor Agency delivered to the Trustee.

“Senior Bonds” means the 2016 Bonds, the 2018 Bonds and any additional bonds secured by a lien that is senior to the lien of the Series 2020 Bonds.

“Senior Bonds Indenture” means the indentures which relate to the issuance of the Senior Bonds and any additional Senior Bonds.

“Series 2020 Bonds” means the Successor Agency to the Westminster Redevelopment Agency Westminster Commercial Redevelopment Project No. 1 2020 Tax Allocation Refunding Bonds, Subordinate Lien (Federally Taxable).

“Sinking Account” means the account by that name established and held by the Trustee pursuant to Section 4.03(c).

“State” means the State of California.

“Subordinate Debt” means any bonds, notes, loans, advances or other indebtedness issued or incurred by the Successor Agency in accordance with the requirements of Section 3.05, which are either: (a) payable from, but not secured by a pledge of or lien upon, the Tax Revenues; or (b) secured by a pledge of or lien upon the Tax Revenues which is subordinate to the pledge of and lien upon the Tax Revenues hereunder for the security of the Bonds.

“Successor Agency” means the Successor Agency to the Westminster Redevelopment Agency, a public entity existing under the Dissolution Act, as successor to the Former Agency.

“Supplemental Indenture” means any indenture, agreement or other instrument which amends, supplements or modifies this Indenture and which has been duly entered into by and between the Successor Agency and the Trustee; but only if and to the extent that such Supplemental Indenture is specifically authorized hereunder.

“Tax Code” means the Internal Revenue Code of 1986 as in effect on the Closing Date or (except as otherwise referenced herein) as it may be amended to apply to obligations issued on the Closing Date, together with applicable proposed, temporary and final regulations promulgated, and applicable official public guidance published, under said Code.

“Tax Revenues” means that portion of taxes annually allocated to the Successor Agency with respect to the Redevelopment Project (excluding therefrom the Original Area, Amendment 1, Amendment 2 and Amendment 3 for purposes of this definition, unless some or all of said areas are added to the definition hereof by subsequent action of the Successor Agency pursuant to a Supplemental Indenture following amendment of the Redevelopment Plan or other action permitted under the Law to add some or all of said areas) following the Closing Date pursuant to Article 6 of Chapter 6 (commencing with Section 33670) of the Redevelopment Law and Section 16 of Article XVI of the Constitution of the State and as provided in the Redevelopment Plan,

including (a) all payments, subventions and reimbursements (if any) to the Successor Agency specifically attributable to ad valorem taxes lost by reason of tax exemptions and tax rate and (b) amounts that are required to be deposited into the Low and Moderate Income Housing Fund of the Successor Agency in any Fiscal Year pursuant to Sections 33334.2 and 33334.3 of the Redevelopment Law to the extent permitted to be applied to the payment of principal, interest and premium with respect to the Bonds; but excluding all amounts of such taxes (i) required to be paid to entities other than the Successor Agency pursuant to pass-through agreements or similar tax-sharing arrangements entered into pursuant to Section 33401 or imposed by Section 33607.5 of the Law which are not by their terms or otherwise subordinate to the payment of principal, interest and premium on the Bonds, and (ii) required to pay debt service on the Senior Bonds. Additionally, Tax Revenues shall include funds deposited in the Redevelopment Property Tax Trust Fund pursuant to Section 34177.5(g) of the California Health and Safety Code to the extent that such moneys are available after such amounts have been set aside and reserved for the payment of debt service or other obligations that have a prior claim to the payment of the Bonds.

“Term Bonds” means, collectively, (a) the Series 2020 Bonds designated as Insured Term Bonds maturing on November 1, _____, (b) the Series 2020 Bonds designated as the Uninsured Term Bonds maturing on November 1, _____, and (c) any maturity of Parity Debt which is subject to mandatory Sinking Account redemption pursuant to the Supplemental Indenture authorizing the issuance thereof.

“Trustee” means MUFG Union Bank, N.A., as trustee hereunder, or any successor thereto appointed as Trustee hereunder in accordance with the provisions of Article VI.

“2016 Bonds” means the \$77,425,000 Westminster Redevelopment Agency Westminster Commercial Redevelopment Project No. 1 2016 Subordinate Tax Allocation Refunding Bonds.

“2018 Bonds” means the \$15,370,000 Westminster Redevelopment Agency Westminster Commercial Redevelopment Project No. 1 2018 Tax Allocation Refunding Bonds.

“Uninsured Term Bonds” means the Term Bonds so designated in Section 2.03 hereof.

Section 1.02. Rules of Construction. All references herein to “Articles,” “Sections” and other subdivisions are to the corresponding Articles, Sections or subdivisions of this Indenture, and the words “herein,” “hereof,” “hereunder” and other words of similar import refer to this Indenture as a whole and not to any particular Article, Section or subdivision hereof.

ARTICLE II

AUTHORIZATION AND TERMS OF SERIES 2020 BONDS

Section 2.01. Authorization and Purpose of Series 2020 Bonds. The Successor Agency has reviewed all proceedings heretofore taken and has found, as a result of such review, and hereby finds and determines that all things, conditions and acts required by law to exist, happen or be performed precedent to and in connection with the issuance of the Series 2020 Bonds do exist, have happened and have been performed in due time, form and manner as required by law, and the Successor Agency is now duly empowered, pursuant to each and every requirement of law, to issue the Series 2020 Bonds in the manner and form provided in this Indenture.

Series 2020 Bonds in the aggregate principal amount of _____ Dollars (\$_____) are hereby authorized to be issued by the Successor Agency under the Refunding Law and the Dissolution Act for the purpose of providing funds to refund the Prior Bonds. The Series 2020 Bonds shall be authorized and issued under, and shall be subject to the terms of, this Indenture, the Redevelopment Law and the Dissolution Act. The Series 2020 Bonds shall be designated the “Successor Agency to the Westminster Redevelopment Agency Westminster Commercial Redevelopment Project No. 1 2020 Tax Allocation Refunding Bonds, Subordinate Lien (Federally Taxable).

Section 2.02. Terms of the Series 2020 Bonds. The Series 2020 Bonds shall be issued in fully registered form without coupons in denominations of \$5,000 or any integral multiple thereof, so long as no Series 2020 Bond shall have more than one maturity date. The Series 2020 Bonds shall mature on November 1 in each of the years and in the amounts, and shall bear interest (calculated on the basis of a 360 day year comprised of twelve 30-day months) at the rates, as follows:

<u>Series 2020 Bonds</u>		
Maturity Date <u>(November 1)</u>	Principal <u>Amount</u>	Interest <u>Rate</u>

Interest on the Series 2020 Bonds shall be payable 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 by first class mail, postage prepaid, on each Interest Payment Date to the Owner at the address of such Owner as it appears on the Registration Books as of the preceding Record Date; provided however, that payment of interest may be by wire transfer to an account in the United States of America to any Owner of Series 2020 Bonds of the same series in the aggregate amount of \$1,000,000 or more who shall furnish written instructions to the Trustee before the applicable Record Date. Any such written instructions shall remain in effect until rescinded in writing by the Owner. Principal of and premium (if any) on any Series 2020 Bond shall be paid upon presentation and surrender thereof, at maturity or the prior redemption thereof, at the Office of the Trustee and shall be payable in lawful money of the United States of America.

Each Series 2020 Bond shall be dated as of the Closing Date and shall bear interest from the Interest Payment Date next preceding the date of authentication thereof, unless (a) it is authenticated after a Record Date and on or before the following Interest Payment Date, in which event it shall bear interest from such Interest Payment Date, or (b) unless it is authenticated on or before April 15, 2021, in which event it shall bear interest from the Closing Date; provided, however, that if, as of the date of authentication of any Series 2020 Bond, interest thereon is in default, such Series 2020 Bond shall bear interest from the Interest Payment Date to which interest has previously been paid or made available for payment thereon.

Section 2.03. Redemption of Series 2020 Bonds.

(a) Optional Redemption. The Series 2020 Bonds may be called before maturity and redeemed at the option of the Successor Agency, in whole or in part, from the proceeds of refunding bonds or other available funds, on November 1, 2030 or on any date thereafter. Series 2020 Bonds called for redemption will be redeemed at a redemption price equal to the principal amount of Series 2020 Bonds to be redeemed plus accrued interest up to but excluding the redemption date.

The Successor Agency shall be required to give the Trustee written notice of its intention to redeem Series 2020 Bonds under this Section 2.03(a) at least 45 days prior to the date to be fixed for redemption or such later date as shall be agreed to by the Trustee, and the Successor Agency shall deposit with the Trustee all amounts required for any redemption pursuant to this Section 2.03(a) at least one Business Day prior to the date fixed for such redemption.

(b) Mandatory Sinking Fund Redemption.

The Insured Bonds maturing on November 1, ____ (the “Insured Term Bonds”), are subject to mandatory sinking fund redemption in part by lot at a redemption price equal to the principal amount thereof to be redeemed, plus accrued interest thereon to the date of redemption, without premium, in the aggregate respective principal amounts and on November 1, in the respective years as set forth in the following table; provided, however, that in lieu of mandatory sinking fund redemption thereof such bonds may be purchased by the Successor Agency pursuant to the Indenture:

Insured Term Bonds Maturing November 1, _____

Redemption Date (<u>November 1</u>)	<u>Amount</u>
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The Uninsured Bonds maturing on November 1, _____ (the “Uninsured Term Bonds,” and together with the Insured Term Bonds, the “Term Bonds”), are subject to mandatory sinking fund redemption in part by lot at a redemption price equal to the principal amount thereof to be redeemed, plus accrued interest thereon to the date of redemption, without premium, in the aggregate respective principal amounts and on November 1, in the respective years as set forth in the following table; provided, however, that in lieu of mandatory sinking fund redemption thereof such bonds may be purchased by the Successor Agency pursuant to the Indenture:

Uninsured Term Bonds Maturing November 1, _____

Redemption Date (<u>November 1</u>)	<u>Amount</u>
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If some but not all of the Term Bonds have been redeemed pursuant to the optional redemption provisions described above, the total amount of all future payments with respect to such Term Bonds shall be reduced by the aggregate principal amount of such Term Bonds so redeemed, to be allocated among such payments on a pro rata basis in integral multiples of \$5,000 as determined by the Successor Agency (written notice of which determination shall be given by the Successor Agency to the Trustee).

In lieu of redemption of the Term Bonds under the preceding paragraphs, amounts on deposit in the Debt Service Fund (to the extent not required to be deposited by the Trustee in the Interest Account or the Principal Account during the current Bond Year) may also be used and withdrawn by the Successor Agency at any time for the purchase of such Term Bonds at public or private sale as and when and at such prices (including brokerage and other charges and including accrued interest) as the Successor Agency may in its discretion determine. The par amount of any of such Term Bonds so purchased by the Successor Agency in any twelve-month period ending on September 15 in any year shall be credited towards and shall reduce the par amount of such Term Bonds required to be redeemed on the next succeeding November 1.

(c) Notice of Redemption, Rescission. The Trustee on behalf of, upon receipt of written direction from and at the expense of the Successor Agency shall mail (by first class mail, postage prepaid) notice of any redemption, which notice shall be prepared by the Successor Agency and which shall contain the information required in the notice of redemption to Owners as set forth below, at least thirty (30) but not more than sixty (60) days prior to the redemption date, to (i) the Owners of any Series 2020 Bonds designated for redemption at their respective addresses appearing on the Registration Books and the Insurer, and (ii) the Securities Depositories and to one or more Information Services designated in a Request of the Successor Agency delivered to the Trustee (by any means acceptable to such depositories and services in substitution of first class mail); provided, however, that such mailing shall not be a condition precedent to such redemption and neither failure to receive any such notice nor any defect therein shall affect the

validity of the proceedings for the redemption of such Series 2020 Bonds or the cessation of the accrual of interest thereon. Such notice shall state the redemption date and the redemption price, shall, if applicable, designate the CUSIP number of the Series 2020 Bonds to be redeemed, shall state the individual number of each Series 2020 Bond to be redeemed or state that all Series 2020 Bonds between two stated numbers (both inclusive) or shall state that all of the Series 2020 Bonds Outstanding of one or more maturities are to be redeemed, and shall require that such Series 2020 Bonds be then surrendered at the Office of the Trustee for redemption at the said redemption price, giving notice also that further interest on the Series 2020 Bonds to be redeemed will not accrue from and after the date fixed for redemption.

The Successor Agency shall have the right to rescind any optional redemption by written notice to the Trustee on or prior to the date fixed for redemption. Any such notice of optional redemption shall be canceled 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 Series 2020 Bonds then called for redemption, and such cancellation shall not constitute an Event of Default under this Indenture. The Successor Agency and the Trustee shall 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 in the same manner as the original notice of redemption was sent.

(d) Partial Redemption of Series 2020 Bonds. In the event only a portion of any Series 2020 Bond is called for redemption, then upon surrender thereof 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 Series 2020 Bond or Bonds of the same interest rate and maturity, of authorized denominations in aggregate principal amount equal to the unredeemed portion of the Series 2020 Bond to be redeemed.

(e) Effect of Redemption. From and after the date fixed for redemption, if funds sufficient for the payment of the principal of and interest (and premium, if any) on the Series 2020 Bonds so called for redemption shall have been duly deposited with the Trustee, such Series 2020 Bonds so called shall cease to be entitled to any benefit under this Indenture other than the right to receive payment of the redemption price and accrued interest to the redemption date, and no interest shall accrue thereon from and after the redemption date specified in such notice.

(f) Manner of Redemption. Whenever provision is made in this Indenture for the redemption of less than all of the maturities of the Series 2020 Bonds, the Trustee shall select the Series 2020 Bonds among maturities as directed in writing by an Issuer Representative and within a maturity by lot. For purposes of such selection, all Series 2020 Bonds shall be deemed to be comprised of separate \$5,000 denominations and such separate denominations shall be treated as separate Series 2020 Bonds that may be separately redeemed.

Section 2.04. Form of Series 2020 Bonds. The Series 2020 Bonds, the form of Trustee's certificate of authentication, and the form of assignment to appear thereon, shall be substantially in the respective forms set forth in Exhibit A attached hereto and by this reference incorporated herein, with necessary or appropriate variations, omissions and insertions, as permitted or required by this Indenture.

Section 2.05. Authentication and Delivery of Series 2020 Bonds. The Series 2020 Bonds shall be executed on behalf of the Successor Agency by the signature of its Chairman, Executive Director or Treasurer and the signature of its Secretary who are in office on the date of execution and delivery of this Indenture or at any time thereafter. 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 Series 2020 Bond ceases to be such officer before the Closing Date, such signature shall nevertheless be as effective as if the officer had remained in office until the Closing Date. Any Series 2020 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 Series 2020 Bond shall be 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 Series 2020 Bond any such person shall not have been such officer of the Successor Agency.

Only such of the Series 2020 Bonds as shall bear thereon a certificate of authentication in the form set forth in Exhibit A, as applicable, manually executed and dated by the Trustee, shall be valid or obligatory for any purpose or entitled to the benefits of this Indenture, and such certificate of the Trustee shall be conclusive evidence that such Series 2020 Bonds have been duly authenticated and delivered hereunder and are entitled to the benefits of this Indenture.

Section 2.06. Transfer of Series 2020 Bonds. Any Series 2020 Bond may, in accordance with its terms, be transferred on the Registration Books by the person in whose name it is registered, in person or by his duly authorized attorney, upon surrender of such Series 2020 Bond for cancellation, accompanied by delivery of a written instrument of transfer, duly executed in a form approved by the Trustee. Transfer of any Series 2020 Bond shall not be permitted by the Trustee during the fifteen (15) day period preceding the selection of Series 2020 Bonds for redemption or if such Series 2020 Bond has been selected for redemption pursuant to Section 2.03(a). Whenever any Series 2020 Bonds shall be surrendered for transfer, the Successor Agency shall execute and the Trustee shall authenticate and shall deliver a new Series 2020 Bond for a like aggregate principal amount and of like series and maturity. The Trustee may require the Series 2020 Bond Owner requesting such transfer to pay any tax or other governmental charge required to be paid with respect to such transfer. The cost of printing Series 2020 Bonds and any services rendered or expenses incurred by the Trustee in connection with any transfer shall be paid by the Successor Agency.

Section 2.07. Exchange of Series 2020 Bonds. Any Series 2020 Bond may be exchanged at the Office of the Trustee for a like aggregate principal amount of Series 2020 Bonds of other authorized denominations and of like series and maturity. Exchange of any Series 2020 Bond shall not be permitted during the fifteen (15) day period preceding the selection of Series 2020 Bonds for redemption or if such Series 2020 Bond has been selected for redemption pursuant to Section 2.03(a). The Trustee may require the Series 2020 Bond Owner requesting such exchange to pay any tax or other governmental charge required to be paid with respect to such exchange. The cost of printing Series 2020 Bonds and any services rendered or expenses incurred by the Trustee in connection with any exchange shall be paid by the Successor Agency.

Section 2.08. Registration Books. The Trustee will keep or cause to be kept, at its Office, sufficient records for the registration and registration of transfer of the Series 2020 Bonds, which shall at all times during normal business hours, and upon reasonable prior written notice, be open

to inspection by the Successor Agency; and, upon presentation for such purpose, the Trustee shall, under such reasonable regulations as shall then be customary and standard, register or transfer or cause to be registered or transferred, on the Registration Books, Series 2020 Bonds as hereinbefore provided.

Section 2.09. Temporary Bonds. The Series 2020 Bonds may be initially issued in temporary form exchangeable for definitive Series 2020 Bonds when ready for delivery. The temporary Series 2020 Bonds may be printed, lithographed or typewritten, shall be of such denominations as may be determined by the Successor Agency, and may contain such reference to any of the provisions of this Indenture as may be appropriate. Every temporary Series 2020 Bond shall be executed by the Successor Agency upon the same conditions and in substantially the same manner as the definitive Series 2020 Bonds. If the Successor Agency issues temporary Series 2020 Bonds it will execute and furnish definitive Series 2020 Bonds without delay, and thereupon the temporary Series 2020 Bonds shall be surrendered, for cancellation, in exchange therefor at the Office of the Trustee, and the Trustee shall deliver in exchange for such temporary Series 2020 Bonds an equal aggregate principal amount of definitive Series 2020 Bonds of authorized denominations. Until so exchanged, the temporary Series 2020 Bonds shall be entitled to the same benefits pursuant to this Indenture as definitive Series 2020 Bonds authenticated and delivered hereunder.

Section 2.10. Series 2020 Bonds Mutilated, Lost, Destroyed or Stolen. If any Series 2020 Bond shall become mutilated, the Successor Agency, at the expense of the Owner of such Series 2020 Bond, shall execute, and the Trustee, upon receipt of indemnity satisfactory to it, shall thereupon authenticate and deliver, a new Series 2020 Bond of like series and tenor in exchange and substitution for the Series 2020 Bond so mutilated, but only upon surrender to the Trustee of the Series 2020 Bond so mutilated. Every mutilated Series 2020 Bond so surrendered to the Trustee shall be canceled by it and delivered to, or upon the order of, the Successor Agency. If any Series 2020 Bond shall be lost, destroyed or stolen, evidence of such loss, destruction or theft may be submitted to the Trustee and, if such evidence be satisfactory and indemnity satisfactory to the Trustee shall be given, the Successor Agency, at the expense of the Owner, shall execute, and the Trustee shall thereupon authenticate and deliver, a new Series 2020 Bond of like series and tenor in lieu of and in substitution for the Series 2020 Bond so lost, destroyed or stolen. The Trustee may require payment of a sum not exceeding the actual cost of preparing each new Series 2020 Bond issued under this Section and of the expenses which may be incurred by the Trustee in connection therewith. Any Series 2020 Bond issued under the provisions of this Section in lieu of any Series 2020 Bond alleged to be lost, destroyed or stolen shall constitute an original additional contractual obligation on the part of the Successor Agency whether or not the Series 2020 Bond so alleged to be lost, destroyed or stolen be at any time enforceable by anyone, and shall be equally and proportionately entitled to the benefits of this Indenture with all other Series 2020 Bonds issued pursuant to this Indenture.

Notwithstanding any other provision of this Section 2.10, in lieu of delivering a new Series 2020 Bond for which principal has become due for a Series 2020 Bond which has been mutilated, lost, destroyed or stolen, the Trustee shall, at the written direction of the Successor Agency, make payment of such Series 2020 Bond in accordance with its terms upon receipt of indemnity satisfactory to the Trustee.

Section 2.11. Book Entry Form.

(a) Original Delivery to DTC. The Series 2020 Bonds shall be initially delivered to DTC in the form of a separate single fully registered bond (which may be typewritten) for each maturity of the Series 2020 Bonds. Upon initial delivery, the ownership of each such Series 2020 Bond shall be registered on the Registration Books in the name of the Nominee. Except as provided in subsection (c), the ownership of all of the Outstanding Series 2020 Bonds shall be registered in the name of the Nominee on the Registration Books.

With respect to the Series 2020 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 Series 2020 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 Series 2020 Bonds, (ii) the delivery to any Depository System Participant or any other person, other than a Series 2020 Bond Owner as shown in the Registration Books, of any notice with respect to the Series 2020 Bonds, including any notice of redemption, (iii) the selection by the Depository of the beneficial interests in the Series 2020 Bonds to be redeemed in the event the Successor Agency elects to redeem the Series 2020 Bonds in part, (iv) the payment to any Depository System Participant or any other person, other than a Series 2020 Bond Owner as shown in the Registration Books, of any amount with respect to principal, premium, if any, or interest on the Series 2020 Bonds or (v) any consent given or other action taken by the Depository as Owner of the Series 2020 Bonds. The Successor Agency and the Trustee may treat and consider the person in whose name each Series 2020 Bond is registered as the absolute owner of such Series 2020 Bond for the purpose of payment of principal of and premium, if any, and interest on such Series 2020 Bond, for the purpose of giving notices of redemption and other matters with respect to such Series 2020 Bond, for the purpose of registering transfers of ownership of such Series 2020 Bond, and for all other purposes whatsoever. The Trustee shall pay the principal of and the interest and premium, if any, on the Series 2020 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 of and interest and premium, if any, on the Series 2020 Bonds to the extent of the sum or sums so paid. No person other than a Series 2020 Bond Owner shall receive a Series 2020 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, and subject to the provisions herein with respect to Record Dates, 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 Series 2020 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 Series 2020 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 Series 2020 Bonds other than the Series 2020 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 Series 2020 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 Series 2020 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 issuance of replacement Series 2020 Bonds by providing the Trustee with a list showing the interests of the Depository System Participants in the Series 2020 Bonds, and by surrendering the Series 2020 Bonds, registered in the name of the Nominee, to the Trustee on or before the date such replacement Series 2020 Bonds are to be issued. The Depository, by accepting delivery of the Series 2020 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 Series 2020 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 Series 2020 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 Series 2020 Bonds that they be able to obtain certificated Series 2020 Bonds, the Successor Agency may notify the Depository System Participants of the availability of such certificated Series 2020 Bonds through the Depository. In such event, the Trustee will issue, transfer and exchange Series 2020 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 Series 2020 Bonds to any Depository System Participant having Series 2020 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 Series 2020 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 Series 2020 Bond is registered in the name of the Nominee, all payments with respect to principal of and interest and premium, if any, on such Series 2020 Bond and all notices with respect to such Series 2020 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 2.12. CUSIP Numbers. Neither the Successor Agency nor the Trustee shall be liable for any defect or inaccuracy in the CUSIP number that appears on any Bond or in any redemption notice relating thereto. The Trustee may include in any redemption notice relating to any of the Series 2020 Bonds a statement to the effect that the CUSIP numbers on the Series 2020 Bonds have been assigned by an independent service and are included in such notice solely for the convenience of the Owners and that neither the Successor Agency nor the Trustee shall be liable

for any defects or inaccuracies in such numbers. [The Successor Agency will promptly notify the Trustee in writing of any change in the CUSIP numbers of which it becomes aware.]

ARTICLE III

DEPOSIT AND APPLICATION OF PROCEEDS OF SERIES 2020 BONDS ISSUANCE OF PARITY DEBT

Section 3.01. Issuance of Series 2020 Bonds. Upon the execution and delivery of this Indenture, the Successor Agency shall execute and deliver the Series 2020 Bonds in the aggregate principal amount of \$_____ to the Trustee, and the Trustee shall authenticate and deliver the Series 2020 Bonds to the Original Purchaser upon receipt of a Request of the Successor Agency therefor.

Section 3.02. Deposit and Application of Proceeds. On the Closing Date the Original Purchaser shall purchase the Series 2020 Bonds for a purchase price of \$_____ (being the initial aggregate principal amount of the Series 2020 Bonds (\$_____), [(i) plus/less the net original issue premium/discount in the amount of \$_____,] (ii) less a Purchaser's discount of \$_____. Additionally, premium on the Insurance Policy in the amount of \$_____, and the premium on the Reserve Policy in the amount of \$_____ shall be deducted from the purchase price and delivered directly to the Insurer by the Purchaser. The amount of \$_____ shall be deposited into the Bond Proceeds Fund, which the Trustee shall establish, and shall be further deposited or transferred as follows, \$_____ shall be deposited in the Costs of Issuance Fund. The remaining net proceeds of the Series 2020 Bonds in the amount of \$_____ shall be transferred to the Escrow Bank for deposit in the Escrow Fund. Upon making the deposits or transfers set forth above, the Trustee shall close the Bond Proceeds Fund.

Section 3.03. Costs of Issuance Fund. There is hereby established a separate fund to be known as the "Costs of Issuance Fund," which shall be held by the Trustee in trust. The moneys in the Costs of Issuance Fund shall be used and withdrawn by the Trustee from time to time to pay the Costs of Issuance upon submission of a Request of the Successor Agency stating the person to whom payment is to be made, the amount to be paid, the purpose for which the obligation was incurred and that such payment is a proper charge against said fund. On or before _____, 2021, or upon the earlier Request of the Successor Agency stating that all known Costs of Issuance have been paid, all amounts, if any, remaining in the Costs of Issuance Fund shall be withdrawn therefrom by the Trustee and transferred to the Interest Account of the Debt Service Fund to be used to pay interest on the Series 2020 Bonds on November 1, 2021 and the Trustee shall close the Costs of Issuance Fund.

Section 3.04. Issuance of Parity Debt. The Series 2020 Bonds are issued on a subordinate basis to the Senior Bonds. The Successor Agency has covenanted in Section 3.05 not to issue any additional obligations that are senior to the Series 2020 Bonds, except as described therein. In addition to the Series 2020 Bonds, the Successor Agency may, by a Supplemental Indenture, issue Parity Debt payable from Tax Revenues for the purpose of refunding all or a portion of the Series 2020 Bonds as and to the extent provided in this Indenture and secured by the pledge made under this Indenture equally and ratably with the Bonds previously issued. The Successor Agency may issue, and the Trustee may authenticate and deliver to the purchasers

thereof, Parity Debt, in such principal amount as shall be determined by the Successor Agency, but only upon compliance by the Successor Agency with the provisions of this Section 3.04 and any additional requirements set forth in said Supplemental Indenture and subject to the following specific conditions, which are hereby made conditions precedent to the issuance of any such Parity Debt:

(a) No Event of Default shall have occurred and then be continuing;

(b) The Supplemental Indenture authorizing the issuance of Parity Debt shall provide that (i) interest on such Parity Debt shall be calculated at a fixed interest rate if the Successor Agency determines in such Supplemental Indenture that it is to be paid on a current basis, shall be payable on May 1 and November 1 in each year of the term of such Parity Debt except the first twelve-month period during which interest may be payable on any May 1 or November 1, and (ii) the principal of such Parity Debt shall be payable on November 1 in any year, as determined by the Successor Agency, in which principal is payable;

(c) Money or a Qualified Reserve Account Credit Instrument shall be deposited in a subaccount in the Reserve Account for such Parity Debt (or a reserve fund letter of credit, bank insurance policy or other comparable credit facility provided) in an amount equal to the Reserve Requirement for such Parity Debt, if required; and

(d) The Successor Agency shall deliver to the Trustee a certificate of the Successor Agency certifying that the conditions precedent to the issuance of such Parity Debt set forth in the Indenture have been satisfied and that the deposit into the Reserve Account as set forth above has been made.

Section 3.05. Subordinate Debt; No Additional Senior Debt. Except for the Senior Bonds and bonds issued to refund the Senior Bonds which result in a decrease in annual debt service and total debt service, the Successor Agency shall not issue any bonds, notes or other evidence of indebtedness secured by a pledge of Tax Revenues senior to the pledge created under this Indenture. Nothing herein shall be intended or construed in any way to prohibit or impose any limitations on the issuance by the Successor Agency of Subordinate Debt, provided that, (i) following an Event of Default under this Indenture, no Subordinate Debt shall be paid prior to the Series 2020 Bonds or any other Parity Debt in any Fiscal Year of the Successor Agency, and (ii) the provisions of this Indenture relating to the Series 2020 Bonds, or any other Subordinate Debt, have been complied with.

Section 3.06. Validity of Bonds. The validity of the authorization and issuance of the Bonds shall not be dependent upon the completion of or performance by any person.

ARTICLE IV

SECURITY OF BONDS; FLOW OF FUNDS INVESTMENTS

Section 4.01. Pledge of Tax Revenues. Subject to the lien and prior pledge of the Senior Bonds, the Series 2020 Bonds and all other Parity Debt, shall be secured by a pledge of, security interest in and lien on all of the Tax Revenues and all of the moneys on deposit in the Redevelopment Obligation Retirement Fund. In addition, the Series 2020 Bonds and any other

Parity Debt, shall, subject to Section 8.03, be secured by a first and exclusive pledge of, security interest in and lien upon all of the moneys in the Debt Service Fund, the Interest Account, the Principal Account, the Sinking Account, the Redemption Account and the Reserve Account. Such pledge, security interest in and lien shall be for the equal security of the Outstanding Bonds without preference or priority for series, issue, number, dated date, sale date, date of execution or date of delivery. The Series 2020 Bonds shall also be equally secured by the pledge and lien created with respect to the Series 2020 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 (i) debt service on the other bonds of the Former Agency and the Successor Agency, and bonds secured by the amounts required, prior to the Dissolution Act, to be deposited in the former low and moderate income housing fund of the Former Agency and (ii) 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 Series 2020 Bonds and the bonds described in (i) above. For the avoidance of doubt, the Series 2020 Bonds are secured by the pledge and lien created with respect to the Series 2020 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. Except for the Tax Revenues and such moneys, no funds of the Successor Agency are pledged to, or otherwise liable for, the payment of principal of or interest or redemption premium (if any) on the Series 2020 Bonds.

In consideration of the acceptance of the Series 2020 Bonds by those who shall hold the same from time to time, this Indenture shall be deemed to be and shall constitute a contract between the Successor Agency and the Owners from time to time of the Series 2020 Bonds, and the covenants and agreements herein set forth to be performed on behalf of the Successor Agency shall be for the equal and proportionate benefit, security and protection of all Owners of the Series 2020 Bonds without preference, priority or distinction as to security or otherwise of any of the Series 2020 Bonds over any of the others by reason of the number or date thereof or the time of sale, execution and delivery thereof, or otherwise for any cause whatsoever, except as expressly provided therein or herein.

Section 4.02. Redevelopment Obligation Retirement Fund; Deposit of Tax Revenues.

The Successor Agency has established a special trust fund known as the “Redevelopment Obligation Retirement Fund,” which shall be held by the Successor Agency pursuant to Section 34170.5(b) of the California Health and Safety Code. There is hereby established a special trust fund known as the “Debt Service Fund” and the accounts therein referred to below which shall be held by the Trustee in accordance with this Indenture. The Successor Agency shall deposit all of the funds received in any Bond Year from the RPTTF in accordance with the Dissolution Act for the purpose of paying debt service on any outstanding Senior Bonds, the Series 2020 Bonds and any Parity Debt in the Redevelopment Obligation Retirement Fund immediately upon receipt thereof by the Successor Agency, and within five (5) days of receipt shall transfer amounts therein to the Trustee in the following priority: (1) for deposit in the debt service fund established under the Senior Bonds Indentures and for any payment of amounts required thereunder for debt service

in such Bond Year, (2) for deposit in the Debt Service Fund established and held under this Indenture until such time that the aggregate amounts on deposit in such Debt Service Fund equal the aggregate amounts required to be deposited into the Interest Account, the Principal Account, the Sinking Account and the Reserve Account in such Bond Year pursuant to Section 4.03 of this Indenture, and (3) for deposit in such Bond Year in the funds and accounts established with respect to Parity Debt, as provided in any Supplemental Indenture. The Successor Agency may take into account any funds on deposit with the Trustee for the payment of the Bonds in the Recognized Obligation Payment Schedule period covered by the deposit. The Successor Agency agrees that to the extent there exists an Event of Default under the Indenture or the City declares a fiscal emergency, it shall take all steps necessary to cause an amount on deposit in the RPTTF equal to the amount requested on the Recognized Obligation Payment Schedule for debt service on the Senior Bonds and the Bonds for such period to be deposited directly from the County to the Trustee, to the extent that the County agrees to comply with such procedure.

In the event that the amount of Tax Revenues (available after payment of debt service on the Senior Bonds) is not sufficient to pay the Series 2020 Bonds and any Parity Debt outstanding, any such insufficiency shall be allocated among the Series 2020 Bonds and any Parity Debt on a pro rata basis (based on the amount of debt service coming due during any such period of insufficiency).

Section 4.03. Debt Service Fund; Transfer of Amounts to Trustee. Moneys in the Debt Service Fund shall be transferred to the Interest Account, the Principal Account, the Sinking Account, and the Reserve Account, which are hereby established upon the delivery of this Indenture, in the following amounts at the following times, in the following respective special accounts within the Debt Service Fund. Such accounts are hereby established with the Trustee to pay debt service on the Series 2020 Bonds and any Parity Debt not otherwise provided for in a Parity Debt Instrument, together with the Redemption Account, which shall be established at such times as directed by the Successor Agency, in the following order of priority:

(a) Interest Account. On or before the fifth (5th) Business Day preceding each date on which interest on the Series 2020 Bonds and any such Parity Debt becomes due and payable, the Trustee shall withdraw from the Debt Service Fund and transfer to the Interest Account an amount which, when added to the amount then on deposit in the Interest Account, will be equal to the aggregate amount of the interest becoming due and payable on the Outstanding Series 2020 Bonds and any such Parity Debt on such date. No such transfer and deposit need be made to the Interest Account if the amount contained therein is at least equal to the interest to become due on the Interest Payment Date upon all of the Outstanding Series 2020 Bonds and any such Parity Debt. All moneys in the Interest Account shall be used and withdrawn by the Trustee solely for the purpose of paying the interest on the Bonds as it shall become due and payable (including accrued interest on any Series 2020 Bonds and any such Parity Debt purchased or redeemed prior to maturity pursuant to this Indenture).

(b) Principal Account. On or before the fifth (5th) Business Day preceding each date on which principal of the Series 2020 Bonds and any such Parity Debt becomes due and payable at maturity, the Trustee shall withdraw from the Debt Service Fund and transfer to the Principal Account an amount which, when added to the amount then on

deposit in the Principal Account, will be equal to the amount of principal coming due and payable on such date on the Outstanding Series 2020 Bonds and any such Parity Debt. All moneys in the Principal Account shall be used and withdrawn by the Trustee solely for the purpose of paying the principal of the Series 2020 Bonds and any such Parity Debt upon the maturity thereof.

(c) Sinking Account. On or before the fifth (5th) Business Day preceding each date on which any Outstanding Term Bonds become subject to mandatory Sinking Account redemption, the Trustee shall withdraw from the Debt Service Fund and transfer for deposit in the Sinking Account an amount which, when added to the amount then contained in the Sinking Account, will be equal to the aggregate principal amount of the Term Bonds subject to mandatory Sinking Account redemption on such date. All moneys on deposit in the Sinking Account shall be used and withdrawn by the Trustee for the sole purpose of paying the principal of the Term Bonds as it shall become due and payable upon the mandatory Sinking Account redemption thereof.

(d) Reserve Account. In the event that the amount on deposit in the Reserve Account at any time becomes less than the Reserve Requirement, the Trustee shall promptly notify the Successor Agency of such fact. Promptly upon receipt of any such notice, the Successor Agency shall transfer to the Trustee an amount sufficient to maintain the Reserve Requirement of the Reserve Account. If there shall then not be sufficient Tax Revenues on deposit in the Redevelopment Obligation Retirement Fund to transfer an amount sufficient to maintain the Reserve Requirement of the Reserve Account, the Successor Agency shall be obligated to continue making transfers as Tax Revenues become available in the Redevelopment Obligation Retirement Fund until there is an amount sufficient to maintain the Reserve Requirement of the Reserve Account. No such transfer and deposit need be made to the Reserve Account so long as there shall be on deposit therein a sum at least equal to the Reserve Requirement. All money in the Reserve Account shall be used and withdrawn by the Trustee solely for the purpose of making transfers to the Interest Account, the Principal Account and the Sinking Account of the respective series of Series 2020 Bonds in such order of priority, in the event of any deficiency at any time in any of such accounts or for the retirement of all the respective series of Series 2020 Bonds then Outstanding, except that so long as the Successor Agency is not in default hereunder, any amount in the Reserve Account in excess of the Reserve Requirement shall be withdrawn from the Reserve Account semiannually on or before four (4) Business Days preceding each May 1 and November 1 by the Trustee and deposited in the Interest Account. All amounts in the Reserve Account on the Business Day preceding the final Interest Payment Date shall be withdrawn from the Reserve Account and shall be transferred either (i) to the Interest Account and the Principal Account, in such order, to the extent required to make the deposits then required to be made pursuant to this Section 4.03 or, (ii) if the Successor Agency shall have caused to be transferred to the Trustee an amount sufficient to make the deposits required by this Section 4.03, then, at the Request of the Successor Agency, such amount shall be transferred as directed in writing by the Successor Agency.

The Reserve Account may be maintained in the form of one or more separate sub-accounts which are established for the purpose of securing separate series of Bonds or

Parity Debt (to the extent secured by the Reserve Account) or for holding the proceeds of separate issues of the Bonds and any Parity Debt (to the extent secured by the Reserve Account) in conformity with applicable provisions of the Code to the extent directed by the Successor Agency in writing to the Trustee. Additionally, the Successor Agency may, in its discretion, combine amounts on deposit in the Reserve Account and on deposit in any reserve account relating to any (but not necessarily all) Parity Debt in order to maintain a combined reserve account for the Bonds and any (but not necessarily all) Parity Debt.

The Reserve Requirement with respect to the Series 2020 Bonds shall be satisfied by the delivery of the Reserve Policy to the Trustee. The Trustee shall credit the Reserve Policy to the Series 2020 Subaccount of the Reserve Account, which subaccount is hereby created. Under the terms and conditions of the Reserve Policy, the Trustee shall deliver to the Insurer a demand for payment under the Reserve Policy in the required form at least five Business Days before the date on which funds are required for the purposes set forth in Section 4.03(d). The Trustee shall comply with all of the terms and provisions of the Reserve Policy for the purpose of assuring that funds are available thereunder when required for the purposes of the Reserve Account, within the limits of the coverage amount provided by the Reserve Policy. All amounts drawn by the Trustee under the Reserve Policy will be deposited into the Series 2020 Subaccount of the Reserve Account and applied for the purposes thereof. The Successor Agency shall reimburse the Insurer for all draws under Reserve Policy in accordance with the terms of the Reserve Policy and Section 4.06(b) hereof.

(e) Redemption Account. On or before the Business Day preceding any date on which Bonds are subject to redemption, other than mandatory Sinking Account redemption of the Term Bonds, the Trustee shall withdraw from the Debt Service Fund for deposit in the Redemption Account, which will be established by the Trustee when needed, an amount required to pay the principal of and premium, if any, on the Series 2020 Bonds or other Parity Debt to be so redeemed on such date. The Trustee shall also deposit in the Redemption Account any other amounts received by it from the Successor Agency designated by the Successor Agency in writing to be deposited in the Redemption Account. All moneys in the Redemption Account shall be used and withdrawn by the Trustee solely for the purpose of paying the principal of and premium, if any, on the Series 2020 Bonds or other Parity Debt upon the redemption thereof, on the date set for such redemption, other than mandatory Sinking Account redemption of Term Bonds.

(f) Equal Rights. It is the intention of the Successor Agency that the Series 2020 Bonds and Parity Debt shall be secured by and payable from all moneys deposited in the Redevelopment Obligation Retirement Fund on an equal basis. To the extent that moneys deposited in the Redevelopment Obligation Retirement Fund are insufficient to pay debt service on the Series 2020 Bonds and Parity Debt as it becomes due, the Series 2020 Bonds and Parity Debt shall be payable on a pro-rata basis from all available moneys deposited in the Redevelopment Obligation Retirement Fund. Additionally, any moneys which remain in the Debt Service Fund after payment of principal of and interest on the Bonds shall be used to pay the Insurer for any other unpaid advances under the Insurance Policy or the Reserve Policy as directed in writing by the Successor Agency.

Section 4.04. Investment of Moneys in Funds. Moneys in the Debt Service Fund, the Interest Account, the Principal Account, the Sinking Account, the Reserve Account and the Redemption Account shall be invested by the Trustee in Permitted Investments 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, and which shall specify which Permitted Investment is to be invested in) delivered to the Trustee at least two (2) Business Days in advance of the making of such investments; provided, however, that 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 (f) of the definition thereof provided further, 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 shall have received a written direction from the Successor Agency specifying a specific money market fund and, if no such written direction is so received, the Trustee shall hold such moneys uninvested. Moneys in the Redevelopment Obligation Retirement Fund shall be invested by the Successor Agency in any obligations in which the Successor Agency is legally authorized to invest funds within its control.

Obligations purchased as an investment of moneys in any fund or account shall be deemed to be part of such fund or account. Whenever in this Indenture any moneys are required to be transferred by the Successor Agency to the Trustee, such transfer may be accomplished by transferring a like amount of Permitted Investments. All interest or gain derived from the investment of amounts in any of the funds or accounts held by the Trustee hereunder shall be deposited in the Interest Account; provided, however, that all interest or gain from the investment of amounts in the Reserve Account shall be deposited by the Trustee in the Interest Account to the extent not required to cause the balance in the Reserve Account to equal the Reserve Requirement. No Permitted Investment of moneys in the Reserve Account shall have a maturity in excess of five (5) years following the date of its acquisition, except that such restriction shall not apply to any investment agreement approved by the Insurer. For purposes of acquiring any investments hereunder, the Trustee may commingle funds held by it hereunder upon receipt by the Trustee of the Request of the Successor Agency. The Trustee may act as principal or agent in the acquisition or disposition of any investment, may utilize the investment departments of its affiliates to complete each transaction and may impose its customary charges therefor. The Trustee shall incur no liability for any losses, fees, taxes or other charges arising from any investments, reinvestments or liquidations of investments made pursuant to this Section. The Successor Agency acknowledges that to the extent that regulations of the Comptroller of the Currency or other applicable regulatory agency grant the Successor Agency the right to receive brokerage confirmations of security transactions as they occur, the Successor Agency specifically waives receipt of such confirmations to the extent permitted by law. The Successor Agency further understands that trade confirmations for securities transactions effected by the Trustee will be available upon written request and at no additional cost and other trade confirmations may be obtained from the applicable broker. The Trustee shall furnish to the Successor Agency monthly statements which shall include detail of all investment transactions made by the Trustee. Upon the Successor Agency's election, such statements will be delivered via the Trustee's online service and upon electing such service, paper statements will be provided only upon request. The Successor Agency waives the right to receive brokerage confirmations of security transactions effected by the Trustee as they occur, to the extent permitted by law.

Section 4.05. Valuation and Disposition of Investments.

(a) Except as otherwise provided in subsection (b) of this Section, the Successor Agency covenants that all investments of amounts deposited in any fund or account created by or pursuant to this Indenture, or otherwise containing gross proceeds of the Bonds (within the meaning of Section 148 of the Tax Code) shall be acquired, disposed of and valued (as of the date that valuation is required by this Indenture or the Tax Code) at Fair Market Value. The Trustee shall have no duty in connection with the determination of Fair Market Value other than to follow the investment directions of the Successor Agency in any Certificate or Request of the Successor Agency.

(b) Investments in funds or accounts (or portions thereof) that are subject to a yield restriction under applicable provisions of the Tax Code and investments in the Reserve Account shall be valued at cost thereof, (consisting of present value thereof, as determined by the Successor Agency, within the meaning of Section 148 of the Tax Code); provided that the Successor Agency shall inform the Trustee in writing which funds are subject to a yield restriction.

(c) Except as provided in the preceding subsection (b), with respect to a yield restriction, for the purpose of determining the amount in any fund, the value of Permitted Investments credited to such fund shall be valued by the Trustee at least annually at the market value thereof. For purposes of valuation, the Trustee shall be entitled to utilize any pricing services as shall be reputable and reliable. The Trustee may sell in any commercially reasonable manner, or present for redemption, any Permitted Investment so purchased by the Trustee whenever it shall be necessary in order to provide moneys to meet any required payment, transfer, withdrawal or disbursement from the fund to which such Permitted Investment is credited, and the Trustee shall not be liable or responsible for any loss resulting from sale or redemption of any such Permitted Investment.

Section 4.06. Municipal Bond Insurance; Reserve Policy [To Come]

ARTICLE V

OTHER COVENANTS OF THE SUCCESSOR AGENCY

Section 5.01. 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 Bonds and Parity Debt in strict conformity with the terms of the Series 2020 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 5.02. Continuing Disclosure. The Successor Agency hereby covenants and agrees that it will comply with and carry out all of the provisions of the Continuing Disclosure Certificate executed and delivered by the Successor Agency. Notwithstanding any other provision hereof, failure of the Successor Agency to comply with such Continuing Disclosure Certificate shall not constitute an Event of Default hereunder; provided, however, that any Participating

Underwriter (as such term is defined in such Continuing Disclosure Certificate) or any Owner or beneficial owner of the Series 2020 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 5.02.

Section 5.03. Limitation on Additional Indebtedness. The Successor Agency hereby covenants that so long as any of the Series 2020 Bonds remain Outstanding, the Successor Agency shall not issue any bonds, notes or other obligations which are otherwise secured on a basis which is senior to the pledge and lien which secures the Series 2020 Bonds, except refunding bonds of the Senior Bonds as permitted in Section 3.05 hereof. The Successor Agency hereby covenants that it shall not issue any bonds, notes or other obligations, enter into any agreement or otherwise incur any indebtedness, which is in any case payable from all or any part of the Tax Revenues, excepting only the Series 2020 Bonds and Parity Debt, and any Subordinate Debt.

Section 5.04. Extension of Payment of Series 2020 Bonds. The Successor Agency shall not directly or indirectly extend or assent to the extension of the maturity of any of the Series 2020 Bonds or the time of payment of any claims for interest by the purchase of such Series 2020 Bonds or by any other arrangement, and in case the maturity of any of the Series 2020 Bonds or the time of payment of any such claims for interest shall be extended, such Series 2020 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 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 Bonds, and such issuance shall not be deemed to constitute an extension of maturity of the Series 2020 Bonds.

Section 5.05. 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 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 5.06. 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 Westminster, 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 Bonds then Outstanding, or their representatives authorized in writing and the Insurer (or the Insurer's agents or representatives who have been duly 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 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. [The Successor Agency will permit the Insurer to discuss the affairs, finances and accounts of the Successor Agency or any information the Insurer may reasonably request regarding the security for the Series 2020 Bonds with appropriate officials of the Successor Agency].

Section 5.07. Protection of Security and Rights of Owners. The Successor Agency will preserve and protect the security of the Series 2020 Bonds and the rights of the Owners. From and after the date of issuance of any Series 2020 Bonds, such Series 2020 Bonds shall be incontestable by the Successor Agency. The Successor Agency covenants and agrees to take such action (including, as applicable, filing of UCC financing statements, amendments and continuations thereof) as is necessary from time to time to preserve the priority of the Tax Revenues under applicable law.

Section 5.08. 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 Redevelopment Project, 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 5.09. 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 Redevelopment Project 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) so that such disposition shall, when taken together with other such dispositions, aggregate more than ten percent (10%) of the land area in the Redevelopment Project 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 5.10. 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 Bonds, amounts owing to the Insurer hereunder, and any Parity Debt when due.

Section 5.11. 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 Senior Bonds coming due and payable on the next succeeding February 1 and August 1 with respect to the 2018 Bonds and May 1 and November 1 with respect to the 2016 Bonds;

(2) 100% of the amount of principal of and interest on the Series 2020 Bonds and all Outstanding Parity Debt coming due and payable on the next succeeding May 1 and November 1;

(3) any amount then required to replenish the full amount of the Reserve Requirement in the Reserve Account and to replenish the amount in any reserve account established for outstanding Senior Bonds, the Series 2020 Bonds or Parity Debt;

(4) any amount then required to make payments due to the Insurer in respect of the Insurance Policy or the Reserve Policy; and

(5) any amount required for debt service coming due in such period on any Subordinate Debt.

(b) Each Recognized Obligation Payment Schedule for the semi-annual period ending each December 31 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 remaining interest due on the Series 2020 Bonds and all Outstanding Parity Debt coming due and payable on the next succeeding November 1, if applicable;

(2) the remaining principal due on the Series 2020 Bonds and all Outstanding Parity Debt coming due and payable on the next succeeding November 1 and not reserved in the period ending June 30 if applicable;

- (3) reserves and amounts due to any Insurer as described under (a)(4); and
- (4) the remaining amounts due in such period on any Subordinate Debt.

(c) 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.

In the event that the Successor Agency defeases any Senior Bonds with funds on hand, or refinances any Senior Bonds, then the amount of any annual debt service savings as a result of such defeasance or refunding will be required to be requested in the Recognized Obligation Payment Schedule period beginning January 1 of each year to first be used to pay the May 1 debt service on the Series 2020 Bonds and any Parity Debt, pro rata, not already funded in accordance with paragraph (a) above, and then as a reserve for the timely payment of principal and interest due on the Series 2020 Bonds and any Parity Debt, pro rata, on November 1 of such year, and the amounts requested in paragraph (b) above shall be reduced by the same amount.

Section 5.12. 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 Series 2020 Bonds, to pay debt service on any Parity Debt, to deposit into the Reserve Account an amount required in order to maintain in the Reserve Account the amount of the Reserve Requirement and to pay amounts due and owing to the Insurer pursuant to the Insurance Policy, the Reserve Policy and Article IV hereof.

Section 5.13. 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 and the Insurer the rights and benefits provided in this Indenture.

Section 5.14. [Information to be Provided to the Insurer]. [The Successor Agency shall provide or cause to be provided to the Insurer such information as the Insurer shall from time to time reasonably request.]

ARTICLE VI

THE TRUSTEE

Section 6.01. Duties, Immunities and Liabilities of Trustee.

(a) The Trustee shall, prior to the occurrence of an Event of Default, and after the curing or waiver of all Events of Default which may have occurred, perform such duties and only such duties as are specifically set forth in this Indenture and no implied covenants or duties shall be read into this Indenture against the Trustee. The Trustee shall, during the existence of any Event of Default (which has not been cured or waived), exercise such of the rights and powers vested in it by this Indenture, and use the same degree of care and skill in their exercise, as a prudent person would exercise or use in the conduct of such person's own affairs.

(b) The Successor Agency may, with the prior written consent of the Insurer, remove the Trustee at any time, unless an Event of Default shall have occurred and then be continuing, and shall remove the Trustee (i) if at any time requested to do so by the Insurer or, with the prior written consent of the Insurer, an instrument or concurrent instruments in writing signed by the Owners of not less than a majority of the principal amount of the Series 2020 Bonds then Outstanding (or their attorneys duly authorized in writing) or (ii) if at any time the Trustee shall cease to be eligible in accordance with subsection (e) of this Section, or shall become incapable of acting, or shall be adjudged a bankrupt or insolvent, or a receiver of the Trustee or its property shall be appointed, or any public officer shall take control or charge of the Trustee or of its property or affairs for the purpose of rehabilitation, conservation or liquidation. In each case such removal shall be accomplished by the giving of 30 days' written notice of such removal by the Successor Agency to the Trustee, whereupon the Successor Agency shall appoint a successor Trustee by an instrument in writing.

(c) The Trustee may at any time resign by giving written notice of such resignation to the Successor Agency, and by giving the Owners notice of such resignation by first class mail, postage prepaid, at their respective addresses shown on the Registration Books. Upon receiving such notice of resignation, the Successor Agency shall promptly appoint a successor Trustee by an instrument in writing.

(d) Any removal or resignation of the Trustee and appointment of a successor Trustee shall become effective upon acceptance of appointment by the successor Trustee. If no successor Trustee shall have been appointed and have accepted appointment within forty-five (45) days following giving notice of removal or notice of resignation as aforesaid, the resigning Trustee or any Owner (on behalf of such Owner and all other Owners) may, at the sole cost and expense of the Successor Agency, petition any court of competent jurisdiction for the appointment of a successor Trustee, and such court may thereupon, after such notice (if any) as it may deem proper, appoint such successor Trustee. Any successor Trustee appointed under this Indenture shall signify its acceptance of such appointment by executing and delivering to the Successor Agency and to its predecessor Trustee a written acceptance thereof, and to the predecessor Trustee an instrument indemnifying the predecessor Trustee for any costs or claims arising during the time the successor Trustee serves as Trustee hereunder, and such successor Trustee, without any further act, deed or conveyance, shall become vested with all the moneys, estates, properties, rights,

powers, trusts, duties and obligations of such predecessor Trustee, with like effect as if originally named Trustee herein; but, nevertheless, upon the receipt by the predecessor Trustee of the Request of the Successor Agency or the request of the successor Trustee, such predecessor Trustee shall execute and deliver any and all instruments of conveyance or further assurance and do such other things as may reasonably be required for more fully and certainly vesting in and confirming to such successor Trustee all the right, title and interest of such predecessor Trustee in and to any property held by it under this Indenture and shall pay over, transfer, assign and deliver to the successor Trustee any money or other property subject to the trusts and conditions herein set forth. Upon request of the successor Trustee, the Successor Agency shall execute and deliver any and all instruments as may be reasonably required for more fully and certainly vesting in and confirming to such successor Trustee all such moneys, estates, properties, rights, powers, trusts, duties and obligations. Upon acceptance of appointment by a successor Trustee as provided in this subsection, the Successor Agency shall mail or cause the successor Trustee to mail, by first class mail postage prepaid, a notice of the succession of such Trustee to the trusts hereunder to S&P and Moody's, the Owners and the Insurer at the addresses shown on the Registration Books. If the Successor Agency fails to mail such notice within fifteen (15) days after acceptance of appointment by the successor Trustee, the successor Trustee shall cause such notice to be mailed at the expense of the Successor Agency.

(e) Any Trustee appointed under the provisions of this Section in succession to the Trustee shall (i) be a company or bank having trust powers, (ii), shall have an office in the State of California or such other state as shall be acceptable to the Successor Agency, (iii) have (or be part of a bank holding company system whose bank holding company has) a combined capital and surplus of at least fifty million dollars (\$50,000,000), and (iv) be subject to supervision or examination by federal or state authority. If such bank or company publishes a report of condition at least annually, pursuant to law or to the requirements of any supervising or examining authority above referred to, then for the purpose of this subsection the combined capital and surplus of such bank or company shall be deemed to be its combined capital and surplus as set forth in its most recent report of condition so published. In case at any time the Trustee shall cease to be eligible in accordance with the provisions of this subsection (e), the Trustee shall promptly resign in the manner and with the effect specified in subsection (c) of this Section.

Section 6.02. Merger or Consolidation. Any bank or company into which the Trustee may be merged or converted or with which either of them may be consolidated or any bank or company resulting from any merger, conversion or consolidation to which it shall be a party or any bank or company to which the Trustee may sell or transfer all or substantially all of its corporate trust business, provided such bank or company shall be eligible under subsection (e) of Section 6.01, shall be the successor to such Trustee without the execution or filing of any paper or any further act, anything herein to the contrary notwithstanding.

Section 6.03. Liability of Trustee.

(a) The recitals of facts herein and in the Series 2020 Bonds contained shall be taken as statements of the Successor Agency, and the Trustee shall not assume responsibility and shall incur no liability for the correctness of the same, nor make any representations as to the validity or sufficiency of any offering memorandum, this Indenture or of the Series 2020 Bonds nor shall the Trustee incur any responsibility or liability in respect thereof, other than as expressly stated

herein. The Trustee shall, however, be responsible for its representations contained in its certificate of authentication on the Series 2020 Bonds. The Trustee shall not be liable in connection with the performance of its duties hereunder, except for its own gross negligence or willful misconduct. The Trustee shall not be liable for the acts of any agents of the Trustee selected by it with due care. The Trustee may become the Owner of any Series 2020 Bonds with the same rights it would have if they were not Trustee and, to the extent permitted by law, may act as depository for and permit any of its officers or directors to act as a member of, or in any other capacity with respect to, any committee formed to protect the rights of the Owners, whether or not such committee shall represent the Owners of a majority of the principal amount of the Series 2020 Bonds then Outstanding. The Trustee, either as principal or agent, may engage in or be entrusted in any financial or other transaction with the Successor Agency.

(b) The Trustee shall not be liable for any error of judgment made in good faith by a Responsible Officer of the Trustee.

(c) The Trustee shall not be liable with respect to any action taken or omitted to be taken by it in accordance with the direction of the Successor Agency, accompanied by an opinion of Bond Counsel, or in accordance with direction of the Owners of not less than a majority of the principal amount of the Series 2020 Bonds then Outstanding relating to the time, method and place of conducting any proceeding for any remedy available to the Trustee, or exercising any trust or power conferred upon the Trustee under this Indenture.

(d) The Trustee shall not be liable for any action taken by it in good faith and believed by it to be authorized or within the rights or powers conferred upon it by this Indenture, except for actions arising from the gross negligence or willful misconduct of the Trustee. The permissive right of the Trustee to do things enumerated hereunder shall not be construed as a mandatory duty.

(e) The Trustee shall not be deemed to have knowledge of any Event of Default hereunder unless and until a Responsible Officer of the Trustee shall have actual knowledge thereof, or a Responsible Officer of the Trustee shall have received written notice thereof at the Office of the Trustee. Except as otherwise expressly provided herein, the Trustee shall not be bound to ascertain or inquire as to the performance or observance of any of the terms, conditions, covenants or agreements herein or of any of the documents executed in connection with the Series 2020 Bonds, or as to the existence of an Event of Default hereunder or thereunder. The Trustee shall not be responsible for the Successor Agency's payment of principal and interest on the Series 2020 Bonds, the observance or performance by the Successor Agency of any other covenants, conditions or terms contained herein, or the validity or effectiveness of any collateral given to or held by it. Without limiting the generality of the foregoing, the Trustee shall not be responsible for reviewing the contents of any financial statements furnished to the Trustee pursuant to Section 5.06 and may rely conclusively on the Request of the Successor Agency accompanying such financial statements to establish the Successor Agency's compliance with its financial covenants hereunder, including, without limitation, its covenants regarding the deposit of Tax Revenues into the Redevelopment Obligation Retirement Fund and the investment and application of moneys on deposit in the Redevelopment Obligation Retirement Fund (other than its covenants to transfer such moneys to the Trustee when due hereunder).

(f) No provision in this Indenture shall require the Trustee to risk, expend, or advance its own funds or otherwise incur any financial liability hereunder. However, if the Trustee elects to advance funds, it shall be entitled to receive interest on any moneys advanced by it hereunder, at the maximum rate permitted by law.

(g) The Trustee may establish, as directed in writing by the Successor Agency, additional accounts or subaccounts of the funds established hereunder as shall be necessary in furtherance of its duties under this Indenture.

(h) The Trustee shall have no responsibility or liability with respect to any information, statements or recital in any offering memorandum or other disclosure material prepared or distributed with respect to the issuance of these Series 2020 Bonds.

(i) Before taking any action under Article VIII or this Article at the request of the Owners or Insurer, the Trustee may require that indemnity satisfactory to it be furnished by the Owners or Insurer for the reimbursement of all expenses to which it may put and to protect it against all liability, except liability which is adjudicated to have resulted from its gross negligence or willful misconduct in connection with any action so taken.

(j) The Trustee shall not be considered in breach of or in default in its obligations hereunder or progress in respect thereto in the event of delay in the performance of such obligations due to unforeseeable causes beyond its control and without its fault or negligence, including, but not limited to, acts of God or of the public enemy or terrorists, acts of a government, acts of the other party, fires, floods, epidemics, pandemics, recognized public emergencies, quarantine restrictions, strikes, freight embargoes, earthquakes, explosion, mob violence, riot, inability to procure or general sabotage or rationing of labor, equipment, facilities, sources of energy, material or supplies in the open market, litigation or arbitration involving a party or others relating to zoning or other governmental action or inaction pertaining to the project, malicious mischief, condemnation, and unusually severe weather or delays of suppliers or subcontractors due to such causes or any similar event and/or occurrences beyond the control of the Trustee.

(k) The Trustee agrees to accept and act upon facsimile transmission or other electronic transmission of written instructions and/or directions pursuant to this Indenture provided, however, that: (i) subsequent to such facsimile transmission or other electronic transmission of written instructions and/or directions shall be signed by a person as may be designated and authorized to sign for the party signing such instructions and/or directions, and (ii) the Trustee shall have received a current incumbency certificate containing the specimen signature of such designated person.

(l) In no event shall the Trustee be responsible or liable for special, indirect, punitive or consequential loss or damage of any kind whatsoever (including, but not limited to, loss of profit) irrespective of whether the Trustee has been advised of the likelihood of such loss or damage and regardless of the form of action.

Section 6.04. Right to Rely on Documents. The Trustee shall be protected in acting upon any notice, resolution, requisition, request, consent, order, certificate, report, opinion or other paper or document believed by it to be genuine and to have been signed or presented by the proper

party or parties. The Trustee may consult with counsel of its selection, including, without limitation, Bond Counsel or other counsel of or to the Successor Agency, with regard to legal questions, and the opinion of such counsel shall be full and complete authorization and protection in respect of any action taken or suffered by the Trustee hereunder in accordance therewith.

The Trustee shall not be bound to recognize any person as the Owner of a Bond unless and until such Bond is submitted for inspection, if required, and his title thereto is established to the satisfaction of the Trustee.

Whenever in the administration of the trusts imposed upon it by this Indenture it shall be necessary or desirable that a matter be proved or established prior to taking or suffering any action hereunder, such matter (unless other evidence in respect thereof be herein specifically prescribed) may be deemed to be conclusively proved and established by a Request of the Successor Agency, which shall be full warrant to the Trustee for any action taken or suffered in good faith under the provisions of this Indenture in reliance upon such Request of the Successor Agency, but the Trustee may (but shall have no duty to), in lieu thereof, accept other evidence of such matter or may require such additional evidence as may be reasonable. The Trustee shall be entitled to conclusively rely on any certificate or Report of any Independent Accountant or Independent Fiscal Consultant appointed by the Successor Agency.

Section 6.05. Preservation and Inspection of Documents. All documents received by the Trustee under the provisions of this Indenture shall be retained in its possession and shall be subject during normal business hours, and upon reasonable prior written notice, to the inspection of the Successor Agency and any Owner, and their agents and representatives duly authorized in writing.

Section 6.06. Compensation and Indemnification. The Successor Agency shall pay to the Trustee from time to time compensation, as previously agreed upon in writing, for all services rendered under this Indenture and also all expenses, charges, legal and consulting fees, expenses and other disbursements and those of its attorneys (including any allocated costs of internal counsel), agents and employees, incurred in and about the performance of its powers and duties under this Indenture.

The Successor Agency further covenants and agrees to indemnify and save the Trustee and its officers, directors, agents affiliates and employees, harmless from and against any loss, expense, including legal fees and expenses, and liabilities which it may incur arising out of or in the exercise and performance of its powers and duties hereunder, including the costs and expenses of defending against any claim of liability and of enforcing any remedies hereunder and under any related documents, but excluding any and all losses, expenses and liabilities which are due to the gross negligence or willful misconduct of the Trustee, its officers, directors, agents affiliates or employees. The obligations of the Successor Agency and the indemnities of the Trustee under this Section 6.06 shall survive resignation or removal of the Trustee under this Indenture and payment of the Bonds and discharge of this Indenture.

Section 6.07. Accounting Records and Financial Statements. The Trustee shall at all times keep, or cause to be kept, proper books of record and account, prepared in accordance with corporate trust industry standards, in which complete and accurate entries shall be made of all

transactions made by it relating to the proceeds of the Bonds and all funds and accounts established and held by the Trustee pursuant to this Indenture. Such books of record and accounts shall be available for inspection by the Successor Agency at reasonable hours, during regular business hours, with reasonable prior written notice and under reasonable circumstances.

Section 6.08. Appointment of Co-Trustee or Agent. It is the purpose of this Indenture that there shall be no violation of any law of any jurisdiction (including particularly the law of the State) denying or restricting the right of banking associations to transact business as Trustee in such jurisdiction. It is recognized that in the case of litigation under this Indenture, and in particular in case of the enforcement of the rights of the Trustee on default, or in the case the Trustee by reason of any present or future law of any jurisdiction is unable to exercise any of the powers, rights or remedies herein granted or to hold title to the properties, in trust, as herein granted, or take any other action which may be desirable or necessary in connection therewith, it may be necessary that the Trustee appoint an additional individual or institution as a separate co-Trustee. The following provisions of this Section 6.08 are adopted to these ends.

In the event that the Trustee appoints an additional individual or institution as a separate or co-Trustee, each and every remedy, power, right, claim, demand, cause of action, immunity, estate, title, interest and lien expressed or intended by this Indenture to be exercised by or vested in or conveyed to the Trustee with respect thereto shall be exercisable by and vest in such separate or co-Trustee but only to the extent necessary to enable such separate or co-Trustee to exercise such powers, rights and remedies, and every covenant and obligation necessary to the exercise thereof by such separate or co-Trustee shall run to and be enforceable by either of them, provided that in the event of any conflict, the Co-Trustee shall defer to the Trustee.

Should any instrument in writing from the Successor Agency be required by the separate Trustee or co-Trustee so appointed by the Trustee for more fully and certainly vesting in and confirming to it such properties, rights, powers, trusts, duties and obligations, any and all such instruments in writing shall, on request, be executed, acknowledged and delivered by the Successor Agency. In case any separate Trustee or co-Trustee, or a successor to either, shall become incapable of acting, resign or be removed, all the estates, properties, rights, powers, trusts, duties and obligations of such separate Trustee or co-Trustee, so far as permitted by law, shall vest in and be exercised by the Trustee until the appointment of a new Trustee or successor to such separate Trustee or co-Trustee. No trustee hereunder shall be personally liable by reason of any act or omission of any other trustee hereunder.

The Trustee may perform any of its obligations or duties hereunder and under any related documents through agents or attorneys and shall not be responsible for the acts of any such agents or attorneys appointed by it with due care.

Section 6.09. No Liability for Successor Agency Performance. The Trustee shall have no liability or obligation to the Bond Owners with respect to the payment of debt service by the Successor Agency or with respect to the observance or performance by the Successor Agency of the other conditions, covenants, and terms contained in this Indenture, or with respect to the investment of any moneys in any fund or account established, held, or maintained by the Successor Agency pursuant to this Indenture

ARTICLE VII

MODIFICATION OR AMENDMENT OF THIS INDENTURE

Section 7.01. Authorized Amendments. This Indenture and the rights and obligations of the Successor Agency and of the Owners may be modified or amended at any time by a Supplemental Indenture which shall become binding upon adoption, [with the consent (such consent not to be unreasonably withheld) of the Insurer (except no consent is required with respect to such amendments as listed in Section 4.07(f) hereof and the issuance of Parity Debt pursuant to the provisions of this Indenture),] but without the consent of any Owners, to the extent permitted by law and only for any one or more of the following purposes:

(a) to add to the covenants and agreements of the Successor Agency contained in this Indenture, other covenants and agreements thereafter to be observed, or to limit or surrender any rights or power herein reserved to or conferred upon the Successor Agency provided such addition, limit, or surrender shall not materially adversely effect the interest of the Owners as determined by the Successor Agency and certified to the Trustee; or

(b) to make such provisions for the purpose of curing any ambiguity, or of curing, correcting or supplementing any defective provision contained in this Indenture, or in any other respect whatsoever as the Successor Agency may deem necessary or desirable, provided under any circumstances that such modifications or amendments shall not materially adversely affect the interests of the Owners; or

(c) to provide for the issuance of Parity Debt pursuant to Section 3.04, and to provide the terms and conditions under which such Parity Debt may be issued, including but not limited to the establishment of special funds and accounts relating thereto and any other provisions relating solely thereto, subject to and in accordance with the provisions of Section 3.04; or

(d) to comply with the requirements of the provider of a Qualified Reserve Account Credit Instrument.

Except as set forth in the preceding paragraph, this Indenture and the rights and obligations of the Successor Agency and of the Owners may be modified or amended at any time by a Supplemental Indenture which shall become binding when the written consent of the Insurer (such consent not to be unreasonably withheld) and the written consents of the Owners of a majority of the principal amount of the Bonds then Outstanding are delivered to the Trustee. No such modification or amendment shall (a) extend the maturity of or reduce the interest rate on any Bond or otherwise alter or impair the obligation of the Successor Agency to pay the principal, interest or redemption premium (if any) at the time and place and at the rate and in the currency provided therein of any Bond without the express written consent of the Owner of such Bond, (b) reduce the percentage of Bonds required for the written consent to any such amendment or modification, or (c) without its written consent thereto, modify any of the rights or obligations of the Trustee. Any modification to the Indenture shall be accompanied with an opinion of counsel to the effect that such supplemental Indenture is a valid and binding obligation of the Successor Agency.

[Promptly following the adoption of any Supplemental Indenture pursuant to the written consent of the Insurer, the Successor Agency shall deliver a copy of the executed Supplemental Indenture to S&P.

As long as an Insurer is not in default under the terms of its Insurance Policy, it shall be deemed the owner of all of the Series 2020 Bonds or Parity Debt insured by its Insurance Policy for all purposes of the Section 7.01.]

Section 7.02. Effect of Supplemental Indenture. From and after the time any Supplemental Indenture becomes effective pursuant to this Article VII, this Indenture shall be deemed to be modified and amended in accordance therewith, the respective rights, duties and obligations of the parties hereto or thereto and all Owners, as the case may be, shall thereafter be determined, exercised and enforced hereunder subject in all respects to such modification and amendment, and all the terms and conditions of any Supplemental Indenture shall be deemed to be part of the terms and conditions of this Indenture for any and all purposes.

Section 7.03. Endorsement or Replacement of Bonds After Amendment. After the effective date of any amendment or modification hereof pursuant to this Article VII, the Successor Agency may determine that any or all of the Bonds shall bear a notation, by endorsement in form approved by the Successor Agency, as to such amendment or modification and in that case upon demand of the Successor Agency the Owners of such Bonds shall present such Bonds for that purpose at the Office of the Trustee, and thereupon a suitable notation as to such action shall be made on such Bonds. In lieu of such notation, the Successor Agency may determine that new Bonds shall be prepared and executed in exchange for any or all of the Bonds and in that case upon demand of the Successor Agency the Owners of the Bonds shall present such Bonds for exchange at the Office of the Trustee without cost to such Owners.

Section 7.04. Amendment by Mutual Consent. The provisions of this Article VII shall not prevent any Owner from accepting any amendment as to the particular Bond held by such Owner, provided that due notation thereof is made on such Bond.

Section 7.05. [Transcript of Proceedings to the Insurer. The Successor Agency shall provide or cause to be provided to the Insurer a full transcript of proceedings relating to any Supplemental Indenture or providing for the amendment or supplement of this Indenture.]

Section 7.06. Trustee's Reliance. The Trustee may conclusively rely, and shall be protected in relying, upon an opinion of counsel stating that all requirements of this Indenture relating to the amendment or modification hereof have been satisfied and that such amendments or modifications do not materially adversely affect the interests of the Owners.

ARTICLE VIII

EVENTS OF DEFAULT AND REMEDIES

Section 8.01. Events of Default and Acceleration of Maturities. Each of the following events shall constitute an Event of Default hereunder:

(a) Failure to pay any installment of the principal of any Bonds when and as the same shall become due and payable, whether at maturity as therein expressed, by proceedings for redemption, by acceleration, or otherwise.

(b) Failure to pay any installment of interest on any Bonds when and as the same shall become due and payable.

(c) Failure by the Successor Agency to observe and perform any of the other covenants, agreements or conditions on its part in this Indenture or in the Bonds contained, if such failure shall have continued for a period of thirty (30) days after written notice thereof, specifying such failure and requiring the same to be remedied, shall have been given to the Successor Agency by the Trustee [or the Insurer]; provided, however, if in the reasonable opinion of the Successor Agency the failure stated in the notice can be corrected, but not within such thirty (30) day period, such failure shall not constitute an Event of Default if corrective action is instituted by the Successor Agency within such thirty (30) day period and the Successor Agency shall thereafter diligently and in good faith cure such failure in a reasonable period of time.

(d) The Successor Agency shall commence a voluntary case under Title 11 of the United States Code or any substitute or successor statute.

Subject in all respects to the provisions of Section 8.08, if an Event of Default has occurred and is continuing, the Trustee may, and if requested in writing by the Owners of a majority of the principal amount of the Bonds then Outstanding the Trustee [with the written consent of the Insurer (such consent not to be unreasonably withheld)] shall, (a) declare the principal of the Bonds, together with the accrued interest thereon, to be due and payable immediately, and upon any such declaration the same shall become immediately due and payable, anything in this Indenture or in the Bonds to the contrary notwithstanding, and (b) upon receipt of indemnity satisfactory to it from any liability or expense, including payment of the fees and expenses of its counsel and agents, exercise any other remedies available to the Trustee and the Owners in law or at equity. The Trustee shall be entitled as a matter of right to the appointment of a receiver or receivers for the Tax Revenues, if appropriate, and for the revenues, income, product, and profits thereon, if any, ex parte, and without notice, and the Successor Agency consents to the appointment of such receiver upon the occurrence of an Event of Default. If any receivership, bankruptcy, insolvency, or reorganization or other judicial proceedings affecting the Successor Agency is filed, the Trustee shall be entitled to file such proofs of claims and other documents as may be necessary or advisable in order to have claims of the Trustee and Owners allowed in such proceedings for the entire amount due and payable under this Indenture at the time of the institution of such proceedings, and also for any additional amount which may become due and payable after such date, without prejudice to the right of any Owner to file a claim on his own behalf. The Trustee shall not be obligated to take any such action unless offered compensation, indemnity for its potential liability, and reimbursement for its legal fees and expenses in accordance with this Section.

Promptly upon obtaining actual knowledge of the occurrence of an Event of Default, the Trustee shall give notice of such Event of Default to the Successor Agency in writing. Such notice shall also state whether the principal of the Bonds shall have been declared to be or have immediately become due and payable. With respect to any Event of Default described in clauses

(a) or (b) above the Trustee shall, and with respect to any Event of Default described in clause (c) above the Trustee in its reasonable judgment may also give such notice to the Owners in the same manner as provided herein for notices of redemption of the Bonds, which shall include the statement that interest on the Bonds shall cease to accrue from and after the date, if any, on which the Trustee shall have declared the Bonds to become due and payable pursuant to the preceding paragraph (but only to the extent that principal and any accrued, but unpaid, interest on the Bonds is actually paid on such date).

This provision, however, is subject to the condition that if, at any time after the principal of the Bonds shall have been so declared due and payable, and before any judgment or decree for the payment of the moneys due shall have been obtained or entered, the Successor Agency shall deposit with the Trustee a sum sufficient to pay all principal on the Bonds matured prior to such declaration and all matured installments of interest (if any) upon all the Bonds, with interest on such overdue installments of principal and interest (to the extent permitted by law) at the weighted average interest rate then borne by the Outstanding Bonds, and the fees and expenses of the Trustee, including any fees and expenses of its attorneys, and any and all other defaults actually known to a Responsible Officer of the Trustee (other than in the payment of principal of and interest on the Bonds due and payable solely by reason of such declaration) shall have been made good or cured or provision adequate shall have been made therefor, then, and in every such case, the Owners of a majority of the principal amount of the Bonds then Outstanding, by written notice to the Successor Agency and to the Trustee, may, on behalf of the Owners of all of the Bonds, rescind and annul such declaration and its consequences. However, no such rescission and annulment shall extend to or shall affect any subsequent default, or shall impair or exhaust any right or power consequent thereon.

Section 8.02. Application of Funds Upon Acceleration. All of the Tax Revenues and all sums in the funds and accounts established and held by the Trustee hereunder upon the date of the declaration of acceleration as provided in Section 8.01, and all sums thereafter received by the Trustee hereunder, shall be applied by the Trustee as follows and in the following order:

(a) To the payment of any reasonable fees, costs and expenses incurred by the Trustee to protect the interests of the Owners of the Bonds; payment of the reasonable fees, costs and expenses of the Trustee (including reasonable fees and expenses of its counsel, including any allocated costs of internal counsel) incurred in and about the performance of its powers and duties under this Indenture, together with interest on all such amounts advanced by the Trustee at the maximum rate permitted by law;

(b) To the payment of the whole amount then owing and unpaid upon the Bonds for interest and principal, with interest on such overdue amounts at the respective rates of interest borne by the Outstanding Bonds, and in case such moneys shall be insufficient to pay in full the whole amount so owing and unpaid upon the Bonds, then to the payment of such interest, principal and interest on overdue amounts without preference or priority among such interest, principal and interest on overdue amounts ratably to the aggregate of such interest, principal and interest on overdue amounts.

Section 8.03. Power of Trustee to Control Proceedings. In the event that the Trustee, upon the happening of an Event of Default, shall have taken any action, by judicial proceedings or

otherwise, pursuant to its duties hereunder, whether upon its own reasonable judgment or upon the request of the Owners of a majority of the principal amount of the Bonds then Outstanding, it shall have full power, in the exercise of its reasonable judgment for the best interests of the Owners of the Bonds, with respect to the continuance, discontinuance, withdrawal, compromise, settlement or other disposal of such action; provided, however, that the Trustee shall not, unless there no longer continues an Event of Default, discontinue, withdraw, compromise or settle, or otherwise dispose of any litigation pending at law or in equity, if at the time there has been filed with it a written request signed by the Owners of a majority of the principal amount of the Bonds then Outstanding opposing such discontinuance, withdrawal, compromise, settlement or other disposal of such litigation accompanied, if requested by the Trustee, by indemnity as described in Section 8.01.

Section 8.04. Limitation on Owners' Right to Sue. No Owner of any Bond issued hereunder shall have the right to institute any suit, action or proceeding at law or in equity, for any remedy under or upon this Indenture, unless (a) such Owner shall have previously given to the Trustee written notice of the occurrence of an Event of Default; (b) the Owners of a majority of the principal amount of the Bonds then Outstanding shall have made written request upon the Trustee to exercise the powers hereinbefore granted or to institute such action, suit or proceeding in its own name; (c) said Owners shall have tendered to the Trustee indemnity acceptable to the Trustee against the costs, expenses and liabilities to be incurred in compliance with such request; and (d) the Trustee shall have refused or omitted to comply with such request for a period of sixty (60) days after such written request shall have been received by, and said tender of indemnity shall have been made to, the Trustee.

Such notification, request, tender of indemnity and refusal or omission are hereby declared, in every case, to be conditions precedent to the exercise by any Owner of any remedy hereunder; it being understood and intended that no one or more Owners shall have any right in any manner whatever by his or their action to enforce any right under this Indenture, except in the manner herein provided, and that all proceedings at law or in equity to enforce any provision of this Indenture shall be instituted, had and maintained in the manner herein provided and for the equal benefit of all Owners of the Outstanding Bonds, it being understood that the Trustee shall not have an affirmative duty to ascertain whether such action is beneficial or prejudicial to Owners.

The right of any Owner of any Bond to receive payment of the principal of and premium, if any, and interest on such Bond as herein provided, shall not be impaired or affected without the written consent of such Owner, notwithstanding the foregoing provisions of this Section or any other provision of this Indenture.

Section 8.05. Non-waiver. Nothing in this Article VIII or in any other provision of this Indenture or in the Bonds, shall affect or impair the obligation of the Successor Agency, which is absolute and unconditional, to pay from the Tax Revenues and other amounts pledged hereunder, the principal of and interest and redemption premium (if any) on the Bonds to the respective Owners when due and payable as herein provided, or affect or impair the right of action, which is also absolute and unconditional, of the Owners to institute suit to enforce such payment by virtue of the contract embodied in the Bonds.

A waiver of any default by any Owner shall not affect any subsequent default or impair any rights or remedies on such subsequent default. No delay or omission of any Owner or the Trustee to exercise any right or power accruing upon any default shall impair any such right or power or shall be construed to be a waiver of any such default or an acquiescence therein, and every power and remedy conferred upon the Trustee and Owners by the Redevelopment Law or by this Article VIII may be enforced and exercised from time to time and as often as shall be deemed expedient by the Owners.

If a suit, action or proceeding to enforce any right or exercise any remedy shall be abandoned or determined adversely to the Trustee, Successor Agency, or Owners, the Successor Agency, Trustee, and the Owners shall be restored to their former positions, rights and remedies as if such suit, action or proceeding had not been brought or taken.

Section 8.06. Actions by Trustee as Attorney-in-Fact. Any suit, action or proceeding which any Owner shall have the right to bring to enforce any right or remedy hereunder may be brought by the Trustee for the equal benefit and protection of all Owners similarly situated and the Trustee is hereby appointed (and the successive respective Owners by taking and holding the Bonds shall be conclusively deemed so to have appointed it) the true and lawful attorney-in-fact of the respective Owners for the purpose of bringing any such suit, action or proceeding and to do and perform any and all acts and things for and on behalf of the respective Owners as a class or classes, as may be necessary or advisable subject to the provisions of Article VI.

Section 8.07. Remedies Not Exclusive. No remedy herein conferred upon or reserved to the Trustee or Owners is intended to be exclusive of any other remedy. Every such remedy shall be cumulative and shall be in addition to every other remedy given hereunder or now or hereafter existing, at law or in equity or by statute or otherwise, and may be exercised without exhausting and without regard to any other remedy conferred by the Law or any other law.

Section 8.08. [Rights of the Insurer]. [Anything in this Indenture to the contrary notwithstanding, upon the occurrence and continuation of an Event of Default, the Insurer shall be entitled to control and direct the enforcement of all rights and remedies (including the right to require a declaration of acceleration) granted hereunder to the Bond Owners, or to the Trustee for the benefit of the Bond Owners, including but not limited to rights and remedies granted pursuant to Section 8.01 and including but not limited to the right to approve all waivers of any Events of Default. The rights granted to the Insurer under this Indenture shall be deemed terminated and shall not be exercisable by the Insurer during any period during which the Insurer shall be in default under the Insurance Policy.

So long as the Insurer shall be in compliance with its payment obligations under the Insurance Policy, the Insurer shall be deemed to be the sole owner of the Insured Bonds for purposes of all provisions relating to an Event of Default with respect to the Insured Bonds, except with respect to the giving of notice of such an Event of Default. the Insurer shall be included as a party in interest and as a party entitled to (1) notify the Trustee in writing of the occurrence of an Event of Default and (2) request the Trustee to intervene in judicial proceedings that affect the Bonds or the security therefor, it being understood that the Trustee shall not have an affirmative obligation to intervene. In addition, the provisions herein requiring the consent, approval or

direction of the Insurer shall be applicable only at such time as the Insurer shall be in compliance with its payment obligations under the Insurance Policy and the Reserve Policy.]

ARTICLE IX

MISCELLANEOUS

Section 9.01. Benefits Limited to Parties. Nothing in this Indenture, expressed or implied, is intended to give to any person other than the Successor Agency, the Trustee, [the Insurer,] and the Owners, any right, remedy, claim under or by reason of this Indenture. Any covenants, stipulations, promises or agreements in this Indenture contained by and on behalf of the Successor Agency shall be for the sole and exclusive benefit of the Trustee, [the Insurer], and the Owners.

Section 9.02. Successor is Deemed Included in All References to Predecessor. Whenever in this Indenture or any Supplemental Indenture either the Successor Agency or the Trustee is named or referred to, such reference shall be deemed to include the successors or assigns thereof, and all the covenants and agreements in this Indenture contained by or on behalf of the Successor Agency or the Trustee shall bind and inure to the benefit of the respective successors and assigns thereof whether so expressed or not.

Section 9.03. Defeasance of Bonds.

(a) If the Successor Agency shall pay and discharge the entire indebtedness on any Bonds or any portion thereof, in any one or more of the following ways:

(i) by paying or causing to be paid the principal of and interest on such Bonds, as and when the same become due and payable;

(ii) by irrevocably depositing with the Trustee or another fiduciary, in trust, at or before maturity, an amount of cash which, together with the available amounts then on deposit in the funds and accounts established pursuant to this Indenture, is fully sufficient to pay such Bonds, including all principal, interest and redemption premium, if any;

(iii) by irrevocably depositing with the Trustee or another reputable financial institution with trust powers, in trust, non-callable Defeasance Obligations in such amount as an Independent Accountant shall determine will, together with the interest to accrue thereon and available moneys then on deposit in any of the funds and accounts established pursuant to this Indenture, be fully sufficient to pay and discharge the indebtedness on such Bonds (including all principal, interest and redemption premium, if any) at or before maturity; or

(iv) by purchasing such Bonds prior to maturity and tendering such Bonds to the Trustee for cancellation;

and if such Bonds are to be redeemed prior to the maturity thereof notice of such redemption shall have been duly given or provision shall have been made for the giving of such notice, then, at the election of the Successor Agency, and notwithstanding that any such Bonds shall not have been

surrendered for payment, the pledge of the Tax Revenues and other funds provided for in this Indenture and all other obligations of the Trustee and the Successor Agency under this Indenture with respect to such Bonds shall cease and terminate, except only (A) the obligations of the Successor Agency under Section 5.11, (B) the obligation of the Trustee to transfer and exchange Bonds hereunder, (C) the obligation of the Successor Agency to pay or cause to be paid to the Owners of such Bonds, from the amounts so deposited with the Trustee, all sums due thereon, and (D) the obligations of the Successor Agency to compensate and indemnify the Trustee pursuant to Section 6.06. Notice of such election shall be filed with the Trustee. In the event the Successor Agency shall, pursuant to the foregoing provisions, pay and discharge any portion or all of the Bonds then Outstanding, the Trustee shall be authorized to take such actions and execute and deliver to the Successor Agency all such instruments as may be necessary or desirable to evidence such discharge, including without limitation, selection by lot of Bonds of any maturity of the Bonds that the Successor Agency has determined to pay and discharge in part. Any funds thereafter held by the Trustee, which are not required for said purpose, shall be paid over to the Successor Agency.

(b) Notwithstanding the foregoing provisions of this Section 9.03, in the event that the principal, interest and premium (if any) on the Series 2020 Bonds shall be paid by the Insurer pursuant to the Insurance Policy, the obligations of the Trustee and the Successor Agency hereunder shall continue in full force and effect and the Insurer shall be fully subrogated to the rights of all Owners of the Series 2020 Bonds so paid.

(c) In the event that any portion or all of the Bonds are to be paid and discharged pursuant to Section 9.03(a)(iii), the Insurer shall be notified and provided with a draft copy of any proposed escrow agreement establishing the trust, the form of the Independent Certified Public Accountant's Certificate, the Preliminary Official Statement of the refunding issue (if applicable) and the form of approving opinion of bond counsel. These materials shall be delivered to the Insurer by the Successor Agency no less than three (3) Business Days prior to the scheduled payment and discharge.

In addition, the escrow agreement will provide that:

(i) Any substitution of securities will require the delivery of an Independent Certified Public Accountant's Certificate, an opinion of nationally-recognized bond counsel that such substitution will not adversely affect the exclusion from gross income of the Owners of the Series 2020 Bonds of the interest on the Series 2020 Bonds for federal income tax purposes and the prior written consent of the Insurer.

(ii) The Successor Agency will not exercise any prior optional redemption of Insured Bonds secured by the escrow agreement or any other redemption other than mandatory sinking fund redemptions unless (a) the right to make any such redemption has been expressly reserved in the escrow agreement and such reservation has been disclosed in detail in the official statement for the refunding bonds, and (b) as a condition to any such redemption there will be provided to the Insurer a report of an Independent Certified Public Accountant as to the sufficiency of escrow receipts without reinvestment to meet the escrow requirements remaining following any such redemption.

(iii) The Successor Agency will not amend the escrow agreement or enter into a forward purchase agreement or other agreement with respect to rights in the escrow without the prior written consent of the Insurer.

Section 9.04. Execution of Documents and Proof of Ownership by Owners. Any request, declaration or other instrument which this Indenture may require or permit to be executed by any Owner may be in one or more instruments of similar tenor, and shall be executed by such Owner in person or by their attorneys appointed in writing.

Except as otherwise herein expressly provided, the fact and date of the execution by any Owner or his or her attorney of such request, declaration or other instrument, or of such writing appointing such attorney, may be proved by the certificate of any notary public or other officer authorized to take acknowledgments of deeds to be recorded in the state in which he or she purports to act, that the person signing such request, declaration or other instrument or writing acknowledged to him or her the execution thereof, or by an affidavit of a witness of such execution, duly sworn to before such notary public or other officer.

The ownership of Bonds and the amount, maturity, number and date of ownership thereof shall be proved by the Registration Books.

Any request, declaration or other instrument or writing of the Owner of any Bond shall bind all future Owners of such Bond in respect of anything done or suffered to be done by the Successor Agency or the Trustee in good faith and in accordance therewith.

Section 9.05. Disqualified Bonds. In determining whether the Owners of the requisite aggregate principal amount of Bonds have concurred in any demand, request, direction, consent or waiver under this Indenture, Bonds which are owned or held by or for the account of the Successor Agency (but excluding Bonds held in any employees' retirement fund) shall be disregarded and deemed not to be Outstanding for the purpose of any such determination, provided however that the Trustee shall not be deemed to have knowledge that any Bond is owned or held by or for the account of the Successor Agency unless the Successor Agency is the registered Owner or a Responsible Officer of the Trustee has received written notice that any other registered Owner is the Owner or is holding for the account of the Successor Agency.

Section 9.06. Waiver of Personal Liability. No member, officer, agent or employee of the Successor Agency shall be individually or personally liable for the payment of the principal of or interest or any premium on the Bonds; but nothing herein contained shall relieve any such member, officer, agent or employee from the performance of any official duty provided by law.

Section 9.07. Destruction of Canceled Bonds. All Bonds acquired by the Successor Agency, whether by purchase or gift or otherwise shall be surrendered to the Trustee for cancellation. Whenever in this Indenture provision is made for the cancellation by the Trustee of any Bonds, the Trustee shall destroy such Bonds and deliver a certificate of such destruction to the Successor Agency and the Successor Agency shall be entitled to rely upon any statement of fact contained in any certificate with respect to the destruction of any such Bonds therein referred to.

Section 9.08. Notices. All written notices to be given under this Indenture may be given by email, fax, courier, overnight mail, first class mail or personal delivery to the party entitled

thereto at its address set forth below, or at such address as the party may provide to the other party in writing from time to time. Notice shall be effective either (a) upon transmission by facsimile transmission or other form of telecommunication, with prompt written confirmation by mail, (b) 48 hours after deposit in the United States mail, postage prepaid, or (c) in any other case, upon actual receipt. The Successor Agency, the Trustee or the Insurer may, by written notice to the other parties, from time to time modify the address or number to which communications are to be given hereunder.

If to the Successor Agency: Successor Agency to the Westminster
Redevelopment Agency
8200 Westminster Blvd.
Westminster, CA 92683
Attention: City Manager

If to the Trustee: MUFG Union Bank, N.A.
Attn: Corporate Trust Services
445 South Figueroa Street, Suite 401
Los Angeles, CA 90071
Fax: (213) 972-5694
Email: LACT@unionbank.com
Disbursement of funds request to:
Facsimile: (213) 972-5694
or online via the Secure Message Center

If to the Insurer:

[So long as the Insurance Policy remains in effect, the Trustee shall furnish to the Insurer, by registered or certified mail or by facsimile or electronic transmission, a copy of any notice required to be given hereunder to the Bond Owners.]

Section 9.09. Partial Invalidity. If any Section, paragraph, sentence, clause or phrase of this Indenture shall for any reason be held illegal, invalid or unenforceable, such holding shall not affect the validity of the remaining portions of this Indenture. The Successor Agency and the Trustee hereby declare that they would have entered into this Indenture and each and every other Section, paragraph, sentence, clause or phrase hereof and authorized the issue of the Bonds pursuant thereto irrespective of the fact that any one or more Sections, paragraphs, sentences, clauses, or phrases of this Indenture may be held illegal, invalid or unenforceable.

Section 9.10. Unclaimed Moneys. Anything contained herein to the contrary notwithstanding, any money held by the Trustee in trust for the payment and discharge of the interest or premium (if any) on or principal of the Bonds which remains unclaimed for two (2) years after the date when the payments of such interest, premium and principal have become payable, if such money was held by the Trustee at such date, or for two (2) years after the date of deposit of such money if deposited with the Trustee after the date when the interest and premium (if any) on and principal of such Bonds have become payable, shall be repaid by the Trustee to the Successor Agency as its absolute property free from trust, and the Trustee shall thereupon be released and discharged with respect thereto and the Owners shall look only to the Successor

Agency for the payment of the principal of and interest and redemption premium (if any) on such Bonds.

Section 9.11. Payment on Non-Business Days. In the event any payment is required to be made hereunder on a day which is not a Business Day, such payment shall be made on the next succeeding Business Day.

Section 9.12. Execution in Counterparts and Electronic Execution. This 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. The exchange of copies of this Indenture and of signature pages by facsimile or PDF transmission shall constitute effective execution and delivery of this Indenture as to the parties hereto and may be used in lieu of the original Indenture and signature pages for all purposes. Each party agrees that the electronic signatures, whether digital or encrypted, of the parties included in this Indenture are intended to authenticate this writing and to have the same force and effect as manual signatures. Electronic signature means any electronic sound, symbol, or process attached to or logically associated with a record and executed and adopted by a party with the intent to sign such record, including facsimile or email electronic signatures.

Section 9.13. Governing Law. This Indenture shall be construed and governed in accordance with the laws of the State.

Section 9.14. U.S.A. Patriot Act. The parties hereto acknowledge that in accordance with Section 326 of the U.S.A. Patriot Act, the Trustee, like all financial institutions and in order to help fight the funding of terrorism and money laundering, is required to obtain, verify, and record information that identifies each person or legal entity that establishes a relationship or opens an account with the Trustee. The parties to this Indenture agree that they will provide the Trustee with such information as it may request in order for the Trustee to satisfy the requirements of the U.S.A. Patriot Act.

(Signature Page follows)

IN WITNESS WHEREOF, the SUCCESSOR AGENCY TO THE WESTMINSTER REDEVELOPMENT AGENCY has caused this Indenture to be signed in its name and on its behalf by the Successor Agency Chair and attested to by the Successor Agency Secretary, and MUFG UNION BANK, N.A., in token of its acceptance of the trusts created hereunder, has caused this 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
WESTMINSTER REDEVELOPMENT
AGENCY

By: _____

Successor Agency Chair

ATTEST:

Amanda Jensen
Successor Agency Secretary

MUFG UNION BANK, N.A., as Trustee

By: _____

Authorized Officer

*-Signature Page-
Indenture of Trust*

EXHIBIT A

FORM OF SERIES 2020 BOND

No. _____

\$ _____

**UNITED STATES OF AMERICA
STATE OF CALIFORNIA**

**SUCCESSOR AGENCY TO THE
WESTMINSTER REDEVELOPMENT AGENCY
WESTMINSTER COMMERCIAL REDEVELOPMENT PROJECT NO. 1
2020 TAX ALLOCATION REFUNDING BONDS,
SUBORDINATE LIEN
(FEDERALLY TAXABLE)**

RATE OF INTEREST MATURITY DATE ORIGINAL ISSUE DATE CUSIP

_____%

REGISTERED OWNER: Cede & Co.

PRINCIPAL AMOUNT: DOLLARS

The SUCCESSOR AGENCY TO THE WESTMINSTER REDEVELOPMENT AGENCY, a public entity duly existing under the laws of the State of California (the "Successor 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 from the date hereof, which date shall be the Interest Payment Date (as hereinafter defined) next preceding the date of authentication of this Bond (unless this Bond is authenticated on or before an Interest Payment Date and after the fifteenth calendar day of the month preceding such Interest Payment Date (a "Record Date"), in which event it shall bear interest from such Interest Payment Date, or unless this Bond is authenticated on or prior to April 15, 2021, in which event it shall bear interest from the Original Issue Date identified above; provided, however, that if, at the time of authentication of this Bond, interest is in default on this Bond, this Bond shall bear interest from the Interest Payment Date to which interest hereon has previously been paid or made available for payment), payable semiannually on May 1 and November 1 in each year, commencing May 1, 2021 (the "Interest Payment Dates"), until payment of such Principal Amount in full. The Principal Amount hereof is payable upon presentation hereof at the designated corporate trust office of MUFG Union

Bank, N.A., as trustee (the "Trustee"), in Los Angeles, California or such other location as the trustee may designate. 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 written request of the owner of at least \$1,000,000 aggregate principal amount of Bonds, which written request is on file with the Trustee prior to any Record Date, interest on such Bonds shall be paid on the succeeding Interest Payment Date by wire transfer to an account of a financial institution within the United States of America as shall be specified in such written request.

This Bond is one of a duly authorized issue of bonds of the Successor Agency designated as the "Successor Agency to the Westminster Redevelopment Agency Westminster Commercial Redevelopment Project No. 1 2020 Tax Allocation Refunding Bonds, Subordinate Lien (Federally Taxable) (the "Series 2020 Bonds") of an aggregate principal amount of _____ Dollars (\$_____) all of like tenor and date (except for such variation, if any, as may be required to designate varying numbers, maturities, interest rates or redemption provisions) and all issued pursuant to the provisions of the Article 11 (commencing with Section 53580) of Chapter 3 of Part 1 of Division 2 of Title 5 of the Government Code of the State (the "Refunding Law") and the Community Redevelopment Law, constituting Part 1 of Division 24 of the California Health and Safety Code, as amended by the provisions of the Dissolution Act (the "Law"), and pursuant to an Indenture of Trust, dated as of _____, 2020, by and between the Successor Agency and the Trustee (the "Indenture"). The Successor Agency may issue or incur additional obligations on a parity with the Bonds, but only subject to the terms of the Indenture. 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 Refunding Law and the 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.

The Series 2020 Bonds have been issued by the Successor Agency to refinance redevelopment activities of the Successor Agency. 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 derived by the Successor Agency from the Westminster Commercial Redevelopment Project No. 1 in the City of Westminster (the "Redevelopment Project"), a duly designated redevelopment project under the laws of the State of California, under and in accordance with the Indenture. 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 and the Law, to the payment of the principal of and interest and premium (if any) on the Series 2020 Bonds and any such parity obligations. The Series 2020 Bonds and any such parity obligations are secured by a pledge on, security interest in and lien on the Tax Revenues which is a pledge, security interest and lien on the Tax Revenues in favor of certain outstanding obligations of the Successor Agency, as provided in the Indenture. Notwithstanding the foregoing, certain amounts out of Tax Revenues may be applied for other purposes as provided in the Indenture.

This Series 2020 Bond is not a debt of the County of Orange, the State of California, or any of its political subdivisions, other than the Successor Agency, and neither said County, 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 redemption or maturity of the principal of any outstanding Bond or of any installment of interest thereon or a reduction in the principal amount or the redemption price thereof or in the rate of interest thereon without the consent of the owner of such Bond, or shall reduce the percentages of the Bond owners required to effect any such modification or amendment.

The Series 2020 Bonds may be called before maturity and redeemed at the option of the Successor Agency, in whole or in part, from the proceeds of refunding bonds or other available funds, on November 1, 2030 or on any date thereafter. Series 2020 Bonds called for redemption will be redeemed at a redemption price equal to the principal amount of Series 2020A Bonds to be redeemed plus accrued interest up to but excluding the redemption date.

The Series 2020 Bonds maturing on November 1, ____ are Term Bonds subject to mandatory redemption in part by lot, from sinking account payments commencing on November 1, ____ as set forth in the Indenture, and each November 1 thereafter, at a redemption price equal to the principal amount thereof to be redeemed together with accrued interest thereon to the redemption date, without premium, or in lieu thereof shall be purchased as described below, in the aggregate respective principal amounts and on the respective dates as set forth in the following table; provided, however, that if some but not all of the Term Bonds have been redeemed pursuant to the optional redemption provisions described above, the total amount of all future payments with respect to such Term Bonds shall be reduced by the aggregate principal amount of such Term Bonds so redeemed, to be allocated among such payments on a pro rata basis in integral multiples of \$5,000 as determined by the Successor Agency (written notice of which determination shall be given by the Successor Agency to the Trustee).

As provided in the Indenture, notice of redemption shall be mailed by the Trustee by first class mail not less than thirty (30) nor more than sixty (60) days prior to the redemption date to the respective owners of any Series 2020 Bonds designated for redemption at their addresses appearing on the bond registration books of the Trustee, but neither failure to receive such notice nor any defect in the notice so mailed shall affect the sufficiency of the proceedings for redemption.

The Successor Agency has the right to rescind any optional redemption by written notice to the Trustee on or prior to the date fixed for redemption. Any such notice of optional redemption shall be canceled 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 Series 2020 Bonds then called for redemption, and such cancellation shall not constitute an Event of Default under the Indenture. The Successor Agency and the Trustee shall 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 in the same manner as the original notice of redemption was sent.

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

If an Event of Default, as defined in the Indenture, shall occur, the principal of all outstanding Series 2020 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 designated corporate trust 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 Law and the 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 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.

This Bond shall not be entitled to any benefit under the Indenture or become valid or obligatory for any purpose until the Trustee's Certificate of Authentication hereon endorsed shall have been manually signed by the Trustee.

IN WITNESS WHEREOF, the SUCCESSOR AGENCY TO THE WESTMINSTER REDEVELOPMENT AGENCY has caused this Bond to be executed in its name and on its behalf with the facsimile signature of the Mayor of the City in his capacity as Chair of the Successor Agency and attested to by the facsimile signature of the City Clerk of the City in her capacity as

Successor Agency Secretary of the Successor Agency, all as of the Original Issue Date specified above.

SUCCESSOR AGENCY TO THE
WESTMINSTER REDEVELOPMENT AGENCY

By: _____

Chair

ATTEST:

By: _____
Amanda Jensen
Agency Secretary

STATEMENT OF INSURANCE

TRUSTEE'S CERTIFICATE OF AUTHENTICATION

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

Dated: _____

MUFG UNION BANK, N.A., 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.

ESCROW DEPOSIT AND TRUST AGREEMENT

by and between the

**SUCCESSOR AGENCY TO THE
WESTMINSTER REDEVELOPMENT AGENCY**

and

**MUFG UNION BANK, N.A.,
as Escrow Bank**

Dated _____

Relating to:

**WESTMINSTER REDEVELOPMENT AGENCY
WESTMINSTER COMMERCIAL REDEVELOPMENT PROJECT NO. 1
2011 TAX ALLOCATION BONDS, SUBORDINATE LIEN (TAX-EXEMPT)**

ESCROW DEPOSIT AND TRUST AGREEMENT

This ESCROW DEPOSIT AND TRUST AGREEMENT (the “Escrow Agreement”) is made and entered into as of _____, 2020, by and between the Successor Agency to the Westminster Redevelopment Agency, a Successor Agency existing under the laws of the State of California (the “Agency”) and MUFG Union Bank, N.A., as Escrow Bank (the “Escrow Bank”) and as Prior Trustee, as hereinafter defined;

W I T N E S S E T H:

WHEREAS, the Westminster Redevelopment Agency (the “Former Agency”) previously issued its \$24,305,000 Westminster Commercial Redevelopment Project No. 1 2011 Tax Allocation Bonds Series A Subordinate Lien (Tax-Exempt) (the “Prior Bonds”) pursuant to an Indenture of Trust dated as of June 1, 2011 (the “Prior Indenture”) MUFG Union Bank, N.A., formerly known as Union Bank, N.A. (the “Prior Trustee”);

WHEREAS, the Prior Indenture provides that in the event that deposits of moneys and certain Defeasance Obligations (as defined in the Prior Indenture) in an amount, together with investment earnings and certain funds held under the Prior Indenture (defined below), sufficient to pay and discharge all or a portion of the indebtedness of the Prior Bonds at or before maturity, then the obligations of the Former Agency under the Prior Indenture shall cease and terminate with respect to the obligations so discharged, except only the obligation of the Former Agency to pay or cause to be paid to the Former Agency all sums due thereon out of the Escrow Fund with respect to the obligations so discharged and thereafter such Tax Revenues (as defined in the Prior Indenture) shall be released from the lien of the Prior Indenture; and

WHEREAS, the Agency has determined that it is in the best interests of the Agency at this time to refinance the Prior Bonds and to provide for the payment thereof through November 1, 2021 and to prepay such installment payments on said November 1, 2021, at a redemption price of 100% of the principal amount thereof, plus accrued interest; and

WHEREAS, the Agency proposes to make the deposit of moneys and Defeasance Obligations referenced in the Prior Indenture and to appoint the Escrow Bank as its agent for the purpose of applying said deposit to the payment of the Prior Bonds in accordance with the instructions provided by this Escrow Agreement and redeeming the Prior Bonds in accordance with the Prior Indenture, and the Escrow Bank will accept said appointment; and

WHEREAS, to obtain moneys to make such deposit, the Agency proposes to issue its \$_____ 2020 Subordinate Tax Allocation Refunding Bonds, Subordinate Lien (Federally Taxable) (the “Refunding Bonds”) pursuant to an Indenture of Trust, dated as of _____, 2020, (the “Indenture”), by and between the Successor Agency and MUFG Union Bank, N.A., as Trustee (the “Trustee”); and

WHEREAS, the Agency wishes to make such a deposit with the Escrow Bank and to enter into this Escrow Agreement for the purpose of providing the terms and conditions for the deposit and application of amounts so deposited; and

WHEREAS, the Escrow Bank has full powers to act with respect to the irrevocable escrow and trust created herein and to perform the duties and obligations to be undertaken pursuant to this Escrow Agreement; and

WHEREAS, capitalized terms herein used but not herein defined shall have the meanings ascribed to them in the Indenture.

NOW, THEREFORE, in consideration of the above premises and of the mutual promises and covenants herein contained and for other valuable consideration, the parties hereto do hereby agree as follows:

Section 1. Definition of Defeasance Obligations. As used herein, the term “Defeasance Obligations” means direct non-callable obligations of the United States of America, Refcorp interest strips, or securities fully and unconditionally guaranteed as to the timely payment of principal and interest by the United States of America, provided, that the full faith and credit of the United States of America has been pledged to any such obligation or guarantee.

Section 2. Appointment of Escrow Bank. The Agency hereby appoints the Escrow Bank as escrow bank for all purposes of this Escrow Agreement and in accordance with the terms and provisions of this Escrow Agreement, and the Escrow Bank hereby accepts such appointment.

Section 3. Establishment of Escrow Fund. There is hereby created by the Agency with, and to be held by, the Escrow Bank, as security for the payment of the Prior Bonds as hereinafter set forth, an irrevocable escrow to be maintained in trust by the Escrow Bank on behalf of the Former Agency and for the benefit of the owners of the Prior Bonds, said escrow to be designated the “Escrow Fund.” All moneys and Defeasance Obligations deposited in the Escrow Fund shall be held as a special fund for the payment of the debt service on the Prior Bonds (the “Prior Payments”) in accordance with the provisions of the Prior Indenture. If at any time the Escrow Bank shall receive actual knowledge that the moneys and Defeasance Obligations in the Escrow Fund will not be sufficient to make any payment required by Section 5 hereof, the Escrow Bank shall notify the Agency of such fact and the Agency shall immediately cure such deficiency.

The Escrow Bank may conclusively rely upon the conclusion of _____ (the “Verification Agent”) in its report dated _____ (the “Verification Report”) that the Defeasance Obligations listed on Exhibit A, together with interest to accrue thereon, and cash will be fully sufficient to pay the Prior Payments as described in the sixth recital above.

Section 4. Deposit into Escrow Fund; Investment of Amounts. Concurrently with delivery of the Bonds, the Agency shall cause to be transferred to the Escrow Bank for deposit into the Escrow Fund the amount of \$_____ in immediately available funds which shall be derived as follows: \$_____ from proceeds of the Refunding Bonds, and \$_____ from the Bond Fund of the Prior Bonds and \$_____ from amounts deposited in the Reserve Account for the Prior Bonds and the Prior Trustee is hereby instructed to transfer such monies.

The Escrow Bank shall invest all of the moneys deposited into the Escrow Fund pursuant to the preceding paragraph in the Defeasance Obligations set forth in Exhibit A attached hereto and by this reference incorporated herein (the “Escrowed Defeasance Obligations”). The purchase price of the Escrowed Defeasance Obligations is \$_____. The remainder in the Escrow Fund (\$_____) shall be held in cash uninvested (the “Cash”). The Escrowed Defeasance Obligations shall be deposited with and held by the Escrow Bank in the Escrow Fund solely for the uses and purposes set forth herein.

The Escrow Bank shall not be liable or responsible for any losses, taxes, fees or other charges resulting from any investment, reinvestment or liquidation of investments made pursuant to this Escrow Agreement and in full compliance with the provisions hereof.

Section 5. Instructions as to Application of Deposit; Agency Retains Right of Optional Redemption. The Agency hereby irrevocably directs and instructs the Escrow Bank to transfer to the Prior Trustee to apply the interest on and maturing principal amount of the Escrowed Defeasance Obligations and Cash to pay the Prior Bonds relating to the Prior Indenture, through November 1, 2021 and to redeem the remaining Prior Bonds in full on November 1, 2021 at a redemption price of 100% of the principal amount hereof, all as more particularly set forth in Exhibit B attached hereto and hereby made a part hereof. For such purpose of call and redemption prior to maturity of a portion of the Prior Bonds, the Agency hereby instructs the Escrow Bank, as Prior Trustee, and the Escrow Bank, as Prior Trustee, hereby agrees to give notice of redemption, such notice of redemption, set forth in Exhibit D hereto, to be given timely for redemption of the Prior Bonds on the dates indicated in Exhibit B, in accordance with the applicable provisions of the Prior Indenture. Upon the receipt of funds, and no later than five (5) Business Days from the date such funds are received, the Escrow Bank shall send a notice of defeasance substantially in the form of Exhibit C attached hereto.

Section 6. Investment of Any Remaining Moneys. At the written direction of the Agency received at least three (3) Business Days in advance, the Escrow Bank shall invest and reinvest the proceeds received from any of the Escrowed Defeasance Obligations originally deposited into the Escrow Fund for a period ending not later than the next succeeding Prior Payment date, in Defeasance Obligations, such written direction to specify which Defeasance Obligations are to be invested in; provided, however, that (a) such written directions of the Agency shall be accompanied by (i) the opinion of an independent certified public accountant or firm of certified public accountants of favorable national reputation experienced in the refunding of obligations of political subdivisions, that amounts in the Escrow Fund after such investment, together with interest to be derived therefrom, shall be at all times at least sufficient to make the payments specified in Section 5 hereof, and (ii) an opinion of nationally recognized bond counsel (“Bond Counsel”) that investment in accordance with such directions will not affect, for federal income tax purposes, the exclusion from gross income of interest due with respect to the Prior Bonds or the Bonds, and (b) if the Agency directs such investment or reinvestment to be made in United States Treasury Securities - State and Local Government Series, the Agency shall, at its cost, cause to be prepared and delivered all necessary subscription forms therefor to enable the Escrow Bank to acquire such securities not less than 14 days prior to the date of making such investment. In the event that the Agency shall fail to file any such written directions with the Escrow Bank concerning the reinvestment of any such proceeds, such proceeds shall be held

uninvested by the Escrow Bank. Any interest income resulting from investment or reinvestment of moneys pursuant to this Section 6 and not, in the opinion of an independent certified public accountant or firm of certified public accountants of favorable national reputation experienced in the refunding of obligations of political subdivisions, required for the purposes set forth in Section 5 shall be paid to the Trustee for deposit in the Debt Service Fund under the Indenture promptly upon the receipt of such interest income by the Escrow Bank.

Section 7. Application of Certain Terms of Prior Indenture.¹ All of the terms of the Prior Indenture relating to the making of payments of principal and interest with respect to the Prior Bonds are incorporated into this Escrow Agreement by reference as if set forth in full herein. The provisions of the Prior Indenture relating to the limitations from liability and protections afforded the Prior Trustee and the resignation and removal of the Prior Trustee are also incorporated into this Escrow Agreement by reference as if set forth in full herein and shall be the procedure to be followed with respect to any resignation or removal of the Escrow Bank hereunder.

Section 8. Compensation to Escrow Bank. The Agency shall pay the Escrow Bank full compensation previously agreed to in writing for its duties under this Escrow Agreement, including out-of-pocket costs such as publication costs, redemption or redemption expenses, legal fees and other costs and expenses relating hereto and, in addition, fees, costs and expenses relating to the purchase of any Defeasance Obligations after the date hereof, pursuant to a separate agreement between the Agency and the Escrow Bank. Under no circumstances shall amounts deposited in the Escrow Fund be deemed to be available for said purposes.

Section 9. Liabilities and Obligations of Escrow Bank. The Escrow Bank shall have no obligation to make any payment or disbursement of any type or incur any financial liability in the performance of its duties under this Escrow Agreement unless the Agency shall have deposited sufficient funds with the Escrow Bank to satisfy such obligation. The Escrow Bank shall be entitled to conclusively rely and shall be protected in acting upon the written instructions of the Agency or its agents relating to any matter or action as Escrow Bank under this Escrow Agreement.

The Escrow Bank undertakes such duties as specifically set forth herein and no implied duties or obligations shall be read into this Escrow Agreement against the Escrow Bank.

The Agency hereby assumes liability for, and hereby agrees (whether or not any of the transactions contemplated hereby are consummated) to indemnify, protect, save and hold harmless the Escrow Bank and its respective successors, assigns, agents and servants from and against any and all liabilities, obligations, losses, damages, penalties, claims, actions, suits, costs, expenses and disbursements (including legal fees and disbursements) of whatsoever kind and nature which may be imposed on, incurred by, or asserted against, at any time, the Escrow Bank (whether or not also indemnified against by any other person under any other agreement or instrument) and in any way relating to or arising out of the execution and delivery of this Escrow Agreement, the establishment of the Escrow Fund, the retention of the moneys therein and any payment, transfer or other application of moneys or securities by the Escrow Bank in accordance with the provisions

¹ NTD: Either here or in a side closing instruction, depending on taxability concerns, provide for clearing out of remaining Prior Indenture monies, e.g. move up to the 2020 Indenture.

of this Escrow Agreement, or as may arise by reason of any act, omission or error of the Escrow Bank made in good faith in the conduct of its duties; provided, however, that the Agency shall not be required to indemnify the Escrow Bank against its own gross negligence or willful misconduct. The indemnities contained in this Section 10 shall survive the termination of this Escrow Agreement and the resignation and removal of the Escrow Bank.

The Escrow Bank shall not have any liability hereunder except to the extent of its own gross negligence or willful misconduct. In no event shall the Escrow Bank be liable for any special indirect, punitive or consequential damages.

The Escrow Bank may consult with counsel of its own choice and the opinion of such counsel shall be full and complete authorization to take or suffer in good faith any action hereunder in accordance with such opinion of counsel.

The Escrow Bank shall not be responsible for any of the recitals or representations contained herein.

Whenever in the administration of this Escrow Agreement it shall be necessary or desirable that a matter be proved or established prior to taking or suffering any action hereunder, such matter (unless other evidence in respect thereof be herein specifically prescribed) may, in the absence of gross negligence or willful misconduct on the part of the Escrow Bank, be deemed to be conclusively proved and established by a certificate of an authorized representative of the Agency, and such certificate shall, in the absence of gross negligence or willful misconduct on the part of the Escrow Bank, be full warrant to the Escrow Bank for any action taken or suffered by it under the provisions of this Escrow Agreement upon the faith thereof.

The liability of the Escrow Bank to make the payments required by this Escrow Agreement shall be limited to the moneys and Defeasance Obligations in the Escrow Fund.

The Escrow Bank shall not be liable for the accuracy of any calculations provided as to the sufficiency of the moneys or Defeasance Obligations deposited with it to pay the principal, interest, or premiums, if any, on the Bonds.

No provision of this Escrow Agreement shall require the Escrow Bank to expend or risk its own funds or otherwise incur any financial liability in the performance or exercise of any of its duties hereunder, or in the exercise of its rights or powers.

The Escrow Bank may execute any of the trusts or powers hereunder or perform any duties hereunder either directly or by or through agents, attorneys, custodians or nominees appointed with due care, and shall not be responsible for any willful misconduct or negligence on the part of any agent, attorney, custodian or nominee so appointed.

The Escrow Bank agrees to accept and act upon instructions or directions pursuant to this Escrow Agreement sent by unsecured e-mail, facsimile transmission or other similar unsecured electronic methods, provided, however, that, the Escrow Bank shall have received an incumbency certificate listing persons designated to give such instructions or directions and containing specimen signatures of such designated persons, which such incumbency certificate shall be

amended and replaced whenever a person is to be added or deleted from the listing. If the Agency elects to give the Escrow Bank e-mail or facsimile instructions (or instructions by a similar electronic method) and the Escrow Bank acts upon such instructions, the Escrow Bank's understanding of such instructions shall be deemed controlling. The Escrow Bank shall not be liable for any losses, costs or expenses arising directly or indirectly from the Escrow Bank's reliance upon and compliance with such instructions notwithstanding such instructions conflict or are inconsistent with a subsequent written instruction. The Agency agrees to assume all risks arising out of the use of such electronic methods to submit instructions and directions to the Escrow Bank, including without limitation the risk of the Escrow Bank acting on unauthorized instructions, and the risk of interception and misuse by third parties.

The Agency acknowledges that to the extent regulations of the Comptroller of the Currency or other applicable regulatory entity grant the Agency the right to receive brokerage confirmations of security transactions as they occur, the Agency specifically waives receipt of such confirmations to the extent permitted by law. The Agency further understands that trade confirmations for securities transactions effected by the Escrow Bank will be available upon request and at no additional cost and other trade confirmations may be obtained from the applicable broker. The Escrow Bank will furnish the Agency periodic cash transaction statements which include detail for all investment transactions made by the Escrow Bank hereunder. Upon the Agency's election, such statements will be delivered via the Escrow Bank's online service and upon electing such service, paper statements will be provided only upon written request.

Section 10. Amendment. This Escrow Agreement may be modified or amended at any time by a supplemental agreement, which will be prepared by the Agency and which shall become effective when the written consents of the Owners of one hundred percent (100%) in aggregate principal amount of the Prior Bonds then Outstanding shall have been filed with the Escrow Bank. This Escrow Agreement may be modified or amended at any time by a supplemental agreement (which supplemental agreement shall be prepared by the Agency), without the consent of any such Owners, but only (1) to add to the covenants and agreements of any party, other covenants to be observed, or to surrender any right or power herein or therein reserved to the Agency, (2) to cure, correct or supplement any ambiguous or defective provision contained herein, (3) in regard to questions arising hereunder or thereunder, as the parties hereto or thereto may deem necessary or desirable and which, in the opinion of counsel, shall not adversely affect the interests of the Owners of the Prior Bonds or the Bonds, and that such amendment will not cause interest on the Prior Bonds or the Bonds to become subject to federal income taxation.

Section 11. Termination; Unclaimed Money. This Escrow Agreement shall terminate when the Prior Payments have been paid; provided, however, that (i) money held by the Escrow Bank pursuant to this Escrow Agreement for the payment and discharge of any of the Prior Payments (which shall not be payable as to interest from and after the date set for redemption) which remain unclaimed for two (2) years after such payments were due, shall be repaid by the Escrow Bank to the Agency free from the trust created by the Prior Indenture and this Escrow Agreement, and the Escrow Bank shall thereupon be released and discharged with respect thereto and hereto and all liability of the Escrow Bank with respect to such money shall thereupon cease and (ii) excess moneys held by the Escrow Bank not needed for the payment and discharge of the Prior Payments shall be transferred to the Debt Service Fund under the Indenture.

Section 12. Severability. If any section, paragraph, sentence, clause or provision of this Escrow Agreement shall for any reason be held to be invalid or unenforceable, the invalidity or unenforceability of such section, paragraph, sentence, clause or provision shall not affect any of the remaining provisions of this Escrow Agreement.

Section 13. Notice of Escrow Bank and Agency. Any notice to or demand upon the Escrow Bank may be served and presented, and such demand may be made, at the designated corporate trust office of the Escrow Bank by being deposited postage prepaid in a post office letter box, delivered via courier or overnight mail or sent via fax or electronic transmission addressed as follows:

MUFG Union Bank, N.A.
Attn: Corporate Trust Services
445 S. Figueroa Street, Suite 401
Los Angeles, CA 90071
Fax: (213) 972-5694
Email: LACT@unionbank.com

Any notice to or demand upon the Agency shall be deemed to have been sufficiently given or served for all purposes by being mailed by registered or certified mail, and deposited, postage prepaid, in a post office letter box, addressed to such party as provided in the Prior Indenture (or such other address as may have been filed in writing by the Agency with the Escrow Bank).

Section 14. Merger or Consolidation of Escrow Bank. Any company into which the Escrow Bank may be merged or converted or with which may be consolidated or any company resulting from any merger, conversion or consolidation to which it shall be a party or any company to which the Escrow Bank may sell or transfer all or substantially all of its corporate trust business, provided such company shall be eligible to act as Trustee under the Indenture and the Prior Indenture, shall be the successor hereunder to the Escrow Bank without the execution or filing of any paper or any further act.

Section 15. Governing Law. This Escrow Agreement shall be construed and governed in accordance with the laws of the State of California.

Section 16. Execution in Several Counterparts and Electronic Execution. This Escrow Agreement may be executed in any number of counterparts and each of such counterparts shall for all purposes be deemed to be an original; and all such counterparts shall constitute but one and the same instrument. The exchange of copies of this Escrow Agreement and of signature pages by facsimile or PDF transmission shall constitute effective execution and delivery of this Escrow Agreement as to the parties hereto and may be used in lieu of the original Escrow Agreement and signature pages for all purposes. Each party agrees that the electronic signatures, whether digital or encrypted, of the parties included in this Escrow Agreement are intended to authenticate this writing and to have the same force and effect as manual signatures. Electronic signature means any electronic sound, symbol, or process attached to or logically associated with a record and executed and adopted by a party with the intent to sign such record, including facsimile or email electronic signatures.

(Signature page follows)

IN WITNESS WHEREOF, the Agency and the Escrow Bank have each caused this Escrow Agreement to be executed by their duly authorized officers all as of the date first above written.

SUCCESSOR AGENCY TO THE
WESTMINSTER REDEVELOPMENT
AGENCY

By: _____
Successor Agency Chair

MUFG UNION BANK, N.A., as Escrow Bank
and Prior Trustee

By: _____
Authorized Officer

*-Signature Page-
Escrow Deposit and Trust Agreement*

EXHIBIT A

**IDENTIFICATION OF AND PAYMENT SCHEDULE FOR
ESCROWED DEFEASANCE OBLIGATIONS**

<u>Type of Security</u>	<u>CUSIP</u>	<u>Maturity Date</u>	<u>Par Amount</u>	<u>Rate</u>	<u>Price</u>
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EXHIBIT B

PAYMENT SCHEDULE OF PRIOR PAYMENTS

<u>Date</u>	<u>Principal</u>	<u>Interest</u>	<u>Net Escrow Receipts</u>
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Escrow Cost Summary

Purchase date
Purchase cost of securities

ESCROW REQUIREMENTS

<u>Period Ending</u>	<u>Interest</u>	<u>Principal Redeemed</u>	<u>Total</u>
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EXHIBIT C

\$24,305,000

Outstanding

Westminster Redevelopment Agency

Westminster Commercial Redevelopment Project No. 1

2011 Tax Allocation Bonds

Subordinate Lien

(Tax-Exempt)

NOTICE OF DEFEASANCE

OWNERS of certain maturities of the above-described Bonds (the “Defeased Bonds”) are hereby NOTIFIED that, pursuant to an Escrow Deposit and Trust Agreement dated as of _____, 2020, by and between the Successor Agency to the Westminster Redevelopment Agency and MUFG Union Bank, N.A., as Escrow Bank (the “Escrow Bank”), the Escrow Bank has received and holds in irrevocable trust, cash moneys or noncallable direct and general obligations of the United States of America or obligations of any agency or instrumentality of the United States the payment of principal of and interest on which is unconditionally guaranteed by the full faith and credit of the United States of America (collectively, the “Defeasance Obligations”) interest on and the principal of which obligations, when due, will provide moneys together with any such cash sufficient to pay interest on and the principal of the Defeased Bonds to November 1, 2021, as indicated on such Defeased Bonds and to prepay the Defeased Bonds on November 1, 2021, as indicated on such Defeased Bonds, all as verified by an independent certified public accountant. The Escrow Bank shall collect interest on and the principal of such obligations and shall pay the same, together with any such cash moneys held by the Escrow Bank, to Owners of record of the Defeased Bonds, in such amounts and at such times as shall be required to pay interest on and the principal of the Defeased Bonds to the redemption date or maturity date, as applicable.

The Defeased Bond CUSIP numbers, maturity dates and principal amounts are listed below:

<u>CUSIP Number</u> ²	<u>Maturity Date</u> <u>(November 1)</u>	<u>Principal Amount</u> <u>Outstanding</u>	<u>Interest</u> <u>Rate</u>
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The Defeased Bonds are now deemed to have been paid, and the Owners thereof shall hereafter be limited to the application of such cash moneys or Defeasance Obligations for the

² NTD: Please add CUSIP number and other information to this table.

payment of interest on and the principal of such Defeased Bonds as the same become due and payable as described above.

THIS IS NOT A NOTICE OF REDEMPTION. THIS NOTICE IS FOR INFORMATIONAL PURPOSES ONLY AND DOES NOT REQUIRE OR SOLICIT THE PRESENT SURRENDER OR EXCHANGE OF THE DEFEASED BONDS.

The CUSIP numbers have been assigned by an independent service for convenience of reference and none of the Agency, the Trustee or the Escrow Bank shall be held liable for any inaccuracy in any such CUSIP number.

DATED: _____, 2020

MUFG UNION BANK, N.A., as Trustee and
Escrow Bank, on behalf of the SUCCESSOR
AGENCY TO THE WESTMINSTER
REDEVELOPMENT AGENCY

EXHIBIT D

\$24,305,000

**Westminster Redevelopment Agency
Westminster Commercial Redevelopment Project No. 1
2011 Tax Allocation Bonds
Subordinate Lien (Tax-Exempt)**

NOTICE OF FULL OPTIONAL REDEMPTION

NOTICE IS HEREBY GIVEN that on November 1, 2021 (the “Redemption Date”), the above-captioned bonds (the “Bonds”) have been called for redemption pursuant to Section 4.01(a) of the Indenture of Trust, dated as of June 1, 2011, by and between Union Bank, N.A., presently known as MUFG Union Bank, N.A., as trustee (the “Trustee”) and the Westminster Redevelopment Agency (the “Former Agency”). The Bonds will be redeemed at 100% of the principal amount plus accrued interest (the “Redemption Price”). Interest will be paid in the usual manner.

The Bond CUSIP numbers and maturity dates are listed below:

<u>CUSIP Number</u>	<u>Principal Amount</u>	<u>Maturity Date</u> <u>(November 1)</u> ³
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[Balance of this page intentionally left blank.]

³ NTD: Please add CUSIP and other information to this table.

The Bonds are due and payable at the designated corporate trust office of the Trustee on Redemption Date. Interest will cease to accrue on the Bonds from and after the Redemption Date. The Bonds should be presented for redemption to the designated corporate trust office of the Trustee at the following address:

MUFG Union Bank, N.A.
Corporate Trust Department
445 S. Figueroa Street, Suite 401
Los Angeles, CA 90071
Attn: Bond Redemption

To avoid a 28% back-up withholding tax required by Federal law, holders of Bonds must submit with their Bonds a completed IRS Form W-9. For your convenience a Form W-9 has been enclosed.

The CUSIP number has been assigned by Standard & Poor's Corporation and is included solely for the convenience of the holders of Bonds. Neither the Former Agency nor the Trustee shall be responsible for the selection or use of the CUSIP numbers nor is any representation made as to their correctness on the Bonds or as indicated in any redemption Notice.

Dated: _____

MUFG Union Bank, N.A., as Trustee for
SUCCESSOR AGENCY TO THE
WESTMINSTER REDEVELOPMENT
AGENCY

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SOURCES AND USES OF FUNDS

Westminster Redevelopment Agency Series 2020 Tax Allocation Refunding Debt Service Savings Analysis

Sources:

<hr/>	
Bond Proceeds:	
Par Amount	9,355,000.00
Other Sources of Funds:	
Bond Fund	10,709,865.00
Reserve Fund	1,828,933.00
	12,538,798.00
	21,893,798.00

Uses:

<hr/>	
Refunding Escrow Deposits:	
Cash Deposit	146.06
Open Market Purchases	21,491,996.51
	21,492,142.57
Delivery Date Expenses:	
Cost of Issuance	265,000.00
Underwriter's Discount	68,347.63
DSR Surety Policy	11,333.74
Bond Insurance	52,552.20
	397,233.57
Other Uses of Funds:	
Additional Proceeds	4,421.86
	21,893,798.00

SAVINGS

Westminster Redevelopment Agency Series 2020 Tax Allocation Refunding Debt Service Savings Analysis

<i>Date</i>	<i>Prior Debt Service</i>	<i>Refunding Debt Service</i>	<i>Savings</i>	<i>Present Value to 12/17/2020 @ 3.1259006%</i>
11/01/2021	1,827,443.76	644,417.95	1,183,025.81	1,158,861.11
11/01/2022	1,823,943.76	642,002.50	1,181,941.26	1,121,762.75
11/01/2023	1,828,943.76	647,642.50	1,181,301.26	1,086,698.35
11/01/2024	1,828,243.76	647,435.50	1,180,808.26	1,052,826.16
11/01/2025	1,825,343.76	646,335.00	1,179,008.76	1,018,877.30
11/01/2026	1,825,243.76	644,531.00	1,180,712.76	988,930.44
11/01/2027	1,827,668.76	646,583.50	1,181,085.26	958,778.14
11/01/2028	1,357,343.76	477,579.00	879,764.76	693,203.34
11/01/2029	1,355,118.76	476,336.50	878,782.26	671,161.46
11/01/2030	1,355,868.76	479,700.50	876,168.26	648,608.80
11/01/2031	1,355,618.76	477,537.50	878,081.26	630,036.17
11/01/2032	1,357,993.76	478,776.00	879,217.76	611,451.51
11/01/2033	1,357,631.26	479,717.50	877,913.76	591,764.45
11/01/2034	1,355,256.26	480,362.00	874,894.26	571,585.22
11/01/2035	1,355,868.76	480,709.50	875,159.26	554,148.93
11/01/2036	1,359,181.26	480,760.00	878,421.26	539,066.76
11/01/2037	1,354,906.26	479,202.50	875,703.76	520,841.31
11/01/2038	1,357,318.76	477,310.00	880,008.76	507,246.98
11/01/2039	1,356,793.76	480,082.50	876,711.26	489,752.01
11/01/2040	1,358,331.26	477,352.50	880,978.76	476,926.57
11/01/2041	1,351,637.50	479,287.50	872,350.00	457,665.90
11/01/2042	1,357,006.26	480,720.00	876,286.26	445,502.94
11/01/2043	1,353,556.26	476,230.00	877,326.26	432,220.15
11/01/2044	1,356,581.26	476,395.00	880,186.26	420,189.27
11/01/2045	1,360,493.76	481,042.50	879,451.26	406,815.02
	37,203,337.74	13,138,048.95	24,065,288.79	17,054,921.06

Savings Summary

PV of savings from cash flow	17,054,921.06
Less: Prior funds on hand	-12,538,798.00
Plus: Refunding funds on hand	4,421.86
Net PV Savings	4,520,544.92

SUMMARY OF REFUNDING RESULTS**Westminster Redevelopment Agency
Series 2020 Tax Allocation Refunding
Debt Service Savings Analysis**

Dated Date	12/17/2020
Delivery Date	12/17/2020
Arbitrage yield	3.125901%
Escrow yield	0.109973%
Value of Negative Arbitrage	545,084.10
Bond Par Amount	9,355,000.00
True Interest Cost	3.186374%
Net Interest Cost	3.159482%
Average Coupon	3.103413%
Average Life	13.030
Par amount of refunded bonds	20,355,000.00
Average coupon of refunded bonds	5.799991%
Average life of refunded bonds	14.146
PV of prior debt to 12/17/2020 @ 3.125901%	26,346,035.12
Net PV Savings	4,520,544.92
Percentage savings of refunded bonds	22.208523%
Percentage savings of refunding bonds	48.322233%

BOND PRICING

**Westminster Redevelopment Agency
Series 2020 Tax Allocation Refunding
Debt Service Savings Analysis**

<i>Bond Component</i>	<i>Maturity Date</i>	<i>Amount</i>	<i>Rate</i>	<i>Yield</i>	<i>Price</i>
Bond Component:					
	11/01/2021	430,000	0.890%	0.890%	100.000
	11/01/2022	400,000	1.090%	1.090%	100.000
	11/01/2023	410,000	1.270%	1.270%	100.000
	11/01/2024	415,000	1.470%	1.470%	100.000
	11/01/2025	420,000	1.620%	1.620%	100.000
	11/01/2026	425,000	1.870%	1.870%	100.000
	11/01/2027	435,000	2.070%	2.070%	100.000
	11/01/2028	275,000	2.270%	2.270%	100.000
	11/01/2029	280,000	2.370%	2.370%	100.000
	11/01/2030	290,000	2.470%	2.470%	100.000
		<u>3,780,000</u>			
Term Bond:					
	11/01/2035	1,575,000	2.970%	2.970%	100.000
Term Bond #2:					
	11/01/2041	2,240,000	3.350%	3.350%	100.000
Term Bond #3:					
	11/01/2045	1,760,000	3.450%	3.450%	100.000
		<u>9,355,000</u>			

Dated Date	12/17/2020	
Delivery Date	12/17/2020	
First Coupon	05/01/2021	
Par Amount	9,355,000.00	
Original Issue Discount		
Production	9,355,000.00	100.000000%
Underwriter's Discount	-68,347.63	-0.730600%
Purchase Price	9,286,652.37	99.269400%
Accrued Interest		
Net Proceeds	9,286,652.37	

\$ _____
**SUCCESSOR AGENCY TO THE
WESTMINSTER REDEVELOPMENT AGENCY
WESTMINSTER COMMERCIAL REDEVELOPMENT PROJECT NO. 1
2020 TAX ALLOCATION REFUNDING BONDS
SUBORDINATE LIEN (FEDERALLY TAXABLE)**

BOND PURCHASE CONTRACT

_____, 2020

Successor Agency to the Westminster Redevelopment Agency
c/o City of Westminster
8200 Westminster Boulevard
Westminster, California 92683

Ladies and Gentlemen:

Stifel, Nicolaus & Company, Incorporated (the “Underwriter”) offers to enter into this Bond Purchase Contract (this “Purchase Contract”) with the Successor Agency to the Westminster Redevelopment Agency (the “Agency”) which will be binding upon the Agency and the Underwriter upon the acceptance hereof by the Agency. This offer is made subject to its acceptance by the Agency by execution of this Purchase Contract and its delivery to the Underwriter on or before 5:00 p.m., California time, on the date hereof. All terms used herein and not otherwise defined shall have the respective meanings given to such terms in the Indenture (as hereinafter defined).

The Agency acknowledges and agrees that: (i) the purchase and sale of the Bonds pursuant to this Purchase Contract is an arm’s length commercial transaction between the Agency and the Underwriter; (ii) in connection with such transaction, the Underwriter is acting solely as principal and not as agent or fiduciary of the Agency; (iii) the Underwriter has not assumed (individually or collectively) a fiduciary responsibility in favor of the Agency with respect to the offering contemplated hereby or the discussions, undertakings and procedures leading thereto (irrespective of whether the Underwriter has provided other services or is currently providing other services to the Agency on other matters); and (iv) the Agency has consulted with its own legal and financial advisors to the extent it has deemed appropriate.

1. Purchase, Sale and Delivery of the Bonds. Upon the terms and conditions and upon the basis of the representations, warranties and agreements hereinafter set forth, the Underwriter hereby agrees to purchase from the Agency for offering to the public, and the Agency hereby agrees to sell to the Underwriter for such purpose, all (but not less than all) of the \$_____ aggregate principal amount of the Agency’s Westminster Commercial Redevelopment Project No. 1 2020 Tax Allocation Refunding Bonds Subordinate Lien (Federally Taxable) (the “Bonds”), at a purchase price equal to \$_____ (being the aggregate principal amount thereof, [plus original issue premium of \$_____] and less an Underwriter’s discount of \$_____). In addition, on behalf of the Agency, the Underwriter shall wire the amount of \$_____ to the Insurer (defined below) to pay the costs of the premiums for the Insurance Policy (defined below) and the Surety Bond (defined

below). The Bonds are to be purchased by the Underwriter from the Agency. Such payment and delivery and the other actions contemplated hereby to take place at the time of such payment and delivery are herein sometimes called the “Closing.”

2. The Bonds and Related Documents. The Bonds shall be substantially in the form described in, and shall be issued and secured under the provisions of an Indenture of Trust (the “Indenture”), dated as of _____ 1, 2020, by and between the Agency and MUFG Union Bank, N.A., as trustee (the “Union Bank”) and pursuant Part 1 and Part 1.85 of Division 24 of the California Health and Safety Code (the “Law”) and Article 11 of Chapter 3 of Part 1 of Division 2 of Title 5 of the California Government Code (the “Act”) and a resolution of the Agency adopted on _____, 2020 (the “Agency Resolution”). The issuance of the Bonds was approved by the Orange County Oversight Board by resolution on _____, 2020 (the “Oversight Board Resolution”). The Bonds shall be as described in the Indenture and the Official Statement dated the date hereof relating to the Bonds (which, together with all exhibits and appendices included therein or attached thereto and such amendments or supplements thereto which shall be approved by the Underwriter, is hereinafter called the “Official Statement”).

A municipal bond insurance policy (the “Insurance Policy”) and a debt reserve surety bond for the Bonds (the “Surety Bond”) shall be purchased from _____ (the “Insurer”).

The net proceeds of the Bonds will be used to refund the Agency’s outstanding Westminster Commercial Redevelopment Project No. 1 2011 Tax Allocation Bonds Series A Subordinate Lien (Tax-Exempt), as identified in the Indenture (the “Refunded Bonds”). The Bonds shall be secured by Tax Revenues on a subordinate basis to the Agency’s Westminster Commercial Redevelopment Project No. 1 2016 Subordinate Tax Allocation Refunding Bonds and its Westminster Commercial Redevelopment Project No. 1 2018 Tax Allocation Refunding Bonds.

The Agency will undertake pursuant to the provisions of a Continuing Disclosure Certificate, to be dated the date of the Closing (the “Disclosure Certificate”) and executed by the Agency, to provide certain annual information and notices of the occurrence of certain events. A description of the undertaking is set forth in the Preliminary Official Statement (as defined below) and will also be set forth in the Official Statement.

The Indenture, the Continuing Disclosure Certificate, the Escrow Deposit and Trust Agreement (the “Escrow Agreement”) by and between the Agency and Union Bank, as escrow bank for the Refunded Bonds, and this Purchase Contract are sometimes collectively referred to herein as the “Agency Legal Documents.”

3. Offering. It shall be a condition to the Agency’s obligations to sell and to deliver the Bonds to the Underwriter and to the Underwriter’s obligations to purchase, to accept delivery of and to pay for the Bonds that the entire \$_____ aggregate principal amount of the Bonds shall be issued, sold and delivered by the Agency and purchased, accepted and paid for by the Underwriter at the Closing. The Underwriter agrees to make a bona fide public offering of all of the Bonds at the initial public offering prices or yields set forth in Exhibit A hereto and on the inside front cover page of the Official Statement. The Underwriter reserves the right to change, subsequent to the initial public offering, such initial offering prices as it shall deem necessary in connection with the marketing of the Bonds.

4. Use and Preparation of Documents. The Agency has caused to be prepared and delivered to the Underwriter prior to the execution of this Purchase Contract copies of the Preliminary Official Statement dated _____, 2020, relating to the Bonds (the “Preliminary Official Statement”), which was approved by a resolution of the Agency (the “Agency OS Resolution”). The Agency ratifies, confirms and approves the use by the Underwriter prior to the date hereof of the Preliminary Official Statement. The Agency has previously deemed the Preliminary Official Statement to be final as of its date for purposes of Rule 15c2-12 promulgated under the Securities Exchange Act of 1934, as amended (“Rule 15c2-12”), except for information permitted to be omitted therefrom by Rule 15c2-12. The Agency hereby agrees to deliver or cause to be delivered to the Underwriter, within seven (7) business days of the date hereof, but not less than one (1) business day prior to Closing a sufficient number of copies of the final Official Statement relating to the Bonds, dated the date hereof, which includes all information permitted to be omitted by Rule 15c2-12 and any amendments or supplements to such Official Statement as have been approved by the Agency and the Underwriter (the “Official Statement”) to enable the Underwriter to distribute a single copy of each Official Statement to any potential customer of the Underwriter requesting an Official Statement during the time period beginning when the Official Statement becomes available and ending 25 days after the End of the Underwriting Period (defined below). The Agency hereby approves of the use and distribution (including the electronic distribution) by the Underwriter of the Preliminary Official Statement and the Official Statement in connection with the offer and sale of the Bonds. The Underwriter agrees that it will not confirm the sale of any Bonds unless the confirmation of sale is accompanied or preceded by the delivery of a copy of the Official Statement.

5. Representations, Warranties and Agreements of the Agency. The Agency hereby represents, warrants and agrees as follows:

(a) The Agency is a public entity existing under the laws of the State of California, including the Law.

(b) The Agency has full legal right, power and authority to enter into the Agency Legal Documents and carry out and consummate the transactions contemplated by the Agency Legal Documents.

(c) By all necessary official action of the Agency prior to or concurrently with the acceptance hereof, the Agency has duly authorized and approved the preparation and use of the Preliminary Official Statement and the Official Statement, the execution and delivery of the Official Statement and the Agency Legal Documents, and the performance by the Agency of all transactions contemplated by the Agency Legal Documents; and the Agency Legal Documents will constitute legal, valid and binding obligations of the Agency, enforceable in accordance with their respective terms, except as enforcement may be limited by bankruptcy, insolvency, reorganization, moratorium or similar laws or equitable principles relating to or limiting creditors’ rights generally.

(d) The Agency is not in any material respect in breach of or default under any applicable constitutional provision, law or administrative regulation to which it is subject or any applicable judgment or decree or any loan agreement, indenture, bond, note, resolution, agreement (including, without limitation, the Indenture) or other instrument to which the Agency is a party or to which the Agency or any of its property or assets is otherwise subject, and no event has occurred and is continuing which with the passage of time or the giving of notice, or both, would constitute such a default or event of default under any such instrument;

and the execution and delivery of the Agency Legal Documents, and compliance with the provisions on the Agency's part contained therein, will not conflict with or constitute a material breach of or a material default under any constitutional provision, law, administrative regulation, judgment, decree, loan agreement, indenture, bond, note, resolution, agreement or other instrument to which the Agency is a party or to which the Agency or any of its property or assets is otherwise subject, nor will any such execution, delivery, adoption or compliance result in the creation or imposition of any lien, charge or other security interest or encumbrance of any nature whatsoever upon any of the property or assets of the Agency or under the terms of any such constitutional provision, law, regulation or instrument, except as provided by the Indenture.

(e) Except as described in or contemplated by the Official Statement, all authorizations, approvals, licenses, permits, consents and orders of any governmental authority, board, agency or commission having jurisdiction of the matter which are required for the due authorization by, or which would constitute a condition precedent to or the absence of which would materially adversely affect the due performance by, the Agency of its obligations under the Agency Legal Documents have been duly obtained.

(f) Except as otherwise disclosed in the Official Statement, between the date of this Purchase Contract and the date of the Closing, the Agency will not, without the prior written consent of the Underwriter, offer or issue any bonds, notes or other obligations for borrowed money, or incur any material liabilities, direct or contingent, payable from Tax Revenues (as defined in the Indenture), nor will there be any adverse change of a material nature in the financial position, results of operations or condition, financial or otherwise, of the Agency.

(g) To the best knowledge of the officer of the Agency executing this Purchase Contract, after due inquiry, as of the date hereof, there is no action, suit, proceeding, inquiry or investigation, at law or in equity before or by any court, government agency, public board or body, pending or threatened against the Agency, affecting the existence of the Agency or the titles of its officers to their respective offices, or affecting or seeking to prohibit, restrain or enjoin the execution and delivery of the Indenture or the collection of the Tax Revenues or contesting or affecting, as to the Agency, the validity or enforceability of the Agency Legal Documents, or contesting the completeness or accuracy of the Preliminary Official Statement or the Official Statement, or contesting the powers of the Agency, or in any way contesting or challenging the consummation of the transactions contemplated hereby, or which might result in a material adverse change in the financial condition of the Agency or which might materially adversely affect the Tax Revenues of the Agency; nor, to the best knowledge of the Agency, is there any known basis for any such action, suit, proceeding, inquiry or investigation, wherein an unfavorable decision, ruling or finding would materially adversely affect the validity of the authorization, execution, delivery or performance by the Agency of the Agency Legal Documents.

(h) As of the time of acceptance hereof and as of the date of the Closing, the Agency does not and will not have outstanding any indebtedness which indebtedness is secured by a lien on the Tax Revenues of the Agency superior to or on a parity with the lien provided for in the Indenture on the Tax Revenues, other than as disclosed in the Official Statement.

(i) As of the time of acceptance hereof and as of the date of the Closing, the Agency has complied with the filing requirements of the Law, including, without limitation, the filing of all Recognized Obligation Payment Schedules, as required by the Law.

(j) As of the date thereof, the Preliminary Official Statement did not contain any untrue statement of a material fact or omit to state a material fact necessary to make the statements therein in light of the circumstances under which they were made, not misleading (except that this representation does not include information relating to The Depository Trust Company or the book-entry only system, the Insurer, the Insurance Policy or the Surety Bond).

(k) As of the date thereof and at all times subsequent thereto to and including the date which is 25 days following the End of the Underwriting Period (as such term is hereinafter defined) for the Bonds, the Official Statement did not and will not contain any untrue statement of a material fact or omit to state a material fact required to be stated therein or necessary to make the statements therein, in light of the circumstances under which they were made not misleading (except that this representation does not include information relating to The Depository Trust Company or the book-entry only system).

(l) If between the date hereof and the date which is 25 days after the End of the Underwriting Period for the Bonds, an event occurs which would cause the information contained in the Official Statement, as then supplemented or amended, to contain an untrue statement of a material fact or to omit to state a material fact required to be stated therein or necessary to make such information herein, in the light of the circumstances under which it was presented, not misleading, the Agency will notify the Underwriter, and, if in the opinion of the Underwriter or the Agency, or their respective counsel, such event requires the preparation and publication of a supplement or amendment to the Official Statement, the Agency will cooperate in the preparation of an amendment or supplement to the Official Statement in a form and manner approved by the Underwriter, and shall pay all expenses thereby incurred. For the purposes of this subsection, between the date hereof and the date which is 25 days of the End of the Underwriting Period for the Bonds, the Agency will furnish such information with respect to itself as the Underwriter may from time to time reasonably request. As used herein, the term "End of the Underwriting Period" means the later of such time as: (i) the Agency delivers the Bonds to the Underwriter; or (ii) the Underwriter does not retain, directly or as members of an underwriting syndicate, an unsold balance of the Bonds for sale to the public. Notwithstanding the foregoing, unless the Underwriter gives notice to the contrary, the "End of the Underwriting Period" shall be the date of Closing.

(m) If the information contained in the Official Statement is amended or supplemented pursuant to paragraph (l) hereof, at the time of each supplement or amendment thereto and (unless subsequently again supplemented or amended pursuant to such subparagraph) at all times subsequent thereto up to and including the date which is 25 days after the End of the Underwriting Period for the Bonds, the portions of the Official Statement so supplemented or amended (including any financial and statistical data contained therein) will not contain any untrue statement of a material fact required to be stated therein or necessary to make such information therein in the light of the circumstances under which it was presented, not misleading (except that this representation does not include information relating to The Depository Trust Company or the book-entry only system).

(n) After the Closing, the Agency will not participate in the issuance of any amendment of or supplement to the Official Statement to which, after being furnished with a copy, the Underwriter shall reasonably object in writing or which shall be disapproved by counsel for the Underwriter.

(o) Any certificate signed by any officer of the Agency and delivered to the Underwriter shall be deemed a representation by the Agency to the Underwriter as to the statements made therein.

(p) The Agency will apply the proceeds from the sale of the Bonds for the purposes specified in the Official Statement.

(q) The Agency will furnish such information, execute such instruments and take such other action in cooperation with the Underwriter, at the expense of the Underwriter, as it may reasonably request in order to qualify the Bonds for offer and sale under the “blue sky” or other securities laws and regulations of such states and other jurisdictions of the United States of America as the Underwriter may designate; provided, however, that the Agency will not be required to execute a special or general consent to service of process or qualify as a foreign corporation in connection with any such qualification in any jurisdiction.

(r) Except as disclosed in the Official Statement, the Agency has not defaulted in any material respect under any prior continuing disclosure undertaking within the previous five years.

(s) The Orange County Oversight Board has duly adopted the Oversight Board Resolution approving the issuance of the Bonds and no further Oversight Board approval or consent is required for the issuing of the Bonds or the consummation of the transactions described in the Preliminary Official Statement.

(t) The Department of Finance of the State (the “Department of Finance”) has issued a letter, dated _____, 2020 (the “DOF Letter”), approving the issuance of the bonds. No further Department of Finance approval or consent is required for the issuance of the Bonds or the consummation of the transactions described in the Preliminary Official Statement. Except as disclosed in the Preliminary Official Statement, the Agency is not aware of the Department of Finance directing or having any basis to direct the County Auditor-Controller to deduct unpaid unencumbered funds from future allocations of property tax to the Agency pursuant to Section 34183 of the Dissolution Act.

6. Closing. At 8:30 A.M., California time, on _____, 2020 (the “Closing” or the “Closing Date”), or on such other date as may be mutually agreed upon by the Agency and the Underwriter, the Agency will, subject to the terms and conditions hereof, sell and deliver the Bonds to the Underwriter, duly executed and authenticated, together with the other documents hereinafter mentioned, and, subject to the terms and conditions hereof, the Underwriter will accept such delivery and pay the purchase price of the Bonds as set forth in Section 1 hereof in federal funds. Sale, delivery and payment as aforesaid shall be made at the offices of Best Best & Krieger, Riverside, California (“Bond Counsel”), or such other place as shall have been mutually agreed upon by the Agency and the Underwriter, except that the Bonds (with one certificate for each maturity and otherwise in a form suitable for the book-entry system) shall be delivered to the Underwriter in New York, New York, through the book-entry system of The Depository Trust Company (“DTC”). Unless the DTC Fast

Automated Securities Transfer (“FAST”) is utilized, the Bonds will be made available for inspection by DTC at least one business day prior to the Closing.

7. Closing Conditions. The Underwriter has entered into this Purchase Contract in reliance upon the representations and warranties of the Agency contained herein, and in reliance upon the representations and warranties to be contained in the documents and instruments to be delivered at the Closing and upon the performance by the Agency of its obligations hereunder, both as of the date hereof and as of the date of the Closing. Accordingly, the Underwriter’s obligations under this Purchase Contract to purchase, to accept delivery of and to pay for the Bonds shall be conditioned upon the performance by the Agency of its obligations to be performed hereunder and under such documents and instruments at or prior to the Closing, and shall also be subject to the following additional conditions:

(a) The Underwriter shall receive, within seven (7) business days of the date hereof, but in no event less than 1 business day prior to Closing, copies of the Official Statement (including all information previously permitted to have been omitted from the Preliminary Official Statement by Rule 15c2-12 and any amendments or supplements as have been approved by the Underwriter), in such reasonable quantity as the Underwriter shall have requested;

(b) The representations and warranties of the Agency contained herein shall be true, complete and correct on the date hereof and on and as of the date of the Closing, as if made on the date of the Closing and the statements of the officers and other officials of the Agency and Union Bank made in any certificate or other document furnished pursuant to the provisions hereof are accurate;

(c) At the time of the Closing, the Agency Legal Documents shall have been duly authorized, executed and delivered by the respective parties thereto, and the Official Statement shall have been duly authorized, executed and delivered by the Agency, all in substantially the forms heretofore submitted to the Underwriter, with only such changes as shall have been agreed to in writing by the Underwriter, and shall be in full force and effect; and there shall be in full force and effect such resolution or resolutions of the governing body of the Agency as, in the opinion of Bond Counsel, shall be necessary or appropriate in connection with the transactions contemplated hereby;

(d) At the time of the Closing, all necessary official action of the Agency relating to the Official Statement and the Agency Legal Documents shall have been taken and shall be in full force and effect and shall not have been amended, modified or supplemented in any material respect; and

(e) At or prior to the Closing, the Underwriter shall have received copies of each of the following documents:

(1) Bond Counsel Opinion. The approving opinion of Best Best & Krieger, Riverside, California, Bond Counsel to the Agency, dated the date of the Closing and substantially in the form included as Appendix [F] to the Official Statement;

(2) Supplemental Opinion of Bond Counsel. A supplemental opinion or opinions of Bond Counsel addressed to the Underwriter, in form and substance

acceptable to the Underwriter, and dated the date of the Closing that the Underwriter may rely on the opinion of Bond Counsel described in paragraph (1) above as if such opinion were addressed to the Underwriter and to the following effect:

(i) the Purchase Contract, the Continuing Disclosure Certificate and the Escrow Agreement have been duly executed and delivered by the Agency and (assuming due authorization, execution and delivery by and validity against the other parties thereto, as applicable) constitute the valid and binding obligations of the Agency, except as enforcement thereof may be limited by bankruptcy, insolvency or other laws affecting enforcement of creditors' rights and by the application of equitable principles;

(ii) the statements contained in the Official Statement under the captions ["INTRODUCTION," "PLAN OF FINANCE," "THE BONDS," "SECURITY FOR THE BONDS," "OTHER INFORMATION — Tax Matters"] and in Appendices [D and F] insofar as such statements expressly summarize certain provisions of the Indenture or the opinion of Bond Counsel, are accurate in all material respects;

(iii) the Bonds are not subject to the registration requirements of the Securities Act of 1933, as amended, and the Indenture is exempt from qualification pursuant to the Trust Indenture Act of 1939, as amended; and

(iv) The Refunded Bonds have been legally defeased and discharged.

(3) Agency Counsel Opinion. An opinion of Counsel to the Agency, dated the date of the Closing and addressed to the Underwriter, in form and substance acceptable to the Underwriter to the following effect:

(i) the Agency is a public body, duly existing under the Constitution and laws of the State, with full right, power and authority to execute, deliver and perform its obligations under the Agency Legal Documents;

(ii) the Agency Resolution and the Agency OS Resolution were duly adopted at meetings of the Agency, called and held pursuant to law, with all public notice required by law and at which quorums were present and acting throughout; and the Agency Resolution and the Agency OS Resolution are in full force and effect and have not been modified amended or rescinded since their respective adoption date;

(iii) The Agency Legal Documents have been duly authorized, executed and delivered by the Agency and, assuming due authorization, execution and delivery by the other parties thereto, the Agency Legal documents constitute the valid, legal and binding obligations of the Agency enforceable in accordance with their respective terms, except as enforcement thereof may be limited by bankruptcy, insolvency or other laws affecting enforcement of creditors rights and by the application of equitable principles if equitable remedies are sought. The preparation, delivery and execution of the Official Statement has been duly authorized by the Agency;

(iv) The execution and delivery of the Agency Legal Documents and the Official Statement and compliance with the provisions of the Agency Legal

Documents, under the circumstances contemplated thereby, (1) do not and will not in any material respect conflict with or constitute on the part of the Agency a breach of or default under any agreement or other instrument to which the Agency is a party or by which it is bound, and (2) do not and will not in any material respect constitute on the part of the Agency a violation, breach of or default under any existing law, regulation, court order or consent decree to which the Agency is subject;

(v) to the best of such counsel's knowledge, except as otherwise disclosed in the Official Statement, there is no litigation or proceeding, pending and served, or threatened, challenging the creation, organization or existence of the Agency, or the validity of the Bonds or the Agency Legal Documents or seeking to restrain or enjoin any of the transactions referred to therein or contemplated thereby, or under which a determination adverse to the Agency would have a material adverse effect upon the financial condition or the revenues of the Agency, or which, in any manner, questions the right of the Agency to issue, sell and deliver the Bonds, to enter into the Indenture or to use the Tax Revenues for repayment of the Bonds or affects in any manner the right or ability of the Agency to collect or pledge the Tax Revenues; and

(vi) The information in the Official Statement under the captions ["SUCCESSOR AGENCY TO THE WESTMINSTER REDEVELOPMENT AGENCY," "THE WESTMINSTER COMMERCIAL REDEVELOPMENT PROJECT NO. 1," "LIMITATIONS ON TAX REVENUES" and "OTHER INFORMATION — Litigation"] is true and accurate in all material respects; provided, however, that no opinion is expressed as to any financial or statistical information contained therein.

(4) Union Bank Counsel Opinion. The opinion of counsel to the Union Bank, dated the date of the Closing, addressed to the Underwriter, to the effect that:

(i) Union Bank is a national banking association, duly organized and validly existing under the laws of the United States of America, having full power to enter into, accept and administer the trusts created under the Indenture and the Escrow Agreement;

(ii) The Indenture and the Escrow Agreement have been duly authorized, executed and delivered by Union Bank and the Indenture and the Escrow Agreement constitute the legal, valid and binding obligations of Union Bank, enforceable in accordance with their terms, except as enforcement thereof may be limited by bankruptcy, insolvency or other laws affecting the enforcement of creditors' rights generally and by the application of equitable principles, if equitable remedies are sought; and

(iii) Except as may be required under Blue Sky or other securities laws of any state, no consent, approval, authorization or other action by any governmental or regulatory authority having jurisdiction over Union Bank that has not been obtained is or will be required for the execution and delivery of the Indenture or the Escrow Agreement, or the consummation of the transactions contemplated by the Indenture and the Escrow Agreement.

(5) Agency Certificate. A certificate of the Agency, dated the date of the Closing, signed on behalf of the Agency by a duly authorized officer of the Agency, to the effect that:

(i) the representations and warranties of the Agency contained herein are true and correct in all material respects on and as of the date of the Closing as if made on the date of the Closing;

(ii) no event affecting the Agency has occurred since the date of the Official Statement which has not been disclosed therein or in any supplement or amendment thereto which event should be disclosed in the Official Statement in order to make the statements therein, in the light of the circumstances under which they were made, not misleading; and

(iii) No further consent is required to be obtained for the inclusion of the Agency's audited financial statements, including the accompanying accountant's letter, for Fiscal Year [2019-20] in the Official Statement.

(6) Union Bank's Certificate. A certificate, dated the date of Closing, to the effect that:

(i) Union Bank is a national banking association duly organized and validly existing under the laws of the United States of America;

(ii) Union Bank has full power, authority and legal right to comply with the terms of the Indenture and the Escrow Agreement and to perform its obligations stated therein; and

(iii) the Indenture and the Escrow Agreement have been duly authorized, executed and delivered by Union Bank and (assuming due authorization, execution and delivery by the Agency) constitute legal, valid and binding obligations of Union Bank in accordance with their respective terms, except as the enforcement thereof may be limited by bankruptcy, insolvency, reorganization, moratorium or similar laws or equitable principles relating to or limiting creditors' rights generally.

(7) Legal Documents. Executed copies of this Purchase Contract and the other Agency Legal Documents.

(8) Rating Letter. A letter from S&P Global Ratings ("S&P") to the effect that the Bonds have been assigned the rating of "[AA]," which rating shall be in effect as of the Closing Date.

(9) Disclosure Letter. A letter of Best Best & Krieger LLP, Riverside, California ("Disclosure Counsel"), dated the date of the Closing, addressed to the Agency and the Underwriter, to the effect that, based upon its participation in the preparation of the Official Statement and without having undertaken to determine independently the fairness, accuracy or completeness of the statements contained in the Official Statement, such counsel has no reason to believe that, as of the date of the Closing, the Official Statement (excluding therefrom the reports, financial and statistical data and forecasts therein and the

information included in the Appendices thereto, information relating to DTC and information relating to the Insurer, the Insurance Policy and the Surety Bond, as to which no advice need be expressed) contains any untrue statement of a material fact or omits to state a material fact required to be stated therein or necessary to make the statements therein, in the light of the circumstances under which they were made, not misleading.

(10) Fiscal Consultant Certificate. A certificate of Rosenow Spevacek Group Inc. (the “Fiscal Consultant”) to the effect that the report of the Fiscal Consultant (the “Report”) contained in the Official Statement and the information set forth under the captions [“THE WESTMINSTER COMMERCIAL REDEVELOPMENT PROJECT NO. 1” “ESTIMATED REVENUES AND BOND RETIREMENT” and “BOND OWNERS’ RISKS—Reduction in Taxable Value”] in the Official Statement do not contain any untrue statement of a material fact or omit to state a material fact necessary to make the statements therein, in the light of the circumstances under which they were made, not misleading, consenting to the use of the Report in the Preliminary and Official Statement and stating that to the best of the Fiscal Consultant’s knowledge, nothing has come to the Fiscal Consultant’s attention between the date of such Report and the Closing Date which would materially alter any of the conclusions set forth in the Report.

(11) Oversight Board Resolution. A copy of the adopted Oversight Board Resolution, together with a copy of the DOF Letter.

(12) Oversight Board Certificate. A certificate of the Clerk of the Orange County Oversight Board to the effect that the Oversight Board Resolution was validly adopted, remains in full force and effect, and has not been amended, rescinded or otherwise modified since its date of adoption.

(13) Underwriter’s Counsel Opinion. An opinion of Stradling Yocca Carlson & Rauth, a Professional Corporation, dated the date of closing, addressed to the Underwriter, to the effect that: (A) while Underwriter’s Counsel is not passing upon and does not assume any responsibility for the accuracy, completeness or fairness of any of the information contained in the Official Statement and has not undertaken to verify the accuracy, completeness or fairness of, or independently verified the information contained in, the Official Statement and is therefore unable to make any representation to the Underwriter in that regard, Underwriter’s Counsel has participated in conferences prior to the date of the Official Statement with representatives of the Underwriter, the Successor Agency, the Authority, Bond Counsel, Disclosure Counsel, the Fiscal Consultant, Union Bank and their respective legal counsel and others, during which conferences the contents of the Official Statement and related matters were discussed and that, based upon the information made available to Underwriter’s Counsel in the course of its participation in such conferences, review of the documents referred to above, reliance on the documents, letters, certificates and the opinions of counsel described in this Purchase Contract and Underwriter’s Counsel’s understanding of applicable law, as a matter of fact and not opinion, no information has come to the attention of the attorneys in Underwriter’s Counsel’s firm rendering legal services to the Underwriter with respect to the Bonds which caused Underwriter’s Counsel to believe that the Official Statement as of its date contained, or as of the Closing Date contained, any untrue statement of a material fact, or as of its date omitted, or as of the Closing Date omitted, to state a material fact required to be stated therein or necessary to make the statements therein, in the light of the circumstances under which they were made, not misleading (except that Underwriter’s Counsel expresses no view

with respect to information related to any financial, statistical, engineering, or economic or demographic data or forecasts, numbers, charts, tables, estimates, projections, appraisals or assessed valuations or any information about CUSIP numbers, the rating on the Bonds, the Insurer, the Insurance Policy or the Surety Bond, the book-entry system or The Depository Trust Company contained in the Official Statement, including any of the appendices thereto), and that, other than reviewing the various certificates and opinions required by Section 7(e) of the Purchase Contract regarding the Official Statement, Underwriter's Counsel has not taken any steps since the date of the Official Statement to verify the accuracy of the statements contained in the Official Statement as of the Closing Date; (B) the Bonds are not subject to the registration requirements of the Securities Act of 1933, as amended, and the Indenture is exempt from qualification under the Trust Indenture Act of 1939, as amended, are accurate in all material respects; and (C) the Continuing Disclosure Certificate to provide continuing disclosure with respect to the Bonds satisfies the requirements of Rule 15c2-12.

(14) Verification. A certification report prepared by [Causey Demgen & Moore P.C.], certified public accountants, in form and substance satisfactory to Bond Counsel and the Underwriter.

(15) Insurance Policy. The executed Insurance Policy issued by the Insurer, in form and substance acceptable to the Underwriter.

(16) Surety Bond. The executed Surety Bond issued by the Insurer, in form and substance acceptable to the Underwriter.

(17) Insurer Counsel Opinion. An opinion of counsel to the Insurer as to the enforceability of its Insurance Policy and the Surety Bond, in form and substance satisfactory to Bond Counsel and the Underwriter.

(18) Insurer Certificate. A certificate, dated the date of Closing, of the Insurer, relating to the Insurance Policy and the Surety Bond, in form and substance satisfactory to Bond Counsel and the Underwriter.

(19) Additional Documents. Such additional certificates, instruments and other documents as Bond Counsel, the Agency or the Underwriter may reasonably deem necessary.

All the opinions, letters, certificates, instruments and other documents mentioned above or elsewhere in this Purchase Contract shall be deemed to be in compliance with the provisions hereof if, but only if, they are in form and substance satisfactory to the Underwriter.

If the Agency or Union Bank shall be unable to satisfy the conditions to the obligations of the Underwriter to purchase, to accept delivery of and to pay for the Bonds contained in this Purchase Contract, if the Agency shall determine in good faith (and provide written notice to the Underwriter) that legislation has been introduced or proposals made by the Governor of the State which if enacted and effective would impose additional limitations or burdens on the Agency by reason of the issuance of the Bonds or which purport to prohibit the issuance of the Bonds, or if the obligations of the Underwriter to purchase, to accept delivery of and to pay for the Bonds shall be terminated for any reason permitted by this Purchase Contract, this Purchase Contract shall terminate and the Underwriter shall be under no further obligation hereunder.

8. Termination. The Underwriter shall have the right to terminate this Purchase Contract, without liability therefor, by notification to the Agency if at any time between the date hereof and prior to the Closing:

(a) any event shall occur which causes any statement contained in the Official Statement to be materially misleading or results in a failure of the Official Statement to state a material fact necessary to make the statements in the Official Statement, in the light of the circumstances under which they were made, not misleading; or

(b) the marketability of the Bonds or the market price thereof, in the opinion of the Underwriter, has been materially adversely affected by an amendment to the Constitution of the United States or by any legislation in or by the Congress of the United States or by the State, or the amendment of legislation pending as of the date of this Purchase Contract in the Congress of the United States, or the recommendation to Congress or endorsement for passage (by press release, other form of notice or otherwise) of legislation by the President of the United States, the Treasury Department of the United States, the Internal Revenue Service or the Chairman or ranking minority member of the Committee on Finance of the United States Senate or the Committee on Ways and Means of the United States House of Representatives, or the proposal for consideration of legislation by either such Committee or by any member thereof, or the presentment of legislation for consideration as an option by either such Committee, or by the staff of the Joint Committee on Taxation of the Congress of the United States, or the favorable reporting for passage of legislation to either House of the Congress of the United States by a Committee of such House to which such legislation has been referred for consideration, or any decision of any Federal or State court or any ruling or regulation (final, temporary or proposed) or official statement on behalf of the United States Treasury Department, the Internal Revenue Service or other federal or State authority materially adversely affecting the federal or State tax status of the Agency, or the interest on bonds or notes or obligations of the general character of the Bonds; or

(c) any legislation, ordinance, rule or regulation shall be introduced in, or be enacted by any governmental body, department or agency of the State, or a decision by any court of competent jurisdiction within the State or any court of the United States shall be rendered which, in the reasonable opinion of the Underwriter, materially adversely affects the market price of the Bonds; or

(d) legislation shall be enacted by the Congress of the United States, or a decision by a court of the United States shall be rendered, or a stop order, ruling, regulation or official statement by, or on behalf of, the Securities and Exchange Commission or any other governmental agency having jurisdiction of the subject matter shall be issued or made to the effect that the issuance, offering or sale of obligations of the general character of the Bonds, or the issuance, offering or sale of the Bonds, including all underlying obligations, as contemplated hereby or by the Official Statement, is in violation or would be in violation of, or that obligations of the general character of the Bonds, or the Bonds, are not exempt from registration under, any provision of the federal securities laws, including the Securities Act of 1933, as amended and as then in effect, or that the Indenture needs to be qualified under the Trust Indenture Act of 1939, as amended and as then in effect; or

(e) additional material restrictions not in force as of the date hereof shall have been imposed upon trading in securities generally by any governmental authority or by

any national securities exchange which restrictions materially adversely affect the Underwriter's ability to trade the Bonds; or

(f) a general banking moratorium shall have been established by federal or State authorities; or

(g) the United States has become engaged in hostilities which have resulted in a declaration of war or a national emergency or there has occurred any other outbreak of hostilities or a national or international calamity, pandemic or crisis, or there has occurred any escalation of existing hostilities, calamity, pandemic or crisis, financial or otherwise, the effect of which on the financial markets of the United States being such as, in the reasonable opinion of the Underwriter, would affect materially and adversely the ability of the Underwriter to market the Bonds; or

(h) any rating of the Bonds or the Insurer shall have been downgraded, suspended or withdrawn by a national rating service, which, in the Underwriter's reasonable opinion, materially adversely affects the marketability or market price of the Bonds; or

(i) the commencement of any action, suit or proceeding described in Section 5(g) hereof which, in the judgment of the Underwriter, materially adversely affects the market price of the Bonds; or

(j) there shall be in force a general suspension of trading on the New York Stock Exchange.

9. Expenses. The Agency will pay or cause to be paid the approved expenses incident to the performance of its obligations hereunder and certain expenses relating to the sale of the Bonds, including, but not limited to, (a) the cost of the preparation and printing or other reproduction of the Agency Legal Documents (other than this Purchase Contract); (b) the fees and disbursements of Bond Counsel, Disclosure Counsel, the Municipal Advisor, Fiscal Consultant and any other experts or other consultants retained by the Agency; (c) the costs and fees of the credit rating agencies; (d) the cost of preparing and delivering the definitive Bonds; (e) the cost of providing immediately available funds on the Closing Date; (f) the cost of the printing or other reproduction of the Preliminary Official Statement and Official Statement and any amendment or supplement thereto, including a reasonable number of certified or conformed copies thereof; (g) the Underwriter's out-of-pocket expenses incurred with the financing; (h) the fees for a continuing disclosure undertaking compliance review; and (i) expenses (included in the expense component of the spread) incurred on behalf of the Agency's employees which are incidental to implementing this Purchase Contract including expenses incurred for the rating presentations and the investor presentation. The Underwriter will pay the expenses of the preparation of this Purchase Contract and all other expenses incurred by the Underwriter in connection with the public offering and distribution of the Bonds, and the fee and disbursements of Underwriter's Counsel. The Underwriter is required to pay the fees of the California Debt and Investment Advisory Commission in connection with the offering of the Bonds. The Agency acknowledges that it has had an opportunity, in consultation with such advisors as it may deem appropriate, if any, to evaluate and consider such fees. Notwithstanding that such fees are solely the legal obligation of the Underwriter, the Agency agrees to reimburse the Underwriter for such fees.

The Underwriter shall pay, and the Agency shall be under no obligation to pay, all expenses incurred by the Underwriter in connection with the public offering and distribution of the Bonds.

10. Notices. Any notice or other communication to be given to the Agency under this Purchase Contract may be given by delivering the same in writing at the Agency's address set forth above; Attention: City Manager, and to the Underwriter under this Purchase Contract may be given by delivering the same in writing to One Montgomery Street, 35th Floor, San Francisco, California 94104, Attention: Sara Oberlies Brown.

11. Parties in Interest. This Purchase Contract is made solely for the benefit of the Agency and the Underwriter and no other person shall acquire or have any right hereunder or by virtue hereof. All of the representations, warranties and agreements of the Agency contained in this Purchase Contract shall remain operative and in full force and effect, regardless of: (i) any investigations made by or on behalf of the Underwriter; (ii) delivery of and payment for the Bonds pursuant to this Purchase Contract; and (iii) any termination of this Purchase Contract.

12. Effectiveness and Counterpart Signatures. This Purchase Contract shall become effective upon the execution of the acceptance by an authorized officer of the Agency and shall be valid and enforceable at the time of such acceptance and approval. This Purchase Contract may be executed by the parties hereto by facsimile transmission and in separate counterparts, each of which when so executed and delivered (including delivery by facsimile transmission) shall be an original, but all such counterparts shall together constitute but one and the same instrument.

13. Headings. The headings of the sections of this Purchase Contract are inserted for convenience only and shall not be deemed to be a part hereof.

[REMAINDER OF PAGE INTENTIONALLY LEFT BLANK]

14. Governing Law. This Purchase Contract shall be construed in accordance with the laws of the State of California.

Very truly yours,

STIFEL, NICOLAUS & COMPANY, INC., as
Underwriter

By: _____
Its: Authorized Officer

Accepted:

SUCCESSOR AGENCY TO THE
WESTMINSTER REDEVELOPMENT AGENCY

By: _____
City Manager, as
Administrative Officer of the Agency

Time of Execution: _____ p.m. Pacific Time

EXHIBIT A

MATURITY SCHEDULE

**SUCCESSOR AGENCY TO THE
WESTMINSTER REDEVELOPMENT AGENCY
WESTMINSTER COMMERCIAL REDEVELOPMENT PROJECT NO. 1
2020 TAX ALLOCATION REFUNDING BONDS
SUBORDINATE LIEN (FEDERALLY TAXABLE)**

<i>Maturity Date (November 1)</i>	<i>Principal Amount</i>	<i>Interest Rate</i>	<i>Price</i>
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Orange Countywide Oversight Board

Agenda Item No. 15a

Date: 9/22/2020

From: Successor Agency to the Anaheim Redevelopment Agency

Subject: Straw Vote of the Countywide Oversight Board Regarding Administrative Budget

Recommended Action:

Hold a straw vote regarding FY 2021-2022 Administrative Budget for the Anaheim Successor Agency

The Anaheim Successor Agency requests a straw vote of the Administrative Budget for Fiscal Year 2021-22. The Successor Agency shall return in January with a request for final approval of the Administrative Budget with the Recognized Obligation Payment Schedule (ROPS).

The Administrative Budget accounts for personnel hours for staff conducting business on behalf of the Anaheim Successor Agency. This includes time for the Executive Director who oversees and provides all oversight of the Successor Agency, the Financial Accounting Manager who prepares and submits ROPS, PPA schedules, and serves as the primary DOF contact, the Senior Accountant who prepares all accounting entries, calculates property tax data for enforceable obligations, compiles data for RDA bonds, etc., the Senior Project Manager who manages all remediation for the Westgate landfill, and the Management Assistant who prepares all staff reports and correspondence for Oversight Board meetings, and serves as the liaison between the Board and the Successor Agency.

In addition to personnel costs, the Administrative Budget includes costs allocated for legal counsel, audit fees, offsite document storage, loan servicing fees, and other administrative costs. The Anaheim Successor Agency is requesting from the Department of Finance the maximum allowable allocation of \$443,795 for the Administrative Budget. As projected in the attached draft budget, the Successor's expenses are \$487,000. Our calculated authorized admin allowance for FY 21/22 of \$443,795 is a major decrease from the current year's allowance primarily due to the fact that the Successor Agency used its cash balance in the current year, thereby greatly reducing the RPTTF request.

Staff Contact(s)

Stacey Shokri
Financial Accounting Manager
SShokri@anaheim.net

Jessica Garcia
Management Assistant
Jgarcia3@anaheim.net

Attachments

1. Draft Administrative Budget
2. FY 2010-21 Approved ROPS and Administrative Budget
3. FY 2019-20 Approved ROPS including Administrative Budget

ANAHEIM SUCCESSOR AGENCY		
2021/22 ADMINISTRATIVE BUDGET		
LABOR	\$ 346,000	
LEGAL	40,000	
CITY OVERHEAD CHARGES	50,000	
RENTS/OFFICE EQUIPMENT/SUPPLIES	30,000	
DOCUMENT OFFSITE STORAGE	4,000	
AUDIT FEES	1,500	
SHIPPING/MAILING	500	
INSURANCE	5,000	
ADMINISTRATIVE COSTS - WESTGATE PROJECT	10,000	
TOTAL PROJECTED FY 21/22 BUDGET	\$ 487,000	
FY 21/22 ALLOWED ADMINSTRATIVE ALLOWANCE	443,795	*
(OVER)/UNDER ADMINISTRATIVE ALLOWANCE	(43,205)	
*Agency requested ROPS 21/22 Admin Allowance		

RESOLUTION NO. 2012-105

A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF ANAHEIM, ACTING AS THE SUCCESSOR AGENCY TO THE ANAHEIM REDEVELOPMENT AGENCY, AUTHORIZING AND DIRECTING THE EXECUTIVE DIRECTOR OF THE COMMUNITY DEVELOPMENT DEPARTMENT TO REPRESENT THE CITY, ACTING IN ITS CAPACITY AS THE SUCCESSOR AGENCY TO THE ANAHEIM REDEVELOPMENT AGENCY, IN MATTERS PERTAINING TO THE REDEVELOPMENT DISSOLUTION ACT, AS AMENDED.

WHEREAS, prior to February 1, 2012, the Anaheim Redevelopment Agency (herein referred to interchangeably as the "Agency" or the "dissolved Agency") was a community redevelopment agency duly organized and existing under the California Community Redevelopment Law (Health and Safety Code Sections 33000 *et seq.*), and was authorized to transact business and exercise the powers of a redevelopment agency pursuant to action of the City Council ("City Council") of the City of Anaheim ("City"); and

WHEREAS, Assembly Bill x1 26, which was passed by the California State Legislature, approved by the Governor on June 28, 2011, and chaptered by the Secretary of State on June 29, 2011, added Parts 1.8 and 1.85 to Division 24 of the California Health & Safety Code, which laws caused the dissolution and wind down of all redevelopment agencies (herein referred to as the "Dissolution Act"); and

WHEREAS, on December 29, 2011, in the petition *California Redevelopment Association v. Matosantos*, the California Supreme Court upheld the Dissolution Act, which had the effect of dissolving all redevelopment agencies in California as of and on February 1, 2012; and

WHEREAS, as of, on and after February 1, 2012, the Agency became a dissolved community redevelopment agency pursuant to the Dissolution Act; and

WHEREAS, by Resolution No. 2012-001, considered and approved by the City Council at an open public meeting on January 10, 2012, the City Council elected to have the City serve as the "Successor Agency" to the dissolved Agency under the Dissolution Act, thereby assuming all authority, rights, powers, duties and obligations previously vested with the Agency under the California Community Redevelopment Law, effective upon dissolution of the Agency on February 1, 2012; and

WHEREAS, as of, on and after February 1, 2012, the City began to perform and will continue to perform its functions as and on behalf of the Successor Agency to the dissolved Agency under the Dissolution Act to administer the enforceable obligations of the Agency and

otherwise unwind the dissolved Agency's affairs, all subject to the review and approval by a seven-member "Oversight Board" formed thereunder; and

WHEREAS, as part of the Fiscal Year 2012-13 State budget package, on June 27, 2012, the California State Legislature passed, and the Governor signed, Assembly Bill 1484 (herein referred to as "AB 1484"), the primary purpose of which was to make technical and substantive amendments to the Dissolution Act based upon experience to-date at the state and local level in implementing the Dissolution Act. As a budget trailer bill, AB 1484 took immediate effect upon signature by the Governor; and

WHEREAS, the City, as Successor Agency to the dissolved Agency, is required to perform certain duties and obligations under the Dissolution Act, as amended by AB 1484, to administer the enforceable obligations of the dissolved Agency and otherwise unwind the dissolved Agency's affairs, including, but not limited to, the preparation and adoption of periodic Recognized Obligation Payment Schedules and other matters described in Sections 34177, 34179.5, 34179.6 and 34181 of the California Health and Safety Code, all subject to the review and approval by the Oversight Board of the Successor Agency to the dissolved Agency (herein referred to as the "Oversight Board"); and

WHEREAS, the City Council, serving as, and on behalf of, the Successor Agency to the dissolved Agency, desires to authorize the Executive Director of the Community Development Department (or his designee) (herein referred to as the "Executive Director") to take certain actions for and on behalf of the City, in its capacity as the Successor Agency to the dissolved Agency, in the manner hereinafter provided.

NOW, THEREFORE, BE IT RESOLVED BY THE CITY COUNCIL, SERVING AS AND ON BEHALF OF THE SUCCESSOR AGENCY TO THE ANAHEIM REDEVELOPMENT AGENCY, AS FOLLOWS:

Section 1. The foregoing recitals are incorporated into this Resolution by this reference and constitute a material part hereof.

Section 2. Whenever reference is made in the Dissolution Act, as amended by AB 1484, and as the same may be amended from time to time (herein referred to collectively as the "Dissolution Act, as Amended"), to an action or approval to be undertaken by the Successor Agency, the Executive Director is authorized to act, subject to the approval of the Oversight Board and in compliance in all respects with the requirements of the Dissolution Act, as Amended, unless this Resolution or the Dissolution Act, as Amended, specifically provide otherwise or the context should otherwise require.

Section 3. Without the prior approval and authorization of both the City Council, serving as, and on behalf of, the Successor Agency in its capacity as the Successor Agency to the dissolved Agency, and the Oversight Board in accordance with the requirements of the Dissolution Act, as Amended, the Executive Director shall lack the authority to, and shall not, obligate or commit the City, acting in its capacity as the Successor Agency to the dissolved Agency, to any of the transactions described in subdivision (e) of Section 34177, subdivisions

(a), (b), (d), (e), (f), (h) and (i) of Section 34180, and subdivisions (a), (b), (d) and (e) of Section 34181 of the California Health and Safety Code.

Section 4. The Executive Director is further authorized and directed for and on behalf of the City, as Successor Agency to the dissolved Agency, to take any and all actions and execute and deliver any and all documents and instruments which he may deem necessary and advisable to effectuate the purposes of this Resolution and in compliance in all respects with the requirements of the Dissolution Act, as Amended.

Section 5. This Resolution shall be effective immediately upon adoption.

THE FOREGOING RESOLUTION IS APPROVED AND ADOPTED BY THE CITY COUNCIL OF THE CITY OF ANAHEIM, SERVING AS AND ON BEHALF OF THE SUCCESSOR AGENCY TO THE FORMER ANAHEIM REDEVELOPMENT AGENCY, THIS 21st DAY OF August, 2012, BY THE FOLLOWING ROLL CALL VOTE:

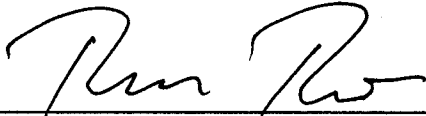
AYES: Mayor Tait, Council Members Sidhu, Galloway, Eastman and Murray

NOES: None

ABSENT: None

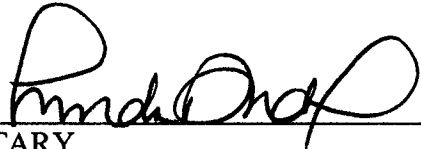
ABSTAIN: None

CITY OF ANAHEIM, AS THE
SUCCESSOR AGENCY TO THE
ANAHEIM REDEVELOPMENT
AGENCY



CHAIRMAN

ATTEST:



SECRETARY

91113

**ANAHEIM SUCCESSOR AGENCY
2019/20 ADMINISTRATIVE BUDGET**

LABOR	400,000
LEGAL	150,000
CITY OVERHEAD CHARGES	25,000
RENTS/OFFICE EQUIPMENT/SUPPLIES	40,000
DOCUMENT OFFSITE STORAGE	5,000
LOAN SERVICING FEES	1,000
SHIPPING/MAILING	1,000
ADMINISTRATIVE COSTS - WESTGATE PROJECT	10,000
TOTAL BUDGET	632,000
ADMINISTRATIVE ALLOWANCE	603,316
(OVER)/UNDER ADMINISTRATIVE ALLOWANCE	(28,684)

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

Successor Agency: Anaheim
County: Orange

Current Period Requested Funding for Enforceable Obligations (ROPS Detail)	19-20A Total (July - December)	19-20B Total (January - June)	ROPS 19-20 Total
A Enforceable Obligations Funded as Follows (B+C+D):	\$ 152,000	\$ 152,000	\$ 304,000
B Bond Proceeds	-	-	-
C Reserve Balance	-	-	-
D Other Funds	152,000	152,000	304,000
E Redevelopment Property Tax Trust Fund (RPTTF) (F+G):	\$ 17,025,218	\$ 15,922,203	\$ 32,947,421
F RPTTF	16,723,560	15,620,545	32,344,105
G Administrative RPTTF	301,658	301,658	603,316
H Current Period Enforceable Obligations (A+E):	\$ 17,177,218	\$ 16,074,203	\$ 33,251,421

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

Name Title
/s/ _____
Signature Date

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

source is available or when payment from property tax revenues is required by an enforceable obligation. For tips on how to complete the Report of Cash Balances Form, see Cash Balance Tips Sheet .							
A	B	C	D	E	F	G	H
		Fund Sources					
		Bond Proceeds		Reserve Balance	Other Funds	RPTTF	
ROPS 16-17 Cash Balances (07/01/16 - 06/30/17)		Bonds issued on or before 12/31/10	Bonds issued on or after 01/01/11	Prior ROPS RPTTF and Reserve Balances retained for future period(s)	Rent, Grants, Interest, etc.	Non-Admin and Admin	Comments
1	Beginning Available Cash Balance (Actual 07/01/16) RPTTF amount should exclude "A" period distribution amount	23,211,013	0	156,112	(1,568,995)	4,237,515	Balances carryforward from lines 4-6 of prior fiscal year (ended 6/30/2016) cash balance form. Combined total is \$26,035,645.
2	Revenue/Income (Actual 06/30/17) RPTTF amount should tie to the ROPS 16-17 total distribution from the County Auditor-Controller	2,265,968	0	0	977,153	22,268,906	
3	Expenditures for ROPS 16-17 Enforceable Obligations (Actual 06/30/17)	3,483,160	0	156,112	2,848,406	21,800,632	\$2,194,158 (add'l reserves) shown as expenditures under RPTTF (Cell G3) and revenue/income under Bond Proceeds (Cell C2) Prior to 12/31/2010.
4	Retention of Available Cash Balance (Actual 06/30/17) RPTTF amount retained should only include the amounts distributed as reserve for future period(s)	21,993,821	0	0	754,507	0	
5	ROPS 16-17 RPTTF Prior Period Adjustment RPTTF amount should tie to the Agency's ROPS 16-17 PPA form submitted to the CAC	No entry required				468,274	
6	Ending Actual Available Cash Balance (06/30/17) C to F = (1 + 2 - 3 - 4), G = (1 + 2 - 3 - 4 - 5)	\$ 0	\$ 0	\$ 0	\$ (4,194,755)	\$ 4,237,515	

Orange Countywide Oversight Board

Agenda Item No. 15b

Date: 9/22/2020

From: Successor Agency to the Fountain Valley Redevelopment Agency

Subject: Straw Vote of the Countywide Oversight Board Regarding Administrative Budget

Recommended Action:

Hold a straw vote regarding FY 2021-22 Administrative Budget for the Fountain Valley Successor Agency

The Fountain Valley Successor Agency requests a straw vote of the Administrative Budget for Fiscal Year 2021-22. The Successor Agency shall return in January with a request for final approval of the Administrative Budget with the Recognized Obligation Payment Schedule (ROPS).

The Dissolution Law authorizes an administrative cost allowance to provide funds for successor agencies to wind-down the affairs of the former redevelopment agency. While Section 34171(b)(3) authorizes an allowance of up to 3% of Redevelopment Property Tax Trust Fund (“RPTTF”) and not less than \$250,000 in any fiscal year (“FY”), since July 1, 2016 under Section 34171(b)(4) and (5), a successor agency’s annual administrative allowance cannot exceed 50% of RPTTF distributed in the preceding fiscal year to pay enforceable obligations. That amount must be further reduced by the prior fiscal year’s administrative cost allowance and City/Agency loan repayments, if any, under Section 34191(b).

Due to an offset from a prior period adjustment for the ROPS 17-18 period, The Fountain Valley Successor Agency received \$0 for the ROPS 20-21 Approved RPTTF Distribution. As a result, the Fountain Valley Successor Agency is not eligible to receive an administrative cost allowance for FY 2021-22 based on the formula described above. Despite this ineligibility, the Fountain Valley Successor Agency will still incur \$14,536 in administrative expenses as outlined in the draft Administrative Budget (Attachment 1) for FY 2021-22 including personnel costs associated with three employees directly involved with administrative activities associated with the Successor Agency and other direct costs including contract services, audit services and legal services.

The Fountain Valley Successor Agency requests that the Orange Countywide Oversight Board recognize the \$14,536 in administrative costs to be incurred by the Fountain Valley Successor Agency, despite the ineligibility to receive an administrative allowance per Section 34171(b)(4) and (5), and take a straw vote of the draft Administrative Budget of \$0 for Fiscal Year 2021-22. The Successor Agency intends to submit to the Oversight Board the final Administrative Budget as a part of ROPS 2021-22 A-B for FY 2021-22 for consideration in January 2021.

Staff Contact(s)

Jennifer Lampman, Finance Director is the primary staff contact on this item and can be contacted via email at jennifer.lampman@fountainvalley.org.

Attachments

- Attachment 1- Draft Administrative Budget for FY 2021-22
- Attachment 2- FY 2020-21 Administrative Budget (including estimated actual amounts)
- Attachment 3- FY 2019-20 Administrative Budget (including estimated actual amounts)
- Attachment 4- DOF Determination Letter ROPS 2020-21 A-B
- Attachment 5- DOF Determination Letter ROPS 2019-20 A-B

**SUCCESSOR AGENCY TO THE FOUNTAIN VALLEY AGENCY FOR COMMUNITY DEVELOPMENT
DRAFT ADMINISTRATIVE BUDGET FOR FISCAL YEAR 2021-22**

DIRECT PERSONNEL COSTS						
Employee Classification	Department	Annual Cost of Salaries & Benefits	Hourly Rate	Successor Agency Hours	Administrative Allocation	
					% Percentage	\$ Amount
Finance Director	Finance	\$192,524	\$92.56	19	0.91%	\$1,759
Accounting Manager	Finance	154,796	74.42	34	1.63%	2,530
Budget Analyst	Finance	141,271	67.92	11	0.53%	747
TOTAL DIRECT PERSONNEL COSTS						5,036
<i>Primary Responsibilities:</i>						
<ul style="list-style-type: none"> • Process payments for enforceable obligations • Maintain documentation of Agency financial and other records • Coordinate with consultant to answer questions and provide documentation as requested by Oversight Board, County Auditor-Controller, and Department of Finance • Coordinate with auditors to audit the Successor Agency • Coordinate and hold Successor Agency meetings • Prepare staff reports, resolutions and the administrative budget 						
OTHER DIRECT COSTS						
Contract Services						3,500
<i>Primary Responsibilities:</i>						
<ul style="list-style-type: none"> • Prepare ROPS and PPA • Coordinate with and answer questions for the Oversight Board, County Auditor-Controller, and Department of Finance • Monitor and project cash flow to ensure sufficient revenues for obligations and inform Agency staff of expected revenues 						
Successor Agency Audit Services						3,000
<i>Primary Responsibilities:</i>						
<ul style="list-style-type: none"> • Audit the Successor Agency's financial statements, which is performed by an independent certified public accounting firm in accordance with <i>generally accepted auditing standards</i> and the standards applicable to financial audits contained in <i>Government Auditing Standards</i>, issued by the Comptroller General of the United States 						
Successor Agency Legal Services						3,000
<i>Primary Responsibilities:</i>						
<ul style="list-style-type: none"> • Review staff reports and resolutions • Provide legal services as needed 						
TOTAL OTHER DIRECT COSTS						9,500
TOTAL DRAFT ADMINISTRATIVE BUDGET						\$14,536
TOTAL ALLOWABLE ADMINISTRATIVE ALLOWANCE PER SECTION 34171(b)(4) and (5)						\$0

**SUCCESSOR AGENCY TO THE FOUNTAIN VALLEY AGENCY FOR COMMUNITY DEVELOPMENT
ADMINISTRATIVE BUDGET FOR FISCAL YEAR 2020-21**

DIRECT PERSONNEL COSTS						
Employee Classification	Department	Annual	Hourly	Successor Agency Hours	Administrative Allocation	
		Cost of Salaries & Benefits			Rate	% Percentage
Finance Director	Finance	\$228,845	\$110.02	14	0.67%	\$1,540
Accounting Manager	Finance	150,287	72.25	32	1.54%	2,312
Budget Analyst	Finance	138,384	66.53	14	0.67%	931
TOTAL DIRECT PERSONNEL COSTS						4,783
<i>Primary Responsibilities:</i>						
<ul style="list-style-type: none"> • Process payments for enforceable obligations • Maintain documentation of Agency financial and other records • Coordinate with consultant to answer questions and provide documentation as requested by Oversight Board, County Auditor-Controller, and Department of Finance • Coordinate with auditors to audit the Successor Agency • Coordinate and hold Successor Agency meetings • Prepare staff reports, resolutions and the administrative budget 						
OTHER DIRECT COSTS						
Contract Services						3,000
<i>Primary Responsibilities:</i>						
<ul style="list-style-type: none"> • Prepare ROPS and PPA • Coordinate with and answer questions for the Oversight Board, County Auditor-Controller, and Department of Finance • Monitor and project cash flow to ensure sufficient revenues for obligations and inform Agency staff of expected revenues 						
Successor Agency Audit Services						3,000
<i>Primary Responsibilities:</i>						
<ul style="list-style-type: none"> • Audit the Successor Agency's financial statements, which is performed by an independent certified public accounting firm in accordance with <i>generally accepted auditing standards</i> and the standards applicable to financial audits contained in <i>Government Auditing Standards</i>, issued by the Comptroller General of the United States 						
Successor Agency Legal Services						3,500
<i>Primary Responsibilities:</i>						
<ul style="list-style-type: none"> • Review staff reports and resolutions • Provide legal services as needed 						
TOTAL OTHER DIRECT COSTS						9,500
TOTAL ADMINISTRATIVE BUDGET						\$14,283

EXHIBIT B

**SUCCESSOR AGENCY TO THE FOUNTAIN VALLEY AGENCY FOR COMMUNITY DEVELOPMENT
ADMINISTRATIVE BUDGET FISCAL YEAR 2019-20
FOR JULY 1, 2019 to JUNE 30, 2020**

Expense Category	Responsibilities	FY 2019-20 Proposed Budget
Salaries and Wages		
Staff salaries, benefits, and payroll taxes	<ul style="list-style-type: none"> • Process payment of enforceable obligations • Maintain documentation of Agency financial and other records • Coordinate with consultant to answer questions and provide documentation as requested by Oversight Board, County Auditor-Controller, and Department of Finance • Coordinate with auditors to audit Successor Agency fund • Coordinate and hold Successor Agency meetings 	\$28,011
TOTAL		\$28,011
Maintenance and Operations		
Contract services	<ul style="list-style-type: none"> • Prepare ROPS, PPA, staff reports, and resolutions • Coordinate with and answer questions for Oversight Board, County Auditor-Controller, and Department of Finance • Monitor and project cash flow to ensure sufficient revenues for obligations and to inform Agency staff of expected revenues 	\$5,000
Accounting Fees	<ul style="list-style-type: none"> • Prepare the Successor Agency portion of the audited financial statements/CAFR 	\$5,000
Insurance and legal services	<ul style="list-style-type: none"> • Review staff reports and resolutions • Provide legal services as needed 	\$5,000
Operating and overhead costs	<ul style="list-style-type: none"> • Successor Agency share of City Hall overhead and operating costs (supplies, utilities, etc.) 	\$3,000
TOTAL		\$18,000
TOTAL BUDGET		\$46,011



Transmitted via e-mail

March 9, 2020

Jason Al-Imam, Finance Director
City of Fountain Valley
10200 Slater Avenue
Fountain Valley, CA 92708

2020-21 Annual Recognized Obligation Payment Schedule

Pursuant to Health and Safety Code (HSC) section 34177 (o) (1), the City of Fountain Valley Successor Agency (Agency) submitted an annual Recognized Obligation Payment Schedule for the period of July 1, 2020 through June 30, 2021 (ROPS 20-21) to the California Department of Finance (Finance) on January 24, 2020. Finance has completed its review of the ROPS 20-21.

Based on a sample of line items reviewed and application of the law, Finance is approving all of the items listed on the ROPS 20-21 at this time.

Pursuant to HSC section 34186, successor agencies are required to report differences between actual payments and past estimated obligations (prior period adjustments) for the July 1, 2017 through June 30, 2018 (ROPS 17-18) period. Reported differences in Redevelopment Property Tax Trust Fund (RPTTF) are used to offset current RPTTF distributions. The amount of RPTTF approved in the table includes the prior period adjustment (PPA) resulting from the County Auditor-Controller's review of the PPA form submitted by the Agency. Total authorized RPTTF is insufficient to allow the entire PPA to be applied this ROPS period, resulting in an excess PPA that should be applied prior to requesting RPTTF on future ROPS.

The Agency's maximum approved RPTTF distribution for the reporting period is \$0 as summarized in the Approved RPTTF Distribution table (see Attachment).

RPTTF distributions occur biannually, one distribution for the July 1, 2020 through December 31, 2020 period (ROPS A period), and one distribution for the January 1, 2021 through June 30, 2021 period (ROPS B period) based on Finance's approved amounts. Since this determination is for the entire ROPS 20-21 period, the Agency is authorized to receive up to the maximum approved RPTTF through the combined ROPS A and B period distributions.

Absent a Meet and Confer, this is our final determination regarding the obligations listed on the ROPS 20-21. This determination only applies to items when funding was requested for the 12-month period. If a denial by Finance in a previous ROPS is currently the subject of litigation, the item will continue to be deemed denied until the matter is resolved.

The ROPS 20-21 form submitted by the Agency and this determination letter will be posted on our website:

<http://dof.ca.gov/Programs/Redevelopment/ROPS/>

This determination is effective for the ROPS 20-21 period only and should not be conclusively relied upon for future ROPS periods. All items listed on a future ROPS are subject to review and may be denied even if not denied on this ROPS or a preceding ROPS. The only exception is for items that have received a Final and Conclusive determination from Finance pursuant to HSC section 34177.5 (i). Finance's review of Final and Conclusive items is limited to confirming the scheduled payments as required by the obligation.

The amount available from the RPTTF is the same as the amount of property tax increment available prior to the enactment of the redevelopment dissolution law. Therefore, as a practical matter, the ability to fund the items on the ROPS with property tax increment is limited to the amount of funding available to the Agency in the RPTTF.

Please direct inquiries to Mindy Patterson, Supervisor, or Dylan Newton, Staff, at (916) 322-2985.

Sincerely,



sol
JENNIFER WHITAKER
Program Budget Manager

cc: Alex Lawrence, RSG Consultant, City of Fountain Valley
Israel M. Guevara, Administrative Manager, Property Tax Section, Orange County

Attachment

Approved RPTTF Distribution July 2020 through June 2021			
	ROPS A	ROPS B	ROPS 20-21 Total
RPTTF Requested	\$ 100,000	\$ 150,000	\$ 250,000
Administrative RPTTF Requested	14,283	0	14,283
Total RPTTF Requested	114,283	150,000	264,283
RPTTF Authorized	100,000	150,000	250,000
Administrative RPTTF Authorized	14,283	0	14,283
ROPS 17-18 prior period adjustment (PPA)	(114,283)	(168,184)	(282,467)
Excess PPA	0	18,184	18,184
Total RPTTF Approved for Distribution	\$ 0	\$ 0	\$ 0



March 22, 2019

Mr. Jason Al-Imam, Finance Director
City of Fountain Valley
10200 Slater Avenue
Fountain Valley, CA 92708

Dear Mr. Al-Imam:

Subject: 2019-20 Annual Recognized Obligation Payment Schedule

Pursuant to Health and Safety Code (HSC) section 34177 (o) (1), the City of Fountain Valley Successor Agency (Agency) submitted an annual Recognized Obligation Payment Schedule for the period of July 1, 2019 through June 30, 2020 (ROPS 19-20) to the California Department of Finance (Finance) on January 28, 2019. Finance has completed its review of the ROPS 19-20.

Based on a sample of line items reviewed and application of the law, Finance is approving all of the items listed on the ROPS 19-20 at this time. However, Finance notes the following:

The administrative costs claimed are within the fiscal year administrative cap pursuant to HSC section 34171 (b) (3). However, Finance notes the Oversight Board (OB) has approved an amount that appears excessive, given the number and nature of the obligations listed on the ROPS. HSC section 34179 (i) requires the OB to exercise a fiduciary duty to the taxing entities. Therefore, Finance encourages the OB to apply adequate oversight when evaluating the administrative resources necessary to successfully wind-down the Agency.

Pursuant to HSC section 34186, successor agencies are required to report differences between actual payments and past estimated obligations. Reported differences in Redevelopment Property Tax Trust Fund (RPTTF) are used to offset current RPTTF distributions. The amount of RPTTF approved in the table on Page 3 includes the prior period adjustment resulting from the County Auditor-Controller's review of the prior period adjustment form submitted by the Agency.

The Agency's maximum approved RPTTF distribution for the reporting period is \$142,907 as summarized in the Approved RPTTF Distribution table on Page 3 (see Attachment).

RPTTF distributions occur biannually, one distribution for the July 1 through December 31 period (ROPS A period), and one distribution for the January 1 through June 30 period (ROPS B period) based on Finance approved amounts. Since this determination is for the entire ROPS 19-20 period, the Agency is authorized to receive up to the maximum approved RPTTF through the combined ROPS A and B period distributions.

Attachment

Approved RPTTF Distribution For the period of July 1, 2019 through June 30, 2020			
	ROPS A Period	ROPS B Period	ROPS 19-20 Total
RPTTF Requested	\$ 100,000	\$ 250,000	\$ 350,000
Administrative RPTTF Requested	46,011	0	46,011
Total RPTTF Requested	146,011	250,000	396,011
RPTTF Authorized	100,000	250,000	350,000
Administrative RPTTF Authorized	46,011	0	46,011
Total RPTTF Authorized for Obligations	146,011	250,000	396,011
Prior Period Adjustment	(146,011)	(107,093)	(253,104)
Total RPTTF Approved for Distribution	\$ 0	\$ 142,907	\$ 142,907

Jun '19

Jan '20

Orange Countywide Oversight Board

Agenda Item No. 15c

Date: 9/22/2020

From: Successor Agency to the Fullerton Redevelopment Agency

Subject: Straw Vote of the Countywide Oversight Board Regarding Administrative Budget

Recommended Action:

Hold a straw vote regarding FY 2021-22 Administrative Budget for the Fullerton Successor Agency

The Fullerton Successor Agency requests a straw vote of the proposed Administrative Budget for Fiscal Year 2021-22. The Successor Agency shall return in January with a request for final approval of the Administrative Budget with the annual Recognized Obligation Payment Schedule (ROPS).

The administrative budget amount being requested for FY 2021-22 is \$335,912 consistent with the calculated administrative budget allowance amount per the department of finance's guidelines. If approved, this amount will be allocated to staff salaries, direct costs including supplies, postage, printing, legal and professional contractual services, and indirect costs including insurance, facility maintenance and repair, custodial, computer and software, and human resources support costs. Please note that indirect costs were calculated at 1% or less of total costs.

Last year the City Council approved reorganizing and modifying staff assignments in order to prioritize completion of Successor Agency wind-down efforts. The hours of staff time is estimated for personnel that work on activities for the successor agency dissolution such as making monthly, quarterly, and yearly payments on enforceable obligations including bond debt service, leases, and rents. Accounting for payments received on loans and notes. Other tasks involved are budget preparation and monitoring, preparation of annual Recognized Obligation Payment Schedules (ROPS), annual Prior Period Adjustment (PPA) reports, financial reconciliation and audits as well as various planning, development and real property related project management including consultant and attorney time for implementing the Long Range Property Management Plan (LRPMP) and future disposition of the remaining five properties/assets. In addition, city clerk staff are needed for items that are presented to the Successor Agency Board and uploaded to the City's website. Information technology staff is needed for computer and software support.

More specifically, the Fullerton Successor Agency has the following remaining bond payment obligations that are outstanding and require bi-annual payment processing and annual reporting. Please note that the 2005 and 2010 bonds have been recently refunded with the 2020 Series A and B bonds, so future ROPS will be adjusted accordingly to reflect the refunding.

ROPS Item No.	Bond Name	Term Ends
4	2005 Tax Allocation Bonds	2027-28
6	2010 Taxable Tax Allocation Housing Bonds	2026-27
60	2015 Tax Allocation Refunding Bonds (refunded 1998)	2024-25

	Revenue Bonds)	
49	Annual bank trustee fees for bonds	Until all bonds are paid

In addition to the bonds debt service payments there are two property leases and a purchase and sale agreement that require monthly and quarterly payment processing:

ROPS Item No.	Lease Name	Reference	Term Ends	Purpose
9	Fullerton Arboretum		December 3, 2020	Development and use of park premises and facilities.
11	Miller Property Lease		August 1, 2024	Use of premises. Currently used for public parking.
62	Miller Property Purchase		2024	Purchase and Sale agreement when lease expires

Another task that requires staff time are the outstanding loans issued by the former redevelopment agency. There are over 50 commercial and seismic rehabilitation loans that staff has to bill monthly and process payments, issue delinquent notices, monitor and report on a quarterly basis. When the loans are going to be paid in full, a demand letter is prepared, final payment is processed and reconveyance of title for deeds need to be prepared, executed and recorded.

As mentioned, the Successor Agency together with the City continues to work on implementing the Long Range Property Management Plan (LRPMP). Specifically, there are five properties/assets that were designated for future economic development:

- Fox Block Theatre Complex – Disposition and Development Agreement (DDA) for the rehabilitation of the theatre and tea room. Staff is responsible for monitoring and enforcing the DDA and working with the foundation for the completion of the restoration of the structure. Over the course of the next year, the City will be working with the Fox Theater Foundation to expedite the rehabilitation as well as working with private developers on adjoining parcels for future development which will greatly benefit the overall Fox Block.
- Fox Block Peck Parking Structure – Owner Participation Agreement (OPA). Staff is working with a development team to construct a parking structure with ground floor commercial uses. This process will begin in earnest this budget year with expected start of entitlement, plan check, and eventual construction and inspection activities.
- Fox Block Public Parking Lot – Staff is working with a development team to incorporate this property with the parking structure and theatre project mentioned above.
- Amerige Court Site - Staff is reviewing the feasibility of future uses for this site. The Disposition and Development Agreement expired and the current site remains a public parking lot for surrounding businesses.

- Fullerton Transportation Center – This property consists of 14 assessor parcels developed with a train depot, parking lots and businesses. Staff, together with a developer and legal counsel are currently evaluating a development proposal which will start the entitlement process at the beginning of 2020. Due to the location of the development proposal, this project will involve significant staff time and additional staffing resources as reflected in the administrative budget.

As part of the LRPMP, the City was required to secure a compensation agreement from all public taxing entities that share in the property tax base prior to the disposition of the Successor Agency owned real properties if the property sale is for economic development purposes. Compensation Agreements have been secured from all taxing entities and state that for those properties sold for economic development purposes, the City shall remit all eligible net unrestricted proceeds to the Orange County Auditor-Controller's Office for distribution to the taxing entities. Accordingly, the City did not request any change to the standard distribution of pro rata share of property tax when these properties are sold.

There were some staffing changes and the COVID-19 pandemic significantly impacted the economy by slowing everything down. As a result, only a little progress was made on implementing the LRPMP.

Staff Contact(s)

Fullerton Successor Agency staff contacts are as follows:

Kellee Fritzal, Deputy Director of Community and Economic Development
714-738-6837 or via e-mail at KFritzal@cityoffullerton.com

Ramona Castaneda, Revenue Manager
714-738-6573 or via e-mail at Ramonac@cityoffullerton.com

Attachments

Attachment 1 – Fullerton Successor Agency FY 2021-22 Proposed Administrative Budget Allowance

Attachment 2 – Fullerton Successor Agency Administrative Budget FY 2020-21

Attachment 3 – Fullerton Successor Agency Administrative Budget FY 2019-20

Attachment 4 – Department of Finance letter of determination regarding 2020-21 Annual Recognized Obligation Payment Schedule and administrative cost allowance

Attachment 5 – Department of Finance letter of determination dated regarding 2019-20 Annual Recognized Obligation Payment Schedule and administrative cost allowance

Attachment 1

Fullerton Successor Agency FY 2020-21 Proposed Administrative Budget Allowance

Direct Personnel Costs

Position	Department	FY 2020-21 Costs	Hourly Rate	Successor Agency Hours	Successor Agency Admin Cost	% of time SA Admin
City Manager	City Manager	313,236	150.59	108	16,264	5.19%
Deputy City Manager	City Manager	218,733	105.16	108	11,357	5.19%
Administrative Analyst	City Manager	122,369	58.83	108	6,354	5.19%
Executive Assistant	City Manager	119,269	57.34	108	6,193	5.19%
City Clerk	City Clerk	174,338	83.82	12	1,006	0.58%
Assistant City Clerk	City Clerk	105,204	50.58	12	607	0.58%
Administrative Services Director	Administrative Services	266,107	127.94	48	6,141	2.31%
Revenue Manager	Administrative Services	191,288	91.97	240	22,072	11.54%
Fiscal Services Manager	Administrative Services	158,258	76.09	48	3,652	2.31%
Budget Analyst	Administrative Services	113,234	54.44	48	2,613	2.31%
Accounting Supervisor	Administrative Services	147,459	70.89	48	3,403	2.31%
Accountant II	Administrative Services	119,716	57.56	48	2,763	2.31%
Account Clerk II (AP)	Administrative Services	68,095	32.74	12	393	0.58%
Account Clerk II (AR)	Administrative Services	50,802	24.42	12	293	0.58%
Payroll Technician	Administrative Services	92,210	44.33	12	532	0.58%
Information Technology Webmaster	Administrative Services	121,432	58.38	12	701	0.58%
Information Systems Assistant	Administrative Services	79,290	38.12	12	457	0.58%
Director	Community Development	218,733	105.16	240	25,238	11.54%
Deputy Director	Community Development	194,981	93.74	360	33,747	17.31%
Planning Manager	Community Development	180,336	86.70	120	10,404	5.77%
Analyst	Community Development	113,234	54.44	240	13,065	11.54%
HR Manager I	Human Resources	152,423	73.28	12	879	0.58%
Real Property Agent	Public Works - Engr.	143,363	68.92	168	11,579	8.08%
Total Direct Personnel Costs:					179,713	

Other Direct Costs

Attorney Fees	45,000
Consultant Fees	46,000
Audit Fees	4,400
Postage	50
Auto Expense	50
Office Supplies	1,199
Printing	500
Total Other Direct Costs:	97,199

Indirect Costs

(Allocated at 1% or less of total costs)

Workers Compensation Insurance	9,000
Liability Insurance	15,000
Facility Maintenance (Bldg and OIP Phone)	13,000
Custodial	5,000
Facility Capital Repair	5,000
IT/Computer Allocations	10,000
Human Resources (non-payroll)	2,000
Total Indirect Costs:	59,000

Total Successor Agency Admin Allowance Cost: 335,912

Attachment 2

Fullerton Successor Agency

FY 2020-21

Proposed Administrative Budget Allowance

Direct Personnel Costs

Position	Department	FY 2020-21 Costs	Hourly Rate	Successor Agency Hours	Successor Agency Admin Cost	% of time SA Admin
City Manager	City Manager	313,236	150.59	108	16,264	5.19%
Deputy City Manager	City Manager	218,733	105.16	108	11,357	5.19%
Administrative Analyst	City Manager	122,369	58.83	108	6,354	5.19%
Executive Assistant	City Manager	119,269	57.34	108	6,193	5.19%
City Clerk	City Clerk	174,338	83.82	12	1,006	0.58%
Assistant City Clerk	City Clerk	105,204	50.58	12	607	0.58%
Administrative Services Director	Administrative Services	266,107	127.94	48	6,141	2.31%
Revenue Manager	Administrative Services	191,288	91.97	240	22,072	11.54%
Fiscal Services Manager	Administrative Services	158,258	76.09	48	3,652	2.31%
Budget Analyst	Administrative Services	113,234	54.44	48	2,613	2.31%
Accounting Supervisor	Administrative Services	147,459	70.89	48	3,403	2.31%
Accountant II	Administrative Services	119,716	57.56	48	2,763	2.31%
Account Clerk II (AP)	Administrative Services	68,095	32.74	12	393	0.58%
Account Clerk II (AR)	Administrative Services	50,802	24.42	12	293	0.58%
Payroll Technician	Administrative Services	92,210	44.33	12	532	0.58%
Information Technology Webmaster	Administrative Services	121,432	58.38	12	701	0.58%
Information Systems Assistant	Administrative Services	79,290	38.12	12	457	0.58%
Director	Community Development	218,733	105.16	240	25,238	11.54%
Deputy Director	Community Development	194,981	93.74	360	33,747	17.31%
Planning Manager	Community Development	180,336	86.70	120	10,404	5.77%
Analyst	Community Development	113,234	54.44	240	13,065	11.54%
HR Manager I	Human Resources	152,423	73.28	12	879	0.58%
Real Property Agent	Public Works - Ingr.	143,363	68.92	168	11,579	8.08%
Total Direct Personnel Costs:					179,713	

Other Direct Costs

Attorney Fees	50,000
Consultant Fees	50,000
Audit Fees	4,400
Postage	50
Auto Expense	50
Office Supplies	966
Printing	500
Total Other Direct Costs:	105,966

Indirect Costs

(Applied at 1% or less of total costs)

Workers Compensation Insurance	9,000
Liability Insurance	15,000
Facility Maintenance (Bldg and OIP Phone)	13,000
Custodial	5,000
Facility Capital Repair	5,000
IT/Computer Allocations	10,000
Human Resources (non-payroll)	2,000
Total Indirect Costs:	59,000

Total Successor Agency Admin Allowance Cost: 344,679

Fullerton Successor Agency

Administrative Budget FY 2019-20

(July 1, 2019- June 30, 2020)

Type of Expense	2019-20	Source of Funds
Salaries and Overhead	233,042	RPTTF - Administrative Cost Allowance
Auto Expense/Mileage Reimbursement (6202)	50	RPTTF - Administrative Cost Allowance
Legal Services (6301)	12,000	RPTTF - Administrative Cost Allowance
Professional & Contractual Services (6319)	14,000	RPTTF - Administrative Cost Allowance
Supplies (6401)	1,200	RPTTF - Administrative Cost Allowance
Postage (6408)	100	RPTTF - Administrative Cost Allowance
Printing, Binding & Duplication (6443)	500	RPTTF - Administrative Cost Allowance
Fees and Charges (6717)	1,800	RPTTF - Administrative Cost Allowance
Miscellaneous (6719)	35	RPTTF - Administrative Cost Allowance
Facilities and VOIP Phone (6804)	5,310	RPTTF - Administrative Cost Allowance
Computer/IT Allocation (6809)	3,800	RPTTF - Administrative Cost Allowance
Total Admin:	271,837	



April 15, 2019

Ms. Ramona Castaneda, Revenue Manager
City of Fullerton
303 West Commonwealth Avenue
Fullerton, CA 92832

Dear Ms. Castaneda:

Subject: 2019-20 Annual Recognized Obligation Payment Schedule

Pursuant to Health and Safety Code (HSC) section 34177 (o) (1), the City of Fullerton Successor Agency (Agency) submitted an annual Recognized Obligation Payment Schedule for the period of July 1, 2019 through June 30, 2020 (ROPS 19-20) to the California Department of Finance (Finance) on January 31, 2019. Finance has completed its review of the ROPS 19-20.

Based on a sample of line items reviewed and application of the law, Finance made the following determinations:

- Item Nos. 19 and 20 – City of Fullerton (City) and Agency Cooperation Agreements (Agreements) dated January 29, 2011 and June 7, 2011 with outstanding obligation amounts totaling \$15,500,000 (\$14,000,000 and \$1,500,000, respectively), are not allowed. Finance continues to deny these items. The Agency contends the Agreements committed the former Redevelopment Agency (RDA) to fund the related capital improvement projects.

However, HSC 34171 (d) (2) states agreements, contracts, or arrangements between the former RDA and the city that created the RDA are not enforceable unless issued within two years of the RDA creation date or for issuance of indebtedness to third-party investors or bondholders. Further, the Agency did not provide any new documentation during the ROPS 19-20 review. Therefore, these line items are not enforceable obligations and the total requested amount of \$3,500,000 (\$2,000,000 + \$1,500,000) is ineligible for Redevelopment Property Tax Trust Fund (RPTTF) funding.

- Item Nos. 23 and 28 – Affordable Housing Monitoring, Administration, and Reporting Contracts, outstanding obligation amounts totaling \$10,214,000 (\$9,954,000 and \$260,000, respectively) are not allowed. Finance continues to deny these items. HSC section 34176 requires “all rights, powers, duties, obligations, and housing assets...be transferred” to the new housing entity. Since the City Housing Division assumed the housing functions, this transfer of “duties and obligations” necessarily includes the transfer of administrative obligations. Further, the Agency did not provide any new documentation during the ROPS 19-20 review. Therefore, the total requested amount of \$380,000 (\$120,000 + \$260,000) is ineligible for RPTTF funding.
- Item No. 24 – Commercial Seismic and Rehab Loan Monitoring in the requested amount of \$12,000 has been reclassified from RPTTF to Administrative RPTTF. Although enforceable, the types of services requested are considered general and administrative in nature.

- Item No. 30 – Capital Improvement Projects, total outstanding obligation amount of \$95,000, is not allowed. Finance continues to deny this item for the following reasons:
 - The contract was entered into between the City and Griffin Structures; the former redevelopment agency (RDA) was not a party to the contract.
 - The cooperation agreement the RDA entered into with the City, dated January 29, 2011, which commits RDA funding to the City, was not enforceable pursuant to HSC 34171(d) (2), which states agreements, contracts, or arrangements between the former RDA and the city that created the RDA are not enforceable unless issued within two years of the RDA creation date or for issuance of indebtedness to third-party investors or bondholders.

Further, the Agency did not provide any new documentation during the ROPS 19-20 review. Therefore, this item is not an enforceable obligation and the requested amount of \$95,000 is ineligible for RPTTF funding.

- The Agency's claimed administrative costs exceed the allowance by \$12,000. HSC section 34171 (b) (3) limits the fiscal year Administrative Cost Allowance (ACA) to three percent of actual RPTTF distributed in the preceding fiscal year or \$250,000, whichever is greater, not to exceed 50 percent of the RPTTF distributed in the preceding fiscal year. As a result, the Agency's maximum ACA is \$271,837 for the fiscal year 2019-20. Although \$271,837 is claimed for the ACA, Item No. 24 is considered an administrative cost and should be counted toward the cap as explained above. Therefore, as noted in the table below, \$12,000 of excess ACA is not allowed:

Administrative Cost Allowance Calculation	
Actual RPTTF distributed for fiscal year 2018-19	\$ 9,401,300
Less distributed Administrative RPTTF	(340,083)
RPTTF distributed for 2018-19 after adjustment	<u>9,061,217</u>
ACA Cap for 2019-20 per HSC section 34171 (b)	271,837
ACA requested for 2019-20	271,837
Plus amount reclassified to ACA	12,000
Total ACA	<u>283,837</u>
ACA in Excess of Cap	<u>\$ (12,000)</u>

Further, Finance notes the Oversight Board (OB) has approved an amount that appears excessive, given the number and nature of the obligations listed on the ROPS. HSC section 34179 (i) requires the OB to exercise a fiduciary duty to the taxing entities. Therefore, Finance encourages the OB to apply adequate oversight when evaluating the administrative resources necessary to successfully wind-down the Agency.

- On the ROPS 19-20 form, the Agency reported cash balances and activity for the period July 1, 2016 through June 30, 2017 (ROPS 16-17). According to our review, the Agency has approximately \$120,389 from Other Funds available to fund enforceable obligations on the ROPS 19-20. HSC section 34177 (l) (1) (E) requires these balances to be used prior to requesting RPTTF. Therefore, the funding source for the following item has been reclassified in the amount specified below:
 - Item No. 4 – 2005 Tax Allocation Bonds, debt service payment in the amount of \$6,463,953 is partially reclassified from RPTTF to Other Funds. This item does not require payment from property tax revenues. Therefore, Finance is approving RPTTF in the amount of \$6,343,564 and the use of Other Funds in the amount of \$120,389, totaling \$6,463,953.

Pursuant to HSC section 34186, successor agencies are required to report differences between actual payments and past estimated obligations. Reported differences in RPTTF are used to offset current RPTTF distributions. The amount of RPTTF approved in the table on Page 4 includes the prior period adjustment resulting from the County Auditor-Controller's review of the prior period adjustment form submitted by the Agency.

Except for the items adjusted, Finance is not objecting to the remaining items listed on the ROPS 19-20. If the Agency disagrees with our determination with respect to any items on the ROPS 19-20, except items which are the subject of litigation disputing our previous or related determinations, the Agency may request a Meet and Confer within five business days of the date of this letter. The Meet and Confer process and guidelines are available on our website:

<http://dof.ca.gov/Programs/Redevelopment/Meet And Confer/>

The Agency's maximum approved RPTTF distribution for the reporting period is \$11,761,122 as summarized in the Approved RPTTF Distribution table on Page 4 (see Attachment).

RPTTF distributions occur biannually, one distribution for the July 1 through December 31 period (ROPS A period), and one distribution for the January 1 through June 30 period (ROPS B period) based on Finance approved amounts. Since this determination is for the entire ROPS 19-20 period, the Agency is authorized to receive up to the maximum approved RPTTF through the combined ROPS A and B period distributions.

Absent a Meet and Confer, this is our final determination regarding the obligations listed on the ROPS 19-20. This determination only applies to items when funding was requested for the 12-month period. If a denial by Finance in a previous ROPS is currently the subject of litigation, the item will continue to be denied until the matter is resolved.

The ROPS 19-20 form submitted by the Agency and this determination letter will be posted on our website:

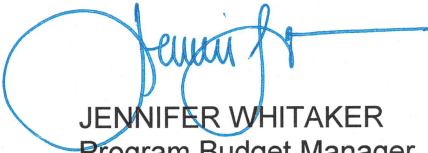
<http://dof.ca.gov/Programs/Redevelopment/ROPS/>

This determination is effective for the ROPS 19-20 period only and should not be conclusively relied upon for future ROPS periods. All items listed on a future ROPS are subject to review and may be denied even if not denied on this ROPS or a preceding ROPS. The only exception is for items that have received a Final and Conclusive determination from Finance pursuant to HSC section 34177.5 (i). Finance's review of Final and Conclusive items is limited to confirming the scheduled payments as required by the obligation.

The amount available from the RPTTF is the same as the amount of property tax increment available prior to the enactment of redevelopment dissolution law. Therefore, as a practical matter, the ability to fund the items on the ROPS with property tax increment is limited to the amount of funding available to the Agency in the RPTTF.

Please direct inquiries to Nichelle Jackson, Supervisor, or Veronica Zalvidea, Lead Analyst, at (916) 322-2985.

Sincerely,


JENNIFER WHITAKER
Program Budget Manager

cc: Mr. Christine Pilapil, Project Manager, City of Fullerton
Mr. Israel M. Guevara, Administrative Manager, Property Tax Section, Orange County

Attachment

Approved RPTTF Distribution			
For the period of July 1, 2019 through June 30, 2020			
	ROPS A Period	ROPS B Period	ROPS 19-20 Total
RPTTF Requested	\$ 11,379,097	\$ 4,231,743	\$ 15,610,840
Administrative RPTTF Requested	135,919	135,918	271,837
Total RPTTF Requested	11,515,016	4,367,661	15,882,677
RPTTF Requested	11,379,097	4,231,743	15,610,840
<u>Adjustments</u>			
Item No. 4	(120,389)	0	(120,389)
Item No. 19	(1,000,000)	(1,000,000)	(2,000,000)
Item No. 20	(500,000)	(1,000,000)	(1,500,000)
Item No. 23	(60,000)	(60,000)	(120,000)
Item No. 24	(6,000)	(6,000)	(12,000)
Item No. 28	(130,000)	(130,000)	(260,000)
Item No. 30	(47,500)	(47,500)	(95,000)
	(1,863,889)	(2,243,500)	(4,107,389)
RPTTF Authorized	9,515,208	1,988,243	11,503,451
Administrative RPTTF Requested	135,919	135,918	271,837
<u>Adjustment</u>			
Item No. 24	6,000	6,000	12,000
Excess Administrative Costs	0	(12,000)	(12,000)
Administrative RPTTF Authorized	141,919	129,918	271,837
Total RPTTF Authorized for Obligations	9,657,127	2,118,161	11,775,288
Prior Period Adjustment	(14,166)	0	(14,166)
Total RPTTF Approved for Distribution	\$ 9,642,961	\$ 2,118,161	\$ 11,761,122



Transmitted via e-mail

April 7, 2020

Ramona Castaneda, Revenue Manager
City of Fullerton
303 West Commonwealth Avenue
Fullerton, CA 92832

2020-21 Annual Recognized Obligation Payment Schedule

Pursuant to Health and Safety Code (HSC) section 34177 (o) (1), the City of Fullerton Successor Agency (Agency) submitted an annual Recognized Obligation Payment Schedule for the period of July 1, 2020 through June 30, 2021 (ROPS 20-21) to the California Department of Finance (Finance) on January 30, 2020. Finance has completed its review of the ROPS 20-21.

Based on a sample of line items reviewed and application of the law, Finance made the following determinations:

- Item Nos. 23 and 28 – Affordable Housing Project Monitoring and Affordable Housing Administration and Reporting in the outstanding obligation amounts totaling \$10,094,000 (\$9,834,000 + \$260,000) are not allowed. Finance continues to deny these items. HSC section 34176 requires “all rights, powers, duties, obligations, and housing assets...be transferred” to the new housing entity. Since the City of Fullerton's Housing Division assumed the housing functions, this transfer of “duties and obligations” necessarily includes the transfer of administrative obligations. Therefore, the total requested amount of \$380,000 is ineligible for Redevelopment Property Tax Trust Fund (RPTTF) funding.
- On the ROPS 20-21 form, the Agency reported cash balances and activity for the period July 1, 2017 through June 30, 2018 (ROPS 17-18). According to our review, the Agency has approximately \$160,120 from Other Funds available to fund enforceable obligations on the ROPS 20-21. HSC section 34177 (l) (1) (E) requires these balances to be used prior to requesting RPTTF funds. Therefore, with the Agency's concurrence, the funding source for the following item has been reclassified in the amount specified below:
 - Item No. 4 – 2005 Tax Allocation Bonds in the amount of \$7,064,648 is partially reclassified. Finance is approving RPTTF in the amount of \$6,904,528 and the use of Other Funds in the amount of \$160,120, totaling \$7,064,648.

- The claimed administrative costs exceed the allowance by \$11,574. HSC section 34171 (b) (3) limits the fiscal year Administrative Cost Allowance (ACA) to three percent of actual RPTTF distributed in the preceding fiscal year or \$250,000, whichever is greater; not to exceed 50 percent of the RPTTF distributed in the preceding fiscal year. As a result, the Agency's maximum ACA is \$345,104 for fiscal year 2020-21.
 - Although \$344,678 is claimed for ACA, Item No. 24 in the amount of \$12,000 is considered an administrative cost and should be counted toward the cap. Therefore, as noted in the table below, \$11,574 in excess ACA is not allowed:

Administrative Cost Allowance (ACA) Calculation	
Actual RPTTF distributed for fiscal year 2019-20	\$11,761,122
Less distributed Administrative RPTTF	(257,671)
RPTTF distributed for 2019-20 after adjustments	\$11,503,451
ACA Cap for 2020-21 per HSC section 34171 (b)	\$345,104
ACA requested for 2020-21	344,678
Plus amount reclassified to ACA	12,000
Total ACA requested after adjustment	\$356,678
ACA in Excess of the Cap	\$(11,574)

Pursuant to HSC section 34186, successor agencies are required to report differences between actual payments and past estimated obligations (prior period adjustments) for the ROPS 17-18 period. Reported differences in RPTTF are used to offset current RPTTF distributions. The amount of RPTTF authorized in the table includes the prior period adjustment (PPA) resulting from the County Auditor-Controller's review of the PPA form submitted by the Agency.

The Agency's maximum approved RPTTF distribution for the reporting period is \$11,542,172, as summarized in the Approved RPTTF Distribution table (see Attachment).

RPTTF distributions occur biannually, one distribution for the July 1, 2020 through December 31, 2020 period (ROPS A period), and one distribution for the January 1, 2021 through June 30, 2021 period (ROPS B period), based on Finance's approved amounts. Since this determination is for the entire ROPS 20-21 period, the Agency is authorized to receive up to the maximum approved RPTTF through the combined ROPS A and B period distributions.

Except for the items adjusted, Finance is not objecting to the remaining items listed on the ROPS 20-21. If the Agency disagrees with our determination with respect to any items on the ROPS 20-21, except items which are the subject of litigation disputing our previous or related determinations, the Agency may request a Meet and Confer within five business days of the date of this letter. The Meet and Confer process and guidelines are available on our website:

http://dof.ca.gov/Programs/Redevelopment/Meet_And_Confer/

The Agency must use the RAD App to complete and submit its Meet and Confer request form.

Absent a Meet and Confer, this is our final determination regarding the obligations listed on the ROPS 20-21. This determination only applies to items when funding was requested for the 12-month period. If a denial by Finance in a previous ROPS is currently the subject of litigation, the item will continue to be deemed denied until the matter is resolved.

The ROPS 20-21 form submitted by the Agency and this determination letter will be posted on our website:

<http://dof.ca.gov/Programs/Redevelopment/ROPS/>

This determination is effective for the ROPS 20-21 period only and should not be conclusively relied upon for future ROPS periods. All items listed on a future ROPS are subject to review and may be denied even if not denied on this ROPS or a preceding ROPS. The only exception is for items that have received a Final and Conclusive determination from Finance pursuant to HSC section 34177.5 (i). Finance's review of Final and Conclusive items is limited to confirming the scheduled payments as required by the obligation.

The amount available from the RPTTF is the same as the amount of property tax increment available prior to the enactment of the redevelopment dissolution law. Therefore, as a practical matter, the ability to fund the items on the ROPS with property tax increment is limited to the amount of funding available to the Agency in the RPTTF.

Please direct inquiries to Mindy Patterson, Supervisor, or Mark-Anthony Lacy, Staff, at (916) 322-2985.

Sincerely,



JENNIFER WHITAKER
Program Budget Manager

cc: Christine Pilapil, Project Manager, City of Fullerton
Israel M. Guevara, Administrative Manager, Property Tax Section, Orange County

Approved RPTTF Distribution July 2020 through June 2021			
	ROPS A	ROPS B	ROPS 20-21 Total
RPTTF Requested	\$ 9,931,659	\$ 1,855,367	\$ 11,787,026
Administrative RPTTF Requested	172,339	172,339	344,678
Total RPTTF Requested	10,103,998	2,027,706	12,131,704
RPTTF Requested	9,931,659	1,855,367	11,787,026
<u>Adjustments</u>			
Item No. 4	(160,120)	0	(160,120)
Item No. 23	(60,000)	(60,000)	(120,000)
Item No. 24	(6,000)	(6,000)	(12,000)
Item No. 28	(130,000)	(130,000)	(260,000)
	(356,120)	(196,000)	(552,120)
RPTTF Authorized	9,575,539	1,659,367	11,234,906
Administrative RPTTF Requested	172,339	172,339	344,678
<u>Adjustment</u>			
Item No. 24	6,000	6,000	12,000
Adjusted Administrative RPTTF	178,339	178,339	356,678
Excess Administrative Costs	0	(11,574)	(11,574)
Administrative RPTTF Authorized	178,339	166,765	345,104
ROPS 17-18 prior period adjustment (PPA)	(37,838)	0	(37,838)
Total RPTTF Approved for Distribution	\$ 9,716,040	\$ 1,826,132	\$ 11,542,172

Orange Countywide Oversight Board

Agenda Item No, 15d

Date: 9/22/2020

From: Successor Agency to the Huntington Beach Redevelopment Agency

Subject: Straw Vote of the Countywide Oversight Board Regarding Administrative Budget

Recommended Action:

Hold a straw vote regarding FY 2021-22 Administrative Budget for the Huntington Beach Successor Agency

The Huntington Beach Successor Agency requests a straw vote of the Administrative Budget for Fiscal Year 2021-22. The Successor Agency shall return in January with a request for final approval of the Administrative Budget with the Recognized Obligation Payment Schedule (ROPS).

Under ABX1 26 and AB 1484, the Huntington Beach Successor Agency has a fiduciary duty to the holders of enforceable obligations (such as bond holders and parties to existing enforceable contracts) to ensure that these obligations are met and taxing entities that benefit from distribution of property tax to ensure that proper amounts are passed through. After February 1, 2012, tax increment formerly collected by Redevelopment Agencies is held by the County Controller for distribution to pay off enforceable obligations of the former Redevelopment Agencies and passed through to special taxing entities such as school districts and other special districts.

The Successor Agency staff and Board have specific duties relating to the management of former Redevelopment Agency assets required under California Health and Public Safe Code Sections 34180 and 34181. The minimum administrative allowance of \$250,000 distributed to the Huntington Beach Successor Agency each year is used to offset a portion of the administrative costs associated with the wind-down of the Successor Agency.

Staff submits the annual ROPS, Prior Period Adjustment form, and other related reports and documentation to the County and State Department of Finance as required. The Huntington Beach's Recognized Obligation Payment Schedule ("ROPS") currently has over 20 outstanding enforceable obligations totaling over \$6.5 million, excluding the City-Agency loan amounts of over \$71.5 million and unfunded actuarial liabilities of over \$3.6 million. These obligations include bonds, loans, and property tax sharing agreements, among other items. The Successor Agency Administrative allowance is currently \$250,000, the minimum amount authorized per Health and Safety Code Section 34171(a)(2).

The current Successor Agency administrative budget includes personnel costs of \$204,217, direct contract costs of \$30,000, and indirect costs related to the management of the Successor Agency amounting to \$178,754. This results in a total FY 2021-22 Administrative Budget of \$412,971. Since the dissolution of the former Redevelopment Agency, staff have dedicated a significant number of hours managing and providing information for the ROPS, Housing Asset Transfer review, Long-Range Property Management Plan, and other projects associated with the wind down of the Successor Agency. The cost of these activities far exceed the \$250,000 minimum annual administrative allowance provided to the Agency.

Staff Contact(s)

Sunny Rief, Assistant Chief Financial Officer, sunny.rief@surfcity-hb.org

Ursula Luna-Reynosa, Community Development Director, ursula.luna-reynosa@surfcity-hb.org

Attachments

1. ROPS 21-22 Proposed Administrative Budget and Summary of Personnel Justification
2. ROPS 20-21 Administrative Budget and DOF Determination Letter
3. ROPS 19-20 Administrative Budget and DOF Determination Letter
4. ROPS 20-21 DOF Determination Letter
5. ROPS 19-20 DOF Determination Letter

**City of Huntington Beach
FY 2021/22
Administrative Allowance Budget**

		<u>Fiscal Year</u> <u>2021/2022</u>		<u>Successor</u>	<u>SA</u>	<u>% of Time</u>
		<u>Costs</u>	<u>Hourly Rate</u>	<u>Agency Hours</u>	<u>Administration</u>	<u>Spent on SA</u> <u>Issues</u>
<i>Direct Personnel Costs</i>	<i>Department</i>					
City Manager/Executive Director	City Manager	\$ 326,061	\$ 156.76	21	\$ 3,261	1.00%
Assistant City Manager	City Manager	330,517	158.90	21	3,305	1.00%
City Council/Successor Agency Board Members	City Council	94,786	45.57	4	190	0.20%
City Clerk/Board Clerk	City Clerk	224,863	108.11	4	450	0.20%
Deputy City Clerk	City Clerk	135,742	65.26	4	271	0.20%
City Treasurer	Finance	111,790	53.75	104	5,590	5.00%
Chief Financial Officer	Finance	312,146	150.07	104	15,607	5.00%
Assistant Chief Financial Officer	Finance	234,770	112.87	312	35,215	15.00%
Finance Manager Treasury	Finance	218,030	104.82	104	10,902	5.00%
Finance Manager Accounting	Finance	212,805	102.31	180	18,416	8.65%
Principal Finance Analyst	Finance	192,379	92.49	208	19,238	10.00%
Senior Accountant	Finance	158,725	76.31	168	12,820	8.08%
Accounting Technician II	Finance	112,611	54.14	21	1,126	1.00%
Senior Payroll Technician	Finance	116,251	55.89	36	2,012	1.73%
Community Development Director	Community Development	249,791	120.09	146	17,485	7.00%
Deputy Director of Community Development	Community Development	232,170	111.62	208	23,217	10.00%
Economic Development Project Manager	Economic Development	184,995	88.94	180	16,009	8.65%
Real Estate Project Manager	Economic Development	191,027	91.84	208	19,103	10.00%
Total Direct Personnel Costs					204,217	
<i>Other Direct Costs</i>						
Professional Services						
Economic Analysis - Kane Ballmer & Berkman						
					30,000	
Total Other Direct Cost					30,000	
<i>Indirect Costs (applied at .5% of total cost)</i>						
General Liability Insurance		4,887,622			24,438	
Workers Compensation Insurance		7,153,578			35,768	
Facilities Maintenance and Utilities		7,339,576			36,698	
Computer Maintenance		1,786,368			8,932	
General and Office Supplies		2,288,503			11,443	
Legal - City Attorney		2,921,219			14,606	
Human Resources		1,746,599			8,733	
Information Services		7,627,351			38,137	
Total Indirect Cost					178,754	
Total Successor Agency Admin Allowance Cost					\$ 412,971	
Total Successor Agency FY 2021/22 Proposed Admin Budget					\$ 250,000	

**City of Huntington Beach
FY 2021/22
Administrative Allowance
Personnel Justification**

Position	Department	Summary of Job Duties Pertaining to Successor Agency	Total
City Manager/Executive Director Total City Manager/Executive Director	City Manager	General oversight of the entire dissolution process. Attends Successor Agency (SA), Oversight Board (OB) Meetings and Meet and Confer meetings as well as numerous staff meetings regarding the winding down of the Successor Agency.	<u>21</u> 21
Assistant City Manager Total Assistant City Manager	City Manager	General oversight of the entire dissolution process. Attends Successor Agency (SA), Oversight Board (OB) Meetings and Meet and Confer meetings as well as numerous staff meetings regarding the winding down of the Successor Agency.	<u>21</u> 21
City Council/Successor Agency Board Members (7 Members) tal City Council/Successor Agency Board Members	City Council	Attendance at Successor Agency Meeting, reviewing of all related materials, signing necessary Resolutions and other documents.	<u>4</u> 4
City Clerk/Board Clerk Total City Clerk/Board Clerk	City Clerk	Preparation, distribution and attendance of Successor Agency Meetings, certifying and filing all documents (ROPS, etc.), management of 700 Forms and processing all Successor Agency public records requests.	<u>4</u> 4
Deputy City Clerk Total Deputy City Clerk	City Clerk	Preparation, distribution and attendance of Successor Agency Meetings, certifying and filing all documents (ROPS, etc.), management of 700 Forms and processing all Successor Agency public records requests.	<u>4</u> 4
City Treasurer Total City Treasurer	Finance	Review daily cash in bank account on a daily basis and prepare report for review by Treasury Manager and Chief Financial Officer, Process/Review/Approve wire transfers, Monthly Treasurer's reporting, attendance at meetings.	<u>104</u> 104
Chief Financial Officer Total Chief Financial Officer	Finance	Review Annual ROPS, review and approve all bond payments and wire transfers, review and approve CAFR, annual budget, and attend Successor Agency meetings as required.	<u>104</u> 104
Assistant Chief Financial Officer Total Assistant Chief Financial Officer	Finance	Review Annual ROPS, review and approve all bond payments and wire transfers, review and approve CAFR, annual budget, and attend Successor Agency meetings as required.	<u>312</u> 312
Finance Manager Treasury Total Finance Manager Treasury	Finance	Review daily cash in bank account on a daily basis and prepare report for review by Treasury Manager and Chief Financial Officer, Process/Review/Approve wire transfers, Monthly Treasurer's reporting, attendance at meetings.	<u>104</u> 104
Finance Manager Accounting Total Finance Manager Accounting	Finance	Review and approve all journal entries for monthly close, review and approve monthly bank reconciliation, review payroll entries, review payroll entries in general ledger, create and maintain chart of accounts for Successor Agency, and review Successor Agency information in the annual CAFR.	<u>180</u> 180
Principal Finance Analyst Total Principal Finance Analyst	Finance	Review of the two bond statements and journal entries, analytical review of all monthly financial transactions, review and approve monthly bank reconciliation, update two bond spreadsheets, create and review Property Tax Sharing Agreements, prepare Successor Agency documents for annual audit; prepare wire transfers, prepare the annual ROPS, participate in Successor Agency meetings as required.	<u>208</u> 208
Senior Accountant Total Senior Accountant	Finance	Prepare and process journal entries for monthly close, preparation of monthly bank reconciliation.	<u>168</u> 168

**City of Huntington Beach
FY 2021/22
Administrative Allowance
Personnel Justification**

<i>Position</i>	<i>Department</i>	<i>Summary of Job Duties Pertaining to Successor Agency</i>	<i>Total</i>
Accounting Technician II Total Accounting Technician II	Finance	Review coding, process invoices, prepare checks, and review check registers for the City, including those directly related to SA.	<u>21</u> 21
Senior Payroll Technician Total Senior Payroll Technician	Finance	Process timesheets for all City employees performing duties directly related to SA; process paychecks and review payroll reports for accuracy.	<u>36</u> 36
Community Development Director Total Community Development Director	Community Development	Oversees all Successor Agency operations, from day to day questions to ROPS development.	<u>146</u> 146
Deputy Director of Community Development Total Deputy Director of Community Development	Community Development	Oversees all Successor Agency operations, from day to day questions to ROPS development.	<u>208</u> 208
Economic Development Project Manager Total Economic Development Project Manager	Economic Development	Assists in the oversight and the winding down of Successor Agency actions, projects and agreements. Process and manage purchase orders and contracts	<u>180</u> 180
Real Estate Project Manager Total Real Estate Project Manager	Economic Development	Clear titles and other issues related to the former Redevelopment Project area. Assists with property tax sharing agreements.	<u>208</u> 208
Total Hours			2,032

**Successor Agency
Administrative Budget
Department Budget Summary
Other Funds by Object Account**

OTHER FUNDS

Expenditure Object Account	ROPS 20-21 Budget
RORF Administration (350)	
PERSONAL SERVICES	
Salaries/Benefits - Permanent	219,000
PERSONAL SERVICES 219,000	
OPERATING EXPENSES	
Other Professional Services/Operating	31,000
OPERATING EXPENSES 31,000	
Total	250,000
Revenue Summary	
Administrative Allowance	250,000
Total	250,000

Significant Changes

Pursuant to AB x126 and AB 1484, the Successor Agency receives RPTTF funding from the County Auditor-Controller to pay Enforceable Obligations. The Successor Agency also receives a 3% of actual distributed RPTTF in the preceding fiscal year, or a minimum of \$250,000 for administration of the winding down of the former Redevelopment Agency per fiscal year. Administrative costs associated with the "wind down" and dissolution of the Redevelopment Agency that exceed the administrative cost allowance will be funded by Other Funds, pursuant to State rules. Administrative expenses include: personnel costs, legal, and other professional services expenses associated with the dissolution and administration of the Successor Agency.

**Successor Agency
Administrative Budget
Department Budget Summary
Other Funds by Object Account**

OTHER FUNDS

Expenditure Object Account	ROPS 19-20 Budget
RORF Administration (350)	
PERSONAL SERVICES	
Salaries/Benefits - Permanent	225,000
PERSONAL SERVICES 225,000	
OPERATING EXPENSES	
Legal Services	
Other Professional Services/Operating	25,000
OPERATING EXPENSES 25,000	
Total	250,000
Revenue Summary	
ROPS 19-20 Budget	
Administrative Allowance	250,000
Other Funds	-
Total	250,000

Significant Changes

Pursuant to AB x126 and AB 1484, the Successor Agency receives RPTTF funding from the County Auditor-Controller to pay Enforceable Obligations. The Successor Agency also receives a 3% of actual distributed RPTTF in the preceding fiscal year, or a minimum of \$250,000 for administration of the winding down of the former Redevelopment Agency per fiscal year. Administrative costs associated with the "wind down" and dissolution of the Redevelopment Agency that exceed the administrative cost allowance will be funded by Other Funds, pursuant to State rules. Administrative expenses include: personnel costs, legal, and other professional services expenses associated with the dissolution and administration of the Successor Agency.



Transmitted via e-mail

April 9, 2020

Dahle Bulosan, Interim Chief Financial Officer
City of Huntington Beach
2000 Main Street
Huntington Beach, CA 92648

2020-21 Annual Recognized Obligation Payment Schedule

Pursuant to Health and Safety Code (HSC) section 34177 (o) (1), the City of Huntington Beach Successor Agency (Agency) submitted an annual Recognized Obligation Payment Schedule for the period of July 1, 2020 through June 30, 2021 (ROPS 20-21) to the California Department of Finance (Finance) on January 28, 2020. Finance has completed its review of the ROPS 20-21.

Based on a sample of line items reviewed and application of the law, Finance made the following determination:

- On the ROPS 20-21 form, the Agency reported cash balances and activity for the period July 1, 2017 through June 30, 2018 (ROPS 17-18). According to our review, the Agency has approximately \$36,705 from Other Funds available to fund enforceable obligations on the ROPS 20-21. HSC section 34177 (l) (1) (E) requires these balances to be used prior to requesting Redevelopment Property Tax Trust Fund (RPTTF) funds. This item does not require payment from property tax revenues; therefore, with the Agency's concurrence, the funding source for the following item has been reclassified in the amounts specified below:
 - Item No. 2 – Hyatt Regency Huntington Beach Project in the amount of \$708,468 is partially reclassified. The Agency requested \$667,880 in RPTTF funding, \$17,006 in Reserve Balances, and \$23,582 in Other Funds. Finance is approving RPTTF in the amount of \$631,175 (\$667,880 - \$36,705), the use of Reserve Balances in the amount of \$17,006, and Other Funds in the amount of \$60,287 (\$23,582 + \$36,705), totaling \$708,468.

Pursuant to HSC section 34186, successor agencies are required to report differences between actual payments and past estimated obligations (prior period adjustments) for the ROPS 17-18 period. Reported differences in RPTTF are used to offset current RPTTF distributions. The amount of RPTTF authorized includes the prior period adjustment (PPA) resulting from the County Auditor-Controller's review of the PPA form submitted by the Agency.

The Agency's maximum approved RPTTF distribution for the reporting period is \$5,152,462, as summarized in the Approved RPTTF Distribution table (see Attachment).

RPTTF distributions occur biannually, one distribution for the July 1, 2020 through December 31, 2020 period (ROPS A period), and one distribution for the January 1, 2021 through June 30, 2021 period (ROPS B period), based on Finance's approved amounts. Since this determination is for the entire ROPS 20-21 period, the Agency is authorized to receive up to the maximum approved RPTTF through the combined ROPS A and B period distributions.

Except for the item adjusted, Finance is not objecting to the remaining items listed on the ROPS 20-21. If the Agency disagrees with our determination with respect to any items on the ROPS 20-21, except items which are the subject of litigation disputing our previous or related determinations, the Agency may request a Meet and Confer within five business days of the date of this letter. The Meet and Confer process and guidelines are available on our website:

http://dof.ca.gov/Programs/Redevelopment/Meet_And_Confer/

The Agency must use the RAD App to complete and submit its Meet and Confer request form.

Absent a Meet and Confer, this is our final determination regarding the obligations listed on the ROPS 20-21. This determination only applies to items when funding was requested for the 12-month period. If a denial by Finance in a previous ROPS is currently the subject of litigation, the item will continue to be deemed denied until the matter is resolved.

The ROPS 20-21 form submitted by the Agency and this determination letter will be posted on our website:

<http://dof.ca.gov/Programs/Redevelopment/ROPS/>


This determination is effective for the ROPS 20-21 period only and should not be conclusively relied upon for future ROPS periods. All items listed on a future ROPS are subject to review and may be denied even if not denied on this ROPS or a preceding ROPS. The only exception is for items that have received a Final and Conclusive determination from Finance pursuant to HSC section 34177.5 (i). Finance's review of Final and Conclusive items is limited to confirming the scheduled payments as required by the obligation.

The amount available from the RPTTF is the same as the amount of property tax increment available prior to the enactment of the redevelopment dissolution law. Therefore, as a practical matter, the ability to fund the items on the ROPS with property tax increment is limited to the amount of funding available to the Agency in the RPTTF.

Dahle Bulosan
April 9, 2020
Page 3

Please direct inquiries to Anna Kyumba, Supervisor, or Satveer Ark, Staff, at (916) 322-2985.

Sincerely,


JENNIFER WHITAKER
Program Budget Manager

cc: Ursula Luna-Reynosa, Director of Community Development, City of Huntington Beach
Israel M. Guevara., Administrative Manager, Property Tax Section, Orange County

Attachment

Approved RPTTF Distribution July 2020 through June 2021			
	ROPS A	ROPS B	ROPS 20-21 Total
RPTTF Requested	\$ 2,400,464	\$ 3,762,327	\$ 6,162,791
Administrative RPTTF Requested	125,000	125,000	250,000
Total RPTTF Requested	2,525,464	3,887,327	6,412,791
RPTTF Requested	2,400,464	3,762,327	6,162,791
<u>Adjustment</u>			
Item No. 2	(36,705)	0	(36,705)
RPTTF Authorized	2,363,759	3,762,327	6,126,086
Administrative RPTTF Authorized	125,000	125,000	250,000
ROPS 17-18 prior period adjustment (PPA)	(1,223,624)	0	(1,223,624)
Total RPTTF Approved for Distribution	\$ 1,265,135	\$ 3,887,327	\$ 5,152,462



April 11, 2019

Ms. Lori Ann Farrell, Director of Finance
City of Huntington Beach
2000 Main Street
Huntington Beach, CA 92648

Dear Ms. Farrell:

Subject: 2019-20 Annual Recognized Obligation Payment Schedule

Pursuant to Health and Safety Code (HSC) section 34177 (o) (1), the City of Huntington Beach Successor Agency (Agency) submitted an annual Recognized Obligation Payment Schedule for the period of July 1, 2019 through June 30, 2020 (ROPS 19-20) to the California Department of Finance (Finance) on February 1, 2019. Finance has completed its review of the ROPS 19-20.

Based on a sample of line items reviewed and application of the law, Finance made the following determinations:

- Item Nos. 105 and 106 – Unfunded Employee Pension and Retirement Obligations, outstanding obligation amounts totaling \$3,655,295, are not allowed. The Agency previously requested funding as Item Nos. 23, 24, and 26, and as Item Nos. 90 and 91; no funding is requested for these duplicated items on the current ROPS. Finance continues to deny these items. Finance originally denied these items as the agreement entered into on March 17, 2008 with respect to these obligations is between the California Public Employees' Retirement System (CalPERS) and the City Council of the City of Huntington Beach (City Council). The Agency did not provide any other documentation to support the items as enforceable during this period.

Absent a contract or agreement, the Agency's responsibility for payment of these obligations is not legally enforceable. Because the only agreement provided to Finance is between the City Council and CalPERS, the Agency's request for payment of these obligations is not allowed. Therefore, these items are not enforceable obligations and requested amounts of \$138,054 from Other Funds and \$233,712 from Redevelopment Property Tax Trust Fund (RPTTF) funding, totaling \$371,766, are not allowed as specified below:

Item No.	Project / Obligation Name	Total Outstanding	RPTTF Requested	Other Funds Requested
105	Unfunded Pension Liabilities	\$3,438,056	\$138,054	\$138,054
106	Unfunded Retirement Liabilities	217,239	95,658	0
	Total	\$3,655,295	\$233,712	\$138,054

- Item Nos. 107 through 118 – Loan payments to the City of Huntington Beach (City), outstanding obligation amounts totaling \$71,556,290, are not allowed. Finance continues to deny these items. The Agency previously requested funding for these as Item Nos. 32, 41 through 44, 46 through 49, 79 through 89, and 93 through 104; no funding is requested for these duplicate items on the current ROPS. Finance previously denied these items for the following reasons:
 - Oversight Board (OB) Resolution Nos. 2017-03 through 2017-14, inclusive, finding loans made by the City to the former Redevelopment Agency (RDA) in the amounts of \$55,395,638 as enforceable obligations and finding the loans were for legitimate redevelopment purposes, were denied in our determination letter dated March 10, 2017.
 - The Agency was unable to provide documentation supporting these items as loans pursuant to HSC section 34191.4 (b). Specifically, the Agency was unable to support the outstanding principal balance of the loans and it was not clear whether the loans were monetary loans or a transfer of interest in real property.
 - The Agency was unable to substantiate the periodic amounts loaned by the City as well as the amounts periodically repaid by the Agency to the City.
 - OB Resolution Nos. 2017-15 through 2017-26, finding that loans made by the City to the former RDA were for legitimate redevelopment purposes and approving the loans as enforceable obligations and the schedule for repayment of said loans, in accordance with HSC section 34191.4 (b), were denied in our determination letter dated May 17, 2017.

The Agency did not provide any new documentation during ROPS 19-20. Therefore, these items are not enforceable obligations and the requested amounts totaling \$7,646,815 are not allowed as specified below:

Item No.	Project Name/ Debt Obligation	RPTTF Amount Requested
107	Land Sale Emerald Cove	\$ 606,608
108	Emerald Cove 2010 Series A Lease Revenue Refunding Bonds	390,038
109	Huntington Center Redevelopment Plan Development	200,948
110	Main-Pier Redevelopment Project Phase II	241,080
111	Development of Downtown Main-Pier Project Area	179,426
112	Third Block West Commercial/Residential Project	1,025,834
113	Second Block Alley and Street Improvement Project	16,932
114	Strand Project	6,268
115	Pierside Hotel/Retail/Parking Structure Project	27,320
116	Waterfront Commercial Master Site Plan	4,082,201
117	Strand Project	839,896
118	Operative Agreement for the Huntington Beach Redevelopment Project	30,264
Total		\$7,646,815

- On the ROPS 19-20 form, the Agency reported cash balances and activity for the period July 1, 2016 through June 30, 2017 (ROPS 16-17). According to our review, the Agency has approximately \$853,460 from Reserve Balances available to fund enforceable obligations on the ROPS 19-20, and an additional \$138,054 from Other Funds now available from Item No. 105, totaling \$991,514. HSC section 34177 (l) (1) (E) requires these balances to be used prior to requesting RPTTF. Therefore, the funding source for the following item has been reclassified in the amount specified below:
 - Item No. 3 – 2002 Tax Allocation Refunding Bonds, debt service payment in the amount of \$1,615,000 has been partially reclassified. This item does not require payment from property tax revenues. Therefore, Finance is approving RPTTF in the amount of \$623,486, the use of Reserve Balances in the amount of \$853,460, and the use of Other Funds in the amount of \$138,054, totaling \$1,615,000.
- Finance notes the Agency has listed several item numbers several times on the ROPS. Pursuant to HSC section 34177 (m) (1), the Agency is required to complete the ROPS in a manner provided by Finance. ROPS Instructions state that Agencies must maintain the existing line item numbers and should only create a new line item for a new obligation that was not on a prior ROPS. Future ROPS not completed in a manner provided by Finance may be rejected in its entirety and returned to the OB for reconsideration. The Agency should make an effort to identify and retire all duplicated line items from the ROPS.

Pursuant to HSC section 34186, successor agencies are required to report differences between actual payments and past estimated obligations. Reported differences in RPTTF are used to offset current RPTTF distributions. The amount of RPTTF approved in the table on Page 5 includes the prior period adjustment resulting from the County Auditor-Controller's review of the prior period adjustment form submitted by the Agency.

Except for the items adjusted, Finance is not objecting to the remaining items listed on the ROPS 19-20. If the Agency disagrees with our determination with respect to any items on the ROPS 19-20, except items that are the subject of litigation disputing our previous or related determinations, the Agency may request a Meet and Confer within five business days of the date of this letter. The Meet and Confer process and guidelines are available on our website:

[http://dof.ca.gov/Programs/Redevelopment/Meet And Confer/](http://dof.ca.gov/Programs/Redevelopment/Meet_And_Confer/)

The Agency's maximum approved RPTTF distribution for the reporting period is \$6,543,050 as summarized in the Approved RPTTF Distribution table on Page 5 (see Attachment).

RPTTF distributions occur biannually, one distribution for the July 1 through December 31 period (ROPS A period), and one distribution for the January 1 through June 30 period (ROPS B period) based on Finance approved amounts. Since this determination is for the entire ROPS 19-20 period, the Agency is authorized to receive up to the maximum approved RPTTF through the combined ROPS A and B period distributions.

Absent a Meet and Confer, this is our final determination regarding the obligations listed on the ROPS 19-20. This determination only applies to items when funding was requested for the 12-month period. If a denial by Finance in a previous ROPS is currently the subject of litigation, the item will continue to be denied until the matter is resolved.

The ROPS 19-20 form submitted by the Agency and this determination letter will be posted on our website:


<http://dof.ca.gov/Programs/Redevelopment/ROPS/>

This determination is effective for the ROPS 19-20 period only and should not be conclusively relied upon for future ROPS periods. All items listed on a future ROPS are subject to review and may be denied even if not denied on this ROPS or a preceding ROPS. The only exception is for items that have received a Final and Conclusive determination from Finance pursuant to HSC section 34177.5 (i). Finance's review of Final and Conclusive items is limited to confirming the scheduled payments as required by the obligation.

The amount available from the RPTTF is the same as the amount of property tax increment available prior to the enactment of redevelopment dissolution law. Therefore, as a practical matter, the ability to fund the items on the ROPS with property tax increment is limited to the amount of funding available to the Agency in the RPTTF.

Please direct inquiries to Nichelle Jackson, Supervisor, or Alexander Watt, Lead Analyst, at (916) 322-2985.

Sincerely,



JENNIFER WHITAKER
Program Budget Manager

cc: Ms. Kellee Fritzal, Deputy Director of Economic Development, City of Huntington Beach
Mr. Israel M. Guevara, Administrative Manager, Property Tax Section, Orange County

Attachment

Approved RPTTF Distribution			
For the period of July 1, 2019 through June 30, 2020			
	ROPS A Period	ROPS B Period	ROPS 19-20 Total
RPTTF Requested	\$ 7,335,920	\$ 7,853,182	\$ 15,189,102
Administrative RPTTF Requested	125,000	125,000	250,000
Total RPTTF Requested	7,460,920	7,978,182	15,439,102
RPTTF Requested	7,335,920	7,853,182	15,189,102
<u>Adjustments</u>			
Item No. 3	(991,514)	0	(991,514)
Item No. 105	0	(138,054)	(138,054)
Item No. 106	(47,829)	(47,829)	(95,658)
Item No. 107	(303,304)	(303,304)	(606,608)
Item No. 108	(195,019)	(195,019)	(390,038)
Item No. 109	(100,474)	(100,474)	(200,948)
Item No. 110	(120,540)	(120,540)	(241,080)
Item No. 111	(89,713)	(89,713)	(179,426)
Item No. 112	(512,917)	(512,917)	(1,025,834)
Item No. 113	(8,466)	(8,466)	(16,932)
Item No. 114	(3,134)	(3,134)	(6,268)
Item No. 115	(13,660)	(13,660)	(27,320)
Item No. 116	(2,041,100)	(2,041,101)	(4,082,201)
Item No. 117	(419,948)	(419,948)	(839,896)
Item No. 118	(15,132)	(15,132)	(30,264)
	(4,862,750)	(4,009,291)	(8,872,041)
RPTTF Authorized	2,473,170	3,843,891	6,317,061
Administrative RPTTF Authorized	125,000	125,000	250,000
Total RPTTF Authorized for Obligations	2,598,170	3,968,891	6,567,061
Prior Period Adjustment	(24,011)	0	(24,011)
Total RPTTF Approved for Distribution	\$ 2,574,159	\$ 3,968,891	\$ 6,543,050

Orange Countywide Oversight Board

Agenda Item No. 15e

Date: 9/22/2020

From: Successor Agency to the Irvine Redevelopment Agency

Subject: Straw Vote of the Countywide Oversight Board Regarding Administrative Budget

Recommended Action:

Hold a straw vote regarding FY 2021-2022 Administrative Budget for the Irvine Successor Agency

The Irvine Successor Agency (Successor Agency) requests a straw vote of the Administrative Budget for Fiscal Year 2021-2022. The Successor Agency shall return in January with a request for final approval of the Administrative Budget with the Recognized Obligation Payment Schedule (ROPS).

As the Successor Agency winds down its activities, there is a corresponding reduction in the administrative costs. For Fiscal Year 2020-2021, the approved administrative costs are \$150,000, whereas the prior year's the approved administrative costs were \$250,000. For Fiscal Year 2021-2022, the Successor Agency is requesting \$100,000 for its administrative costs. A portion of the administrative budget shall consist of staff time for the following personnel:

- Director of Financial Management and Strategic Planning
- Finance Officer
- Senior Management Analyst
- Treasury Specialist
- Administrative Coordinator

The Director of Financial Management and Strategic Planning oversees Successor Agency administration. The Finance Officer oversees Redevelopment Property Tax Trust Fund (RPTTF) funding distribution per agreements. The Senior Management Analyst develops the annual ROPS and administrative budget, prepares staff reports for Successor Agency meetings, manages distribution of RPTTF funding per agreements, and processes invoices for the Successor Agency. The Treasury Specialist monitors and tracks RPTTF payments received by the Successor Agency. The Administrative Coordinator processes staff reports for the Successor Agency.

In addition to staff time, the administrative budget for Fiscal Year 2021-2022 shall include attorney and consultant services, administrative overhead, and materials and supplies. The breakdown of the administrative budget is provided in Attachment 1.

Staff Contact(s)

Angie Burgh
Senior Management Analyst
Email – aburgh@cityofirvine.org
Phone – 949-724-6036

Attachments

1. Draft Administrative Budget
2. FY 20-21 Approved ROPS and Administrative Budget
3. FY 20-21 ROPS DOF Final Determination Letter
4. FY 19-20 Approved ROPS and Administrative Budget
5. FY 19-20 ROPS DOF Final Determination Letter

**City of Irvine Successor Agency
Administrative Budget
ROPS 21-22**

Administrative Budget	Description	Estimated Cost
Attorney Fees	Counsel for Successor Agency	\$ 25,000
Consultant Fees	Annual audits for financial statement	\$ 20,000
Administrative Overhead	Share of Civic Center operating costs (e.g., IT technology, utilities, maintenance)	\$ 10,000
Materials and Supplies	Duplicating, postage, printing, office supplies	\$ 3,800
SUBTOTAL:		\$ 58,800

Position	Duties	Salaries and Benefits Estimated Cost
Director of Financial Management and Strategic Planning	Oversees Successor Agency administration	\$ 3,400
Finance Officer	Oversees RPTTF funding distribution per agreements	\$ 5,450
Senior Management Analyst	Develops annual ROPS and administrative budget for submission to County Oversight Board and Dept. of Finance; prepares staff reports for Successor Agency meetings; manages distribution of RPTTF funding per agreements; processes invoices for Successor Agency	\$ 29,600
Treasury Specialist	Tracks RPTTF funding received	\$ 1,400
Administrative Coordinator	Prepares Successor Agency agenda items	\$ 1,350
SUBTOTAL:		\$ 41,200
TOTAL:		\$ 100,000

Resolution No. 20-006

A RESOLUTION OF THE ORANGE COUNTYWIDE
OVERSIGHT BOARD WITH OVERSIGHT OF THE
SUCCESSOR AGENCY TO THE DISSOLVED IRVINE
REDEVELOPMENT AGENCY OF THE CITY OF IRVINE,
CALIFORNIA, APPROVING THE RECOGNIZED
OBLIGATION PAYMENT SCHEDULE AND THE
SUCCESSOR AGENCY ADMINISTRATIVE BUDGET FOR
THE PERIOD JULY 1, 2020 THROUGH JUNE 30, 2021

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, in accordance with California Health and Safety Code Section 34179(j), the twenty-five oversight boards in place in Orange County have consolidated into one Orange Countywide Oversight Board, effective July 1, 2018; and

WHEREAS, Health and Safety Code Sections 34177(1)(2)(B) and 34180(g) require the approval of the Recognized Obligation Payment Schedule by the Oversight Board; and

WHEREAS, a Recognized Obligation Payment Schedule for the period July 1, 2020 through June 30, 2021, has been prepared; and

WHEREAS, the City Council as Successor Agency to the dissolved Irvine Redevelopment Agency approved the Recognized Obligation Payment Schedule for the period July 1, 2020 through June 30, 2021; and

WHEREAS, the Recognized Obligation Payment Schedule, in the form as substantially approved by the City Council as Successor Agency to the dissolved Irvine Redevelopment Agency, has been presented to the Countywide Oversight Board for its consideration at a regular meeting of the Countywide Oversight Board held on January 21, 2020;

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

SECTION 1. The Countywide Oversight Board, at its regular meeting of January 21, 2020, reviewed and considered the Recognized Obligation Payment Schedule presented by the Successor Agency.

SECTION 2. The Recognized Obligation Payment Schedule for the period July 1, 2020 through June 30, 2021, as set forth in Exhibit "A" attached hereto and by this reference incorporated herein, is hereby approved by the Countywide Oversight Board.

SECTION 3. The Successor Agency Administrative Budget for the period July 1, 2020 through June 30, 2021, as set forth in Exhibit "B" attached hereto and by this reference incorporated herein, is hereby approved by the Oversight Board.

SECTION 4. The Irvine Successor Agency staff shall transmit the approved Recognized Obligation Payment Schedule to the Department of Finance, State Controller, and County Auditor-Controller in compliance with the requirements of the Amended Dissolution Act. The staff of the Successor Agency shall take such other and further actions and sign such other and further documents as appropriate to effectuate the intent of this Resolution and to implement the Recognized Obligation Payment Schedule approved hereby on behalf of the Successor Agency. The Countywide Oversight Board further authorizes and directs the Irvine Successor Agency staff to make any technical modifications to the Recognized Obligation Payment Schedule as may be required by the Department of Finance, and/or State Controller, including any formatting or technical changes required by any of the foregoing bodies. Any such modifications or changes shall not require re-approval by the Countywide Oversight Board.


SECTION 5. If any section, subsection, sentence, clause, or phrase of this Resolution is for any reason held by a court of competent jurisdiction to be invalid, such decision shall not affect the validity of the remaining portions of this Resolution. The Countywide Oversight Board hereby declares that it would have adopted this Resolution and each section, subsection, sentence, clause, or phrase thereof irrespective of the fact that any one or more section, subsection, sentence, clause, or phrase be declared invalid.

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

The foregoing was passed and adopted by the following vote of the Orange Countywide Oversight Board on TUESDAY, JANUARY 21, 2020

YES: STEVE FRANKS, CHRIS GAARDER, STEVE JONES, BRIAN PROBOLSKY, DEAN WEST

NOES:
EXCUSED:
ABSTAINED: CHARLES BARFIELD, PHILLIP E. YARBROUGH,

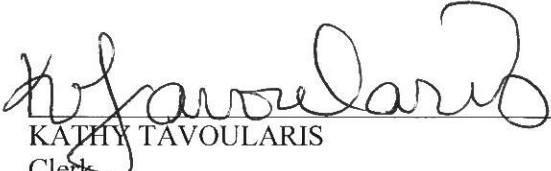


BRIAN PROBOLSKY
CHAIRMAN

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: 20-006

Agenda Date: Tuesday, January 21, 2020

Item No: 5C

Recognized Obligation Payment Schedule (ROPS 20-21) - Summary
 Filed for the July 1, 2020 through June 30, 2021 Period

Successor Agency: Irvine
 County: Orange

Current Period Requested Funding for Enforceable Obligations (ROPS Detail)		20-21A Total (July - December)	20-21B Total (January - June)	ROPS 20-21 Total
A	Enforceable Obligations Funded as Follows (B+C+D):	\$ -	\$ -	\$ -
B	Bond Proceeds	-	-	-
C	Reserve Balance	-	-	-
D	Other Funds	-	-	-
E	Redevelopment Property Tax Trust Fund (RPTTF) (F+G):	\$ 108,816,153	\$ 104,616,153	\$ 213,432,306
F	RPTTF	108,741,153	104,541,153	213,282,306
G	Administrative RPTTF	75,000	75,000	150,000
H	Current Period Enforceable Obligations (A+E):	\$ 108,816,153	\$ 104,616,153	\$ 213,432,306

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

Brian Probolsky, Chairman
 Name _____ Title _____
 0 [Signature] _____ Date 1-21-2020
 Signature _____ Date _____

Irvine Recognized Obligation Payment Schedule (ROPS 20-21) - Report of Cash Balances
July 1, 2017 through June 30, 2018
(Report Amounts in Whole Dollars)

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

A	B	C	D	E	F	G	H	I	
		Fund Sources							
		Bond Proceeds		Reserve Balance		Other	RPTTF		
	ROPS 17-18 Cash Balances (07/01/17 - 06/30/18)	Bonds issued on or before 12/31/10	Bonds issued on or after 01/01/11	Prior ROPS period balances and DDR RPTTF balances retained	Prior ROPS RPTTF distributed as reserve for future period(s)	Rent, grants, interest, etc.	Non-Admin and Admin	Comments	
1	Beginning Available Cash Balance (Actual 07/01/17)						19,255		
2	Revenue/Income (Actual 06/30/18) RPTTF amounts should tie to the ROPS 17-18 total distribution from the County Auditor-Controller						24,671,290		
3	Expenditures for ROPS 17-18 Enforceable Obligations (Actual 06/30/18)						24,568,644		
4	Retention of Available Cash Balance (Actual 06/30/18) RPTTF amount retained should only include the amounts distributed as reserve for future period(s)								
5	ROPS 17-18 RPTTF Prior Period Adjustment RPTTF amount should tie to the Agency's ROPS 17-18 PPA form submitted to the CAC	No entry required							
6	Ending Actual Available Cash Balance (06/30/18) C to G = (1 + 2 - 3 - 4), H = (1 + 2 - 3 - 4 - 5)	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 121,901		

CITY OF IRVINE, AS SUCCESSOR AGENCY
TO THE DISSOLVED IRVINE REDEVELOPMENT AGENCY

Proposed Administrative Budget
July 1, 2020 – June 30, 2021

Estimated Administrative Costs:

Administrative Expenses – personnel costs of City employees carrying out dissolution functions; audit fees; and legal expenses.	\$140,000
Training, duplicating, supplies	\$10,000
<u>Total Proposed Administrative Budget</u>	<u>\$150,000</u>

Proposed Source(s) of Payment:

Administrative cost allowance	\$150,000
<u>Total Proposed Sources of Payment</u>	<u>\$150,000</u>

Proposed arrangement for administrative and operations services provided by the City:

City employees formerly assigned to redevelopment functions will continue to staff the administrative functions associated with the dissolution of the redevelopment agency. Pursuant to Health and Safety Code Section 34171(b), the Successor Agency is entitled to receive an administrative cost allowance of up to 3% of the money from the Redevelopment Obligation Retirement Fund that is allocated to the Successor Agency for each fiscal year, but in no event less than \$250,000 per fiscal year. The Successor Agency is requesting less than this maximum allowed amount as wind-down of the former redevelopment agency continues.

City of Irvine Successor Agency
 Administrative Budget
 ROPS 20-21

Administrative Budget	Description	Estimated Cost
Attorney Fees	Counsel for Successor Agency	\$ 50,000
Consultant Fees	Annual audits for financial statement	\$ 20,000
Administrative Overhead	Share of Civic Center operating costs (e.g., IT technology, utilities, maintenance)	\$ 10,000
Materials and Supplies	Duplicating, postage, printing, office supplies	\$ 10,000
SUBTOTAL:		\$ 90,000

Position	Duties	Salaries and Benefits Estimated Cost
Director of Financial Management and Strategic Planning	Oversees Successor Agency administration	\$ 3,400
Manager of Fiscal Services	Manages and directs administration of ROPS and administrative budget	\$ 18,800
Fiscal Services Officer	Oversees RPTTF funding distribution per agreements	\$ 5,450
Senior Management Analyst	Develops annual ROPS and administrative budget for submission to County Oversight Board and Dept. of Finance; prepares staff reports for Successor Agency meetings; manages distribution of RPTTF funding per agreements; processes invoices for Successor Agency	\$ 29,600
Treasury Specialist	Tracks RPTTF funding received	\$ 1,400
Administrative Coordinator	Prepares Successor Agency agenda items	\$ 1,350
SUBTOTAL:		\$ 60,000
TOTAL:		\$ 150,000



Transmitted via e-mail

April 10, 2020

Angie Burgh, Senior Management Analyst
City of Irvine
1 Civic Center Plaza
Irvine, CA 92623

2020-21 Annual Recognized Obligation Payment Schedule

Pursuant to Health and Safety Code (HSC) section 34177 (o) (1), the City of Irvine Successor Agency (Agency) submitted an annual Recognized Obligation Payment Schedule for the period of July 1, 2020 through June 30, 2021 (ROPS 20-21) to the California Department of Finance (Finance) on January 27, 2020. Finance has completed its review of the ROPS 20-21.

Based on a sample of line items reviewed and application of the law, Finance made the following determinations:

- Item No. 4 – Implementation Agreement No. 1 in the amount of \$4,200,000. The Agency requested \$4,200,000 from Redevelopment Property Tax Trust Fund (RPTTF) funds in error. Pursuant to new documents provided by the Agency, the amount requested for the July 1, 2020 through December 31, 2020 period (ROPS 20-21A) should be \$6,653,074. Therefore, to accurately reflect the estimated payment, Finance made an adjustment in the amount of \$2,453,074 to increase the total requested amount of \$4,200,000 to \$6,653,074.
- Item No. 18 – Stipulated Judgment Enforceable Obligation in the amount of \$209,082,306. It is our understanding the reported total outstanding obligation amount of \$209,082,306 did not account for the payment of \$30,098,687 in the period of January 1, 2020 through June 30, 2020 period (ROPS 19-20B). As such, the total outstanding amount is overstated by \$30,098,687. Therefore, to accurately reflect the total outstanding obligation, Finance decreased the total outstanding obligation by \$30,098,687 to \$178,983,619. Further, the requested amounts of \$104,541,153 in both ROPS periods was decreased by \$15,049,343 in ROPS 20-21A to \$89,491,810, and by \$15,049,344 in the January 1, 2021 through June 30, 2021 period (ROPS 20-21B) to \$89,491,809.

Attachment 3

- On the ROPS 20-21 form, the Agency reported cash balances and activity for the period July 1, 2017 through June 30, 2018 (ROPS 17-18). According to our review, the Agency has approximately \$867,106 from Other Funds available to fund enforceable obligations on the ROPS 20-21. HSC section 34177 (l) (1) (E) requires these balances to be used prior to requesting RPTTF. This item does not require payment from property tax revenues; therefore, with the Agency's concurrence, the funding source for the following item has been reclassified in the amounts specified below:
 - Item No. 18 – Stipulated Judgment Enforceable Obligation in the amount of \$89,491,810 is partially reclassified. Finance is approving RPTTF in the amount of \$88,624,704 and the use of Other Funds in the amount of \$867,106, totaling \$89,491,810.

Pursuant to HSC section 34186, successor agencies are required to report differences between actual payments and past estimated obligations (prior period adjustments) for the ROPS 17-18 period. Reported differences in RPTTF are used to offset current RPTTF distributions. The amount of RPTTF authorized includes the prior period adjustment (PPA) resulting from the County Auditor-Controller's review of the PPA form submitted by the Agency.

The Agency's maximum approved RPTTF distribution for the reporting period is \$184,613,101, as summarized in the Approved RPTTF Distribution table (see Attachment).

RPTTF distributions occur biannually, one distribution for the July 1, 2020 through December 31, 2020 period (ROPS A period), and one distribution for the January 1, 2021 through June 30, 2021 period (ROPS B period), based on Finance's approved amounts. Since this determination is for the entire ROPS 20-21 period, the Agency is authorized to receive up to the maximum approved RPTTF through the combined ROPS A and B period distributions.

Except for the items adjusted, Finance is not objecting to the remaining items listed on the ROPS 20-21. If the Agency disagrees with our determination with respect to any items on the ROPS 20-21, except items which are the subject of litigation disputing our previous or related determinations, the Agency may request a Meet and Confer within five business days of the date of this letter. The Meet and Confer process and guidelines are available on our website:

http://dof.ca.gov/Programs/Redevelopment/Meet_And_Confer/

The Agency must use the RAD App to complete and submit its Meet and Confer request form.

Absent a Meet and Confer, this is our final determination regarding the obligations listed on the ROPS 20-21. This determination only applies to items when funding was requested for the 12-month period. If a denial by Finance in a previous ROPS is currently the subject of litigation, the item will continue to be deemed denied until the matter is resolved.

The ROPS 20-21 form submitted by the Agency and this determination letter will be posted on our website:

<http://dof.ca.gov/Programs/Redevelopment/ROPS/>

This determination is effective for the ROPS 20-21 period only and should not be conclusively relied upon for future ROPS periods. All items listed on a future ROPS are subject to review and may be denied even if not denied on this ROPS or a preceding ROPS. The only exception is for items that have received a Final and Conclusive determination from Finance pursuant to HSC section 34177.5 (i). Finance's review of Final and Conclusive items is limited to confirming the scheduled payments as required by the obligation.

The amount available from the RPTTF is the same as the amount of property tax increment available prior to the enactment of the redevelopment dissolution law. Therefore, as a practical matter, the ability to fund the items on the ROPS with property tax increment is limited to the amount of funding available to the Agency in the RPTTF.

Please direct inquiries to Anna Kyumba, Supervisor, or Satveer Ark, Staff, at (916) 322-2985.

Sincerely,



JENNIFER WHITAKER
Program Budget Manager

cc: Michael Solorza, Manager of Fiscal Services, City of Irvine
Israel M. Guevara, Administrative Manager, Property Tax Section, Orange County

Attachment

Approved RPTTF Distribution July 2020 through June 2021			
	ROPS A	ROPS B	ROPS 20-21 Total
RPTTF Requested	\$ 108,741,153	\$ 104,541,153	\$ 213,282,306
Administrative RPTTF Requested	75,000	75,000	150,000
Total RPTTF Requested	108,816,153	104,616,153	\$213,432,306
RPTTF Requested	108,741,153	104,541,153	213,282,306
<u>Adjustments</u>			
Item No. 4	2,453,074	0	2,453,074
Item No. 18*	(15,916,449)	(15,049,344)	(30,965,793)
	(13,463,375)	(15,049,344)	(28,512,719)
RPTTF Authorized	95,277,778	89,491,809	184,769,587
Administrative RPTTF Authorized	75,000	75,000	150,000
ROPS 17-18 prior period adjustment (PPA)	(306,486)	0	(306,486)
Total RPTTF Approved for Distribution	\$ 95,046,292	\$ 89,566,809	\$ 184,613,101

*The figure for the A period reflects the total adjustments of \$15,049,343 and \$867,106.

Resolution No. 19-008

A RESOLUTION OF THE ORANGE COUNTYWIDE OVERSIGHT BOARD WITH OVERSIGHT OF THE SUCCESSOR AGENCY TO THE DISSOLVED IRVINE REDEVELOPMENT AGENCY OF THE CITY OF IRVINE, CALIFORNIA, APPROVING THE RECOGNIZED OBLIGATION PAYMENT SCHEDULE AND THE SUCCESSOR AGENCY ADMINISTRATIVE BUDGET FOR THE PERIOD JULY 1, 2019 THROUGH JUNE 30, 2020

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, in accordance with California Health and Safety Code Section 34179(j), the twenty-five oversight boards in place in Orange County have consolidated into one Orange Countywide Oversight Board, effective July 1, 2018; and

WHEREAS, Health and Safety Code Sections 34177(1)(2)(B) and 34180(g) require the approval of the Recognized Obligation Payment Schedule by the Oversight Board; and

WHEREAS, a Recognized Obligation Payment Schedule for the period July 1, 2019 through June 30, 2020, has been prepared; and

WHEREAS, the City Council as Successor Agency to the dissolved Irvine Redevelopment Agency approved the Recognized Obligation Payment Schedule for the period July 1, 2019 through June 30, 2020; and

WHEREAS, the Recognized Obligation Payment Schedule, in the form as substantially approved by the City Council as Successor Agency to the dissolved Irvine Redevelopment Agency, has been presented to the Countywide Oversight Board for its consideration at a regular meeting of the Countywide Oversight Board held on January 22, 2019;

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

~~SECTION 1. The Countywide Oversight Board, at its regular meeting of January 22, 2019, reviewed and considered the Recognized Obligation Payment Schedule presented by the Successor Agency.~~

SECTION 2. The Recognized Obligation Payment Schedule for the period July 1, 2019 through June 30, 2020, as set forth in Exhibit "A" attached hereto and by this reference incorporated herein, is hereby approved by the Countywide Oversight Board.

SECTION 3. The Successor Agency Administrative Budget for the period July 1, 2019 through June 30, 2020, as set forth in Exhibit "B" attached hereto and by this reference incorporated herein, is hereby approved by the Oversight Board.

SECTION 4. The Irvine Successor Agency staff shall transmit the approved Recognized Obligation Payment Schedule to the Department of Finance, State Controller, and County Auditor-Controller in compliance with the requirements of the Amended Dissolution Act. The staff of the Successor Agency shall take such other and further actions and sign such other and further documents as appropriate to effectuate the intent of this Resolution and to implement the Recognized Obligation Payment Schedule approved hereby on behalf of the Successor Agency. The Countywide Oversight Board further authorizes and directs the Irvine Successor Agency staff to make any technical modifications to the Recognized Obligation Payment Schedule as may be required by the Department of Finance, and/or State Controller, including any formatting or technical changes required by any of the foregoing bodies. Any such modifications or changes shall not require re-approval by the Countywide Oversight Board.


SECTION 5. If any section, subsection, sentence, clause, or phrase of this Resolution is for any reason held by a court of competent jurisdiction to be invalid, such decision shall not affect the validity of the remaining portions of this Resolution. The Countywide Oversight Board hereby declares that it would have adopted this Resolution and each section, subsection, sentence, clause, or phrase thereof irrespective of the fact that any one or more section, subsection, sentence, clause, or phrase be declared invalid.

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

The foregoing was passed and adopted by the following vote of the Orange Countywide Oversight Board on TUESDAY, JANUARY 22, 2019

YES: STEVE FRANKS, CHRIS GAARDER, STEVE JONES,
BRIAN PROBOLSKY, DEAN WEST, PHILLIP E.
YARBROUGH

NOES:
EXCUSED: CHARLES BARFIELD
ABSTAINED:

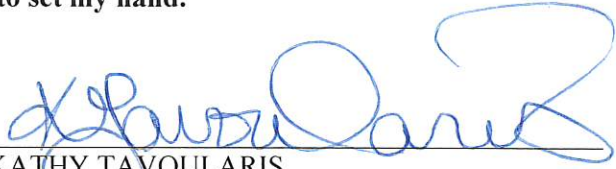


BRIAN PROBOLSKY
CHAIRMAN

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: 19-008

Agenda Date: Tuesday, January 22, 2019

Item No: 5G

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

Successor Agency: Irvine
County: Orange

Current Period Requested Funding for Enforceable Obligations (ROPS Detail)	19-20A Total (July - December)	19-20B Total (January - June)	ROPS 19-20 Total
A Enforceable Obligations Funded as Follows (B+C+D):	\$ -	\$ -	\$ -
B Bond Proceeds	-	-	-
C Reserve Balance	-	-	-
D Other Funds	-	-	-
E Redevelopment Property Tax Trust Fund (RPTTF) (F+G):	\$ 126,633,868	\$ 118,105,868	\$ 244,739,736
F RPTTF	126,508,868	117,980,868	244,489,736
G Administrative RPTTF	125,000	125,000	250,000
H Current Period Enforceable Obligations (A+E):	\$ 126,633,868	\$ 118,105,868	\$ 244,739,736

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

Brian Probolsky, Chairman
Name Title
/s/ [Signature] 1/24/19
Signature Date

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

July 1, 2019 through June 30, 2020

(Report Amounts in Whole Dollars)

A	B	C	D	E	F	G	H	I	J	K	19-20A (July - December)					19-20B (January - June)					W		
											Fund Sources					Fund Sources							
											L	M	N	O	P	Q	R	S	T	U		V	
Item #	Project Name/Debt Obligation	Obligation Type	Contract/Agreement Execution Date	Contract/Agreement Termination Date	Payee	Description/Project Scope	Project Area	Total Outstanding Debt or Obligation	Retired	ROPS 19-20 Total	Bond Proceeds	Reserve Balance	Other Funds	RPTTF	Admin RPTTF	19-20A Total	Bond Proceeds	Reserve Balance	Other Funds	RPTTF	Admin RPTTF	19-20B Total	
4	Implementation Agreement No. 1	Miscellaneous	3/8/2005	6/30/2052	Orange County	County facility payment	OCCGP	\$ 270,046,736		\$ 244,739,736	\$ 0	\$ 0	\$ 0	\$ 126,508,868	\$ 125,000	\$ 126,633,868	\$ 0	\$ 0	\$ 0	\$ 117,980,868	\$ 125,000	\$ 118,105,868	
5	Implementation Agreement No. 2	Miscellaneous	8/17/2010	6/30/2052	Orange County	Reconstruct or replace flood control facilities	OCCGP	33,185,000	N	\$ 8,528,000				8,528,000		\$ 8,528,000							\$ -
12	Cooperation agreement	Admin Costs	3/27/2012	6/30/2014	City of Irvine	Financial, personnel and other	OCCGP	250,000	N	\$ 250,000					125,000	\$ 125,000					125,000	\$ 125,000	
15	Re-entered 2007 Purchase and Sale and Financing Agreement	City/County Loans After 6/27/11	6/12/2012	6/30/2052	City of Irvine	Re-entered loan approved by the Successor Agency and Oversight Board pursuant to Health and Safety Code Sections 34178(a) and 34180(h) added to California Redevelopment Law by ABx1 26.	OCCGP		N	\$ -						\$ -							\$ -
16	Re-entered 2006 Financing Agreement	City/County Loans After 6/27/11	6/12/2012	6/30/2025	City of Irvine	Re-entered loan approved by the Successor Agency and Oversight Board pursuant to Health and Safety Code Sections 34178(a) and 34180(h) added to California Redevelopment Law by ABx1 26.	OCCGP		N	\$ -						\$ -							\$ -
17	Re-entered 2005 Financing Agreement	City/County Loans After 6/27/11	6/12/2012	6/30/2025	City of Irvine	Re-entered loan approved by the Successor Agency and Oversight Board pursuant to Health and Safety Code Sections 34178(a) and 34180(h) added to California Redevelopment Law by ABx1 26.	OCCGP		N	\$ -						\$ -							\$ -
18	Stipulated Judgment Enforceable Obligation	Miscellaneous	7/9/2014	6/30/2050	City of Irvine	Settlement Agreement and Release of Claims dated July 9, 2014 pending court approval of Stipulated	OCCGP	235,961,736	N	\$ 235,961,736				117,980,868		\$ 117,980,868				117,980,868			\$ 117,980,868
23									N	\$ -						\$ -							\$ -
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83									N	\$ -						\$ -							\$ -

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

Pursuant to Health and Safety Code section 34177 (l), Redevelopment Property Tax Trust Fund (RPTTF) may be listed as a source of payment on the ROPS, but only to the extent no other funding source is available or when payment from property tax revenues is required by an enforceable obligation. For tips on how to complete the Report of Cash Balances Form, see Cash Balance Tips Sheet .							
A	B	C	D	E	F	G	H
		Fund Sources					
		Bond Proceeds		Reserve Balance	Other Funds	RPTTF	
	ROPS 16-17 Cash Balances (07/01/16 - 06/30/17)	Bonds issued on or before 12/31/10	Bonds issued on or after 01/01/11	Prior ROPS RPTTF and Reserve Balances retained for future period(s)	Rent, Grants, Interest, etc.	Non-Admin and Admin	Comments
1	Beginning Available Cash Balance (Actual 07/01/16) RPTTF amount should exclude "A" period distribution amount				3,027,626	873,037	Transfer from Irvine Community Land Trust per SCO audit finding
2	Revenue/Income (Actual 06/30/17) RPTTF amount should tie to the ROPS 16-17 total distribution from the County Auditor-Controller					20,514,321	
3	Expenditures for ROPS 16-17 Enforceable Obligations (Actual 06/30/17)					20,414,028	
4	Retention of Available Cash Balance (Actual 06/30/17) RPTTF amount retained should only include the amounts distributed as reserve for future period(s)						
5	ROPS 16-17 RPTTF Prior Period Adjustment RPTTF amount should tie to the Agency's ROPS 16-17 PPA form submitted to the CAC	No entry required					
6	Ending Actual Available Cash Balance (06/30/17) C to F = (1 + 2 - 3 - 4), G = (1 + 2 - 3 - 4 - 5)	\$ 0	\$ 0	\$ 0	\$ 3,027,626	\$ 973,330	

CITY OF IRVINE, AS SUCCESSOR AGENCY
TO THE DISSOLVED IRVINE REDEVELOPMENT AGENCY

Proposed Administrative Budget
July 1, 2019 – June 30, 2020

Estimated Administrative Costs:

Administrative Expenses – staff personnel costs for City employees carrying out the dissolution functions; audit fees and expenses.	\$240,000
Training, duplicating, supplies	\$10,000
Total Proposed Administrative Budget	\$250,000

Proposed Source(s) of Payment:

Administrative cost allowance	\$250,000
Total Proposed Sources of Payment	\$250,000

Proposed arrangement for administrative and operations services provided by the City:

City employees formerly assigned to redevelopment functions will continue to staff the administrative functions associated with the dissolution of the redevelopment agency. Dissolution costs will be recorded within the General Fund, but separately from other City functions. Pursuant to Health and Safety Code Section 34171(b), the Successor Agency is entitled to receive an administrative cost allowance of up to 3% of the money from the Redevelopment Obligation Retirement Fund that is allocated to the Successor Agency for each fiscal year, but in no event less than \$250,000 per fiscal year.



March 22, 2019

Ms. Amy Roblyer, Senior Management Analyst
City of Irvine
1 Civic Center Place
Irvine, CA 92623

Dear Ms. Roblyer:

Subject: 2019-20 Annual Recognized Obligation Payment Schedule

Pursuant to Health and Safety Code (HSC) section 34177 (o) (1), the City of Irvine Successor Agency (Agency) submitted an annual Recognized Obligation Payment Schedule for the period of July 1, 2019 through June 30, 2020 (ROPS 19-20) to the California Department of Finance (Finance) on January 30, 2019. Finance has completed its review of the ROPS 19-20.

Based on a sample of line items reviewed and application of the law, Finance is approving all of the items listed on the ROPS 19-20 at this time. However, Finance notes the following:

The administrative costs claimed are within the fiscal year administrative cap pursuant to HSC section 34171 (b) (3). However, Finance notes the Oversight Board (OB) has approved an amount that appears excessive, given the number and nature of the obligations listed on the ROPS. HSC section 34179 (i) requires the OB to exercise a fiduciary duty to the taxing entities. Therefore, Finance encourages the OB to apply adequate oversight when evaluating the administrative resources necessary to successfully wind-down the Agency.

Pursuant to HSC section 34186, successor agencies are required to report differences between actual payments and past estimated obligations. Reported differences in Redevelopment Property Tax Trust Fund (RPTTF) are used to offset current RPTTF distributions. The amount of RPTTF approved in the table on Page 3 includes the prior period adjustment resulting from the County Auditor-Controller's review of the prior period adjustment form submitted by the Agency.

If the Agency disagrees with our determination with respect to any items on the ROPS 19-20, except items that are the subject of litigation disputing our previous or related determinations, the Agency may request a Meet and Confer within five business days of the date of this letter. The Meet and Confer process and guidelines are available on our website:

[http://dof.ca.gov/Programs/Redevelopment/Meet And Confer/](http://dof.ca.gov/Programs/Redevelopment/Meet_And_Confer/)

The Agency's maximum approved RPTTF distribution for the reporting period is \$243,441,443 as summarized in the Approved RPTTF Distribution table on Page 3 (see Attachment).

RPTTF distributions occur biannually, one distribution for the July 1 through December 31 period (ROPS A period), and one distribution for the January 1 through June 30 period (ROPS B period) based on Finance approved amounts. Since this determination is for the entire ROPS 19-20 period, the Agency is authorized to receive up to the maximum approved RPTTF through the combined ROPS A and B period distributions.

Absent a Meet and Confer, this is our final determination regarding the obligations listed on the ROPS 19-20. This determination only applies to items when funding was requested for the 12-month period. If a denial by Finance in a previous ROPS is currently the subject of litigation, the item will continue to be denied until the matter is resolved.

The ROPS 19-20 form submitted by the Agency and this determination letter will be posted on our website:

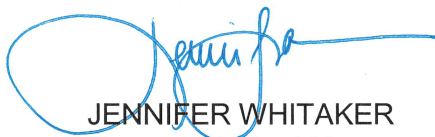
<http://dof.ca.gov/Programs/Redevelopment/ROPS/>

This determination is effective for the ROPS 19-20 period only and should not be conclusively relied upon for future ROPS periods. All items listed on a future ROPS are subject to review and may be denied even if not denied on this ROPS or a preceding ROPS. The only exception is for items that have received a Final and Conclusive determination from Finance pursuant to HSC section 34177.5 (i). Finance's review of Final and Conclusive items is limited to confirming the scheduled payments as required by the obligation.

The amount available from the RPTTF is the same as the amount of property tax increment available prior to the enactment of redevelopment dissolution law. Therefore, as a practical matter, the ability to fund the items on the ROPS with property tax increment is limited to the amount of funding available to the Agency in the RPTTF.

Please direct inquiries to Nichelle Jackson, Supervisor, or Alexander Watt, Lead Analyst, at (916) 322-2985.

Sincerely,



JENNIFER WHITAKER
Program Budget Manager

cc: Ms. Teri Washle, Finance Administrator, City of Irvine
Mr. Israel M. Guevara, Administrative Manager, Property Tax Section, Orange County

Attachment

Approved RPTTF Distribution For the period of July 1, 2019 through June 30, 2020			
	ROPS A Period	ROPS B Period	ROPS 19-20 Total
RPTTF Requested	\$ 126,508,868	\$ 117,980,868	\$ 244,489,736
Administrative RPTTF Requested	125,000	125,000	250,000
Total RPTTF Requested	126,633,868	118,105,868	244,739,736
RPTTF Authorized	126,508,868	117,980,868	244,489,736
Administrative RPTTF Authorized	125,000	125,000	250,000
Total RPTTF Authorized for Obligations	126,633,868	118,105,868	244,739,736
Prior Period Adjustment	(1,298,293)	0	(1,298,293)
Total RPTTF Approved for Distribution	\$ 125,335,575	\$ 118,105,868	\$ 243,441,443

Orange Countywide Oversight Board

Agenda Item No. 15f

Date: 9/22/2020

From: Successor Agency to the Placentia Redevelopment Agency

Subject: Straw Vote of the Countywide Oversight Board Regarding Administrative Budget

Recommended Action:

Hold a straw vote regarding FY 2021-22 Administrative Budget for the Placentia Successor Agency

The Placentia Successor Agency requests a straw vote of the Administrative Budget for Fiscal Year 2021-22. The Successor Agency shall return in January with a request for final approval of the Administrative Budget with the Recognized Obligation Payment Schedule (“ROPS”). ROPS 21-22, covering the period of July 1, 2021 through June 30, 2022, must be approved by the Countywide Oversight Board of the County of Orange (“Countywide Oversight Board”) and submitted to the State Department of Finance (“DOF”) no later than February 1, 2021. Pursuant to Health & Safety Code (“HSC”) Section 34177(m), the DOF has 45 days from submission after Countywide Oversight Board approval to review the ROPS and object to any enforceable obligations. If the ROPS is not submitted by the deadline to the DOF, the City is subject to a \$10,000 fine for every day the ROPS is late and the administrative cost allowance for the Successor Agency is reduced by 25% after 10 days.

Pursuant to HSC Section 34177(l), successor agencies are required to prepare and submit a ROPS detailing each enforceable obligation that requires property tax revenue to satisfy debt of the former Redevelopment Agency for a twelve-month reporting period. This action respectfully requests the Countywide Oversight Board review of the Administrative Budget for the Fiscal Year 2021-22 for the Placentia Successor Agency, which covers the twelve-month reporting period of July 1, 2021 through June 30, 2022 (Attachment No. 1). The administrative overhead for the twelve-month reporting period totals \$239,956. The administrative overhead request of \$239,956 is within the allocation the Placentia Successor Agency is authorized to receive pursuant to HSC Section 34171, which is to be split evenly between the two six-month periods.

HSC Section 34177(j) requires each successor agency to prepare a proposed administrative budget setting forth the successor agency’s estimated administrative costs of carrying out the wind-down activities of the former redevelopment agency, proposing sources of payment for such estimated administrative costs, and proposing for arrangements for administrative and operations services

The administrative costs will be funded entirely by Redevelopment Property Tax Trust Fund (“RPTTF”) revenues. The Administrative Budget estimates below include staff time required to carry out Placentia Successor Agency activities:

Placentia Successor Agency Administrative Budget Request	
Personnel	\$ 179,346
Legal	\$ 14,000
Consulting	\$ 20,000
Indirect Costs	\$ 26,610
Total	<u>\$239,956</u>
Total Admin Request	<u>\$239,956</u>

The two major cost components are personnel costs and professional contract services. Personnel and indirect costs are related to City staff time required to manage Placentia Successor Agency affairs. The contract services costs are legal counsel and consulting services. The detailed administrative budget and personnel description for this time period is included as Attachment No. 2.

Staff Contact(s)

Brian Moncrief, Senior Vice President, Kosmont Companies, (805) 463-7364, bmoncrief@kosmont.com
Jeannette Ortega, Assistant to the City Administrator, City of Placentia, (714) 993-8264, jortega@placentia.org

Attachments

- Attachment No. 1: Administrative Budget for 21-22
- Attachment No. 2: Description of Administrative Budget for 21-22
- Attachment No. 3: Department of Finance's Letters for 20-21
- Attachment No. 4: Administrative Budgets for 20-21
- Attachment No. 5: Department of Finance's Letters for 19-20
- Attachment No. 6: Administrative Budgets for 19-20

Successor Agency to the Redevelopment Agency of the City of Placentia

Administrative Budget

July 1, 2021 – June 30, 2022

Administrative Allowance

Staff Costs	Annual % of Staff Time	July 1 – Dec 31 2021	Jan 1 – Jun 30 2022	Annual SA Staff Costs
City Administrator	5.0%	\$10,560	\$10,560	\$21,120
Director of Finance	5.0%	\$7,195	\$7,195	\$14,390
Director of Development Services	5.0%	\$9,756	\$9,756	\$19,512
Director of Administrative Services	5.0%	\$16,154	\$16,154	\$32,308
Assistant to the CA/Econ. Dev. Mgr.	20.0%	\$21,789	\$21,789	\$43,578
Accounting Manager	15.0%	\$9,432	\$9,432	\$18,864
Senior Financial Analyst	5.0%	\$3,215	\$3,215	\$6,430
Accounting Technician – Payroll	5.0%	\$1,865	\$1,865	\$3,730
Accounting Technician – A/P	5.0%	\$3,054	\$3,054	\$6,108
Accountant	5.0%	\$2,616	\$2,616	\$5,232
Deputy City Clerk	3.0%	\$1,724	\$1,724	\$3,448
Executive Assistant	3.0%	\$2,313	\$2,313	\$4,626
Sub-Total		\$89,673	\$89,673	\$179,346

Legal Costs	July 1 – Dec 31 2021	Jan 1 – Jun 30 2022	Annual SA Costs
Jones & Mayer	\$7,000	\$7,000	\$14,000
Sub-Total	\$7,000	\$7,000	\$14,000

Consulting Costs	July 1 – Dec 31 2021	Jan 1 – Jun 30 2022	Annual SA Costs
Kosmont & Companies	\$10,000	\$10,000	\$20,000
Sub-Total	\$10,000	\$10,000	\$20,000

Indirect Costs	FY 2020/21 Costs	July 1 – Dec 31 2021	Jan 1 – Jun 30 2022	Annual SA Costs
Auditors and CAFR Preparation	\$80,000	\$1,200	\$1,200	\$2,400
Property Insurance	\$55,300	\$829.50	\$829.50	\$1,659
Facility Maintenance	\$100,000	\$1,500	\$1,500	\$3,000
Taping/Broadcasting of SA meetings	\$55,800	\$837	\$837	\$1,674
Maintenance of LaserFische (document management system)	\$10,260	\$154	\$154	\$308
Maintenance of Granicus (online streaming of SA meetings)	\$22,760	\$344.50	\$344.50	\$689
Maintenance of BiTech (accounting system)	\$43,000	\$645	\$645	\$1,290

CivicPlus (City's website)	\$10,100	\$151.50	\$151.50	\$303
Maintenance of Misc Systems (Microsoft, Adobe and Apple License)	\$39,700	\$595.50	\$595.50	\$1,191
General Office and Maintenance Supplies	\$12,000	\$180	\$180	\$360
Postage	\$23,800	\$238	\$238	\$476
Telephone Services and Data Lines	\$180,000	\$2,700	\$2,700	\$5,400
Electricity	\$546,000	\$2,730	\$2,730	\$5,460
Copiers & Computer Equipment Maintenance	\$80,000	\$1,200	\$1,200	\$2,400
Sub-Total		\$13,305	\$13,305	\$26,610

Total Budget	\$119,978	\$119,978	\$239,956
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SUCCESSOR AGENCY BUDGET REQUEST	\$119,978	\$119,978	\$239,956
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Successor Agency to the Redevelopment Agency of the City of Placentia

Administrative Description

July 1, 2021 – June 30, 2022

STAFF	DESCRIPTION
City Administrator	<p>Participates in staff and consultants’ meetings on Successor Agency matters Provides policy direction to staff and consultants Reviews City Council staff reports and resolutions Executes necessary changes to the Administrative budget as may be appropriate and/or required by law Reviews Countywide Oversight Board staff reports and resolutions Provides information to the Mayor and City Council on Successor Agency matters Attends Successor Agency Meetings Reviews all contracts associated with Successor Agency items including legal and consulting services.</p>
Director of Finance	<p>Reviews payment of enforceable obligations Monitors cash flow to ensure sufficient revenues available for obligations Reviews Recognized Obligation Payment Schedule (ROPS) and Prior Period Adjustment (PPA) forms and amended ROPS (as necessary) Reviews annual financial statements Creates the Comprehensive Annual Financial Report (CAFR) reporting of Successor Agency Monitors Successor Agency funds and continuing disclosure requirements for bonds Manages cash and investments pursuant to investment policy Manages debt portfolio, including bond payments, continuing disclosure, and other compliance requirements Answers financial inquires and provide documentation requested by Successor Agency, Countywide Oversight Board, County Auditor-Controller and/or City’s Independent Auditor Works with City’s independent Auditors to review Successor Agency items and prepare financial statements as required by ABx1 26 Responds to Department of Finance assigned analyst via various emails or phone calls. This process may take several hours to complete, depending on how descriptive the DOF analyst is and if they are familiar with Placentia Successor Agency matters. Periodically, a new DOF analyst is assigned to review the ROPS and other actions of the Successor Agency</p>
Director of Development Services	<p>Reviews all staff reports and resolutions for Successor Agency and Countywide Oversight Board meetings Provides assistance in the preparation of staff reports and resolutions for Successor Agency and Countywide Oversight Board Attends Successor Agency Meetings</p>
Director of Administrative Services	<p>Reviews all staff reports and resolutions for Successor Agency and Countywide Oversight Board meetings Provides direct oversight of City Clerk’s Office functions and noticing requirements Attends Successor Agency meetings Reviews and approves all legal invoices submitted by our City Attorney’s Office</p>

Assistant to the City Administrator/Economic Development Manager	<p>Administration and implementation of Successor Agency wind-down</p> <p>Prepares staff reports and resolutions for Successor Agency and Countywide Oversight Board Meetings</p> <p>Schedules meetings with Finance staff and consultants on Successor Agency matters and coordinate schedules to meet Department of Finance deadlines</p> <p>Maintains records and notes of staff meetings</p> <p>Attends Successor Agency and Countywide Oversight Board Meetings</p> <p>Attends Orange County Successor Agencies Representative Meetings</p> <p>Answer inquires and provide documentation requested by Successor Agency, Countywide Oversight Board, County Auditor-Controller and/or City's Independent Auditor</p> <p>Responds to Department of Finance assigned analyst via various emails or phone calls. This process may take several hours to complete, depending on how descriptive the DOF analyst is and if they are familiar with Placentia Successor Agency matters. Periodically, a new DOF analyst is assigned to review the ROPS and other actions of the Successor Agency</p>
Accounting Manager	<p>Process payment of enforceable obligations</p> <p>Accounting for all transactions of the Successor Agency in the general ledger and annual operating budget</p> <p>Collect and record loan payments via a contract with a third-party loan administrator</p> <p>Monitor and project cash flow to ensure sufficient revenues for obligations and to inform staff/consultant of expected revenues</p> <p>Prepares annual Recognized Obligation Payment Schedule (ROPS) and Prior Period Adjustment (PPA) forms and amended ROPS (as necessary)</p> <p>Prepares Administrative Budget</p> <p>Prepares annual financial statements, including accounting for assets, liabilities, revenue and expenditures for Successor Agency</p> <p>Direct oversight of all bond covenants and requirements</p> <p>Preparation and submittal of annual continuing disclosure documents for all bond issues</p> <p>Communicates with rating agencies and bond insurers as needed</p> <p>Maintains documentation of Agency Records</p> <p>Answer financial inquires and provide documentation requested by Successor Agency, Countywide Oversight Board, County Auditor-Controller, Department of Finance and/or City's Independent Auditor</p> <p>Works with City's independent Auditors to review Successor Agency items and prepare financial statements as required by ABx1 26</p> <p>Responds to Department of Finance assigned analyst via various emails or phone calls. This process may take several hours to complete, depending on how descriptive the DOF analyst is and if they are familiar with Placentia Successor Agency matters. Periodically, a new DOF analyst is assigned to review the ROPS and other actions of the Successor Agency</p>
Senior Financial Analyst	<p>Employee payroll management, annual budget review and allocation of Successor Agency line items, and manages legal and consultants' contracts and payments</p>
Accounting Technician	<p>Process legal and consultant's contracts and payments on a monthly basis. Routes purchase orders and check warrants for proper staff approval. Inputs payment into accounting system</p>

Accountant - Payroll	Overhead costs for employee payroll for all Successor Agency and Oversight Board matters
Accountant – Accounts Payable	Overhead costs for consultants’ monthly invoices for all Successor Agency and Oversight Board matters. Ensures contracts are within budget
Deputy City Clerk	Maintains comprehensive records management, ensures proper agenda noticing and posting requirements and legal advertising. Creates meeting minutes and certification of adopted resolutions. Uploads agendas and minutes onto Granicus software and LaserFische
Executive Assistant	Coordinates meetings with City Staff, Legal Counsel and Consultant as it pertains to Successor Agency and Oversight Board matters. Books conference rooms and works with Assistant to the City Administrator to prepare agenda for the meetings

LEGAL	DESCRIPTION
Jones & Mayer	<p>Provides legal representation for the Successor Agency</p> <p>Ensures legal implementation of AB 1x 26, AB1484 and SB 107 requirements</p> <p>Provides general legal services, including brown act, negotiations, etc.</p> <p>Reviews City Council staff reports and resolutions</p> <p>Reviews Oversight staff reports and resolutions</p> <p>Manage litigation (as necessary) pertaining to Successor Agency matters</p> <p>Legal analysis of new legislation pertaining to Successor Agency matters</p>

CONSULTING	DESCRIPTION
Kosmont & Companies	<p>Assists with the administration and implementation of Successor Agency wind-down</p> <p>Review staff reports and resolutions for Successor Agency and Countywide Oversight Board</p> <p>Participates in meetings with Finance staff and consultants on Successor Agency matters and coordinate schedules to meet Department of Finance deadlines</p> <p>Attend Successor Agency and Countywide Oversight Board Meetings</p> <p>Attend Orange County Successor Agencies Representative Meetings</p> <p>Answer inquires and provide documentation requested by Successor Agency, Countywide Oversight Board, County Auditor-Controller, Department of Finance and/or City’s Independent Auditor</p> <p>Assists with preparation and submission of Recognized Obligation Payment Schedule (ROPS) and Prior Period Adjustment (PPA) forms and amended ROPS (as necessary) to the Department of Finance</p>

Additional Costs Not Included in Administrative Budget

Elected Officials

Mayor and City Council serving as the Successor Agency Board
City Clerk oversight
City Treasurer oversight



Transmitted via e-mail

April 10, 2020

Jeannette Ortega, Economic Development Manager
City of Placentia
401 East Chapman Avenue
Placentia, CA 92870

2020-21 Annual Recognized Obligation Payment Schedule

Pursuant to Health and Safety Code (HSC) section 34177 (o) (1), the City of Placentia Successor Agency (Agency) submitted an annual Recognized Obligation Payment Schedule for the period of July 1, 2020 through June 30, 2021 (ROPS 20-21) to the California Department of Finance (Finance) on January 31, 2020. Finance has completed its review of the ROPS 20-21.

Based on a sample of line items reviewed and application of the law, Finance is approving all of the items listed on the ROPS 20-21 at this time. However, Finance notes the following:

The administrative costs claimed are within the fiscal year administrative cap pursuant to HSC section 34171 (b) (3). However, Finance notes the Oversight Board (OB) has approved an amount that appears excessive, given the number and nature of the obligations listed on the ROPS. HSC section 34179 (i) requires the OB to exercise a fiduciary duty to the taxing entities. Therefore, Finance encourages the OB to apply adequate oversight when evaluating the administrative resources necessary to successfully wind-down the Agency.

Pursuant to HSC section 34186, successor agencies are required to report differences between actual payments and past estimated obligations (prior period adjustments) for the July 1, 2017 through June 30, 2018 (ROPS 17-18) period. Reported differences in Redevelopment Property Tax Trust Fund (RPTTF) are used to offset current RPTTF distributions. The County Auditor-Controller's review of the prior period adjustment form submitted by the Agency resulted in no prior period adjustment.

The Agency's maximum approved RPTTF distribution for the reporting period is \$1,954,111, as summarized in the Approved RPTTF Distribution table (see Attachment).

RPTTF distributions occur biannually, one distribution for the July 1, 2020 through December 31, 2020 period (ROPS A period), and one distribution for the January 1, 2021 through June 30, 2021 period (ROPS B period), based on Finance's approved amounts. Since this determination is for the entire ROPS 20-21 period, the Agency is authorized to receive up to the maximum approved RPTTF through the combined ROPS A and B period distributions.

If the Agency disagrees with our determination with respect to any items on the ROPS 20-21, except items which are the subject of litigation disputing our previous or related determinations, the Agency may request a Meet and Confer within five business days of the date of this letter. The Meet and Confer process and guidelines are available on our website:

http://dof.ca.gov/Programs/Redevelopment/Meet_And_Confer/

The Agency must use the RAD App to complete and submit its Meet and Confer request form.

Absent a Meet and Confer, this is our final determination regarding the obligations listed on the ROPS 20-21. This determination only applies to items when funding was requested for the 12-month period. If a denial by Finance in a previous ROPS is currently the subject of litigation, the item will continue to be deemed denied until the matter is resolved.

The ROPS 20-21 form submitted by the Agency and this determination letter will be posted on our website:

<http://dof.ca.gov/Programs/Redevelopment/ROPS/>


This determination is effective for the ROPS 20-21 period only and should not be conclusively relied upon for future ROPS periods. All items listed on a future ROPS are subject to review and may be denied even if not denied on this ROPS or a preceding ROPS. The only exception is for items that have received a Final and Conclusive determination from Finance pursuant to HSC section 34177.5 (i). Finance's review of Final and Conclusive items is limited to confirming the scheduled payments as required by the obligation.

The amount available from the RPTTF is the same as the amount of property tax increment available prior to the enactment of the redevelopment dissolution law. Therefore, as a practical matter, the ability to fund the items on the ROPS with property tax increment is limited to the amount of funding available to the Agency in the RPTTF.

Please direct inquiries to Anna Kyumba, Supervisor, or Thong Thao, Staff, at (916) 322-2985.

Sincerely,



 JENNIFER WHITAKER
Program Budget Manager

cc: Damien Arrula, City Administrator, City of Placentia
Israel M. Guevara, Administrative Manager, Property Tax Section, Orange County

Attachment

Approved RPTTF Distribution July 2020 through June 2021			
	ROPS A	ROPS B	ROPS 20-21 Total
RPTTF Requested	\$ 568,780	\$ 1,135,331	\$ 1,704,111
Administrative RPTTF Requested	125,000	125,000	250,000
Total RPTTF Requested	693,780	1,260,331	1,954,111
RPTTF Authorized	568,780	1,135,331	1,704,111
Administrative RPTTF Authorized	125,000	125,000	250,000
Total RPTTF Approved for Distribution	\$ 693,780	\$ 1,260,331	\$ 1,954,111

Placentia

ROPS 2020-21 Annual

Summary

Cash Balances

Detail

Submission

Requested Funding for Obligations	20-21A Total	20-21B Total	ROPS Total
A Obligations Funded as Follows (B+C+D)	0	0	0
B Bond Proceeds	0	0	0
C Reserve Balance	0	0	0
D Other Funds	0	0	0
E Redevelopment Property Tax Trust Fund (RPTTF) (F+G)	693,780	1,260,331	1,954,111
F RPTTF	568,780	1,135,331	1,704,111
G Administrative RPTTF	125,000	125,000	250,000
H Current Period Obligations (A+E)	693,780	1,260,331	1,954,111

Brian Probdsky, Chairman

Endg

1-28-2020

Placentia

ROPS 2020-21 Annual

Summary

Detail

Cash Balances

Submission

Filter



Export to Excel

Item #	Obligation Name	Obligation Type	Agreement Execution Date	Agreement Termination Date	Payee	Description	Total Outstanding Obligation	Total Requested Funding	Notes
4	2003 COPs City Reimbursement	Miscellaneous	11/01/2003	01/01/2028	City of Placentia	Amended & Restated Reimbursement Agreement	3,344,566	418,429	
9	Trustee Fees	Fees	07/01/2014	08/01/2032	US Bank	Trustee Fees for US Bank bond proceed holder	27,000	2,250	
15	Administrative Overhead	Admin Costs	07/01/2016	08/01/2032	City of Placentia	Allocated overhead for SA/OB operations	3,250,000	250,000	
19	Bond Administration	Fees	08/19/2008	12/31/2017	Harrel & Company	Continuing disclosure 2013 Bonds	235,500	1,500	
29	2013 Tax Allocation Refund Bond	Refunding Bonds Issued After 6/27/12	12/03/2013	08/01/2032	US Bank	2013 Tax Allocation Refund Bond	3,121,937	403,976	
32	2013 Tax Allocation Refund Bond	Reserves	12/03/2013	08/01/2032	US Bank	2013 Bond Debt Service Reserve	9,355,000	635,000	
36	Real Property Transaction (312 S. Melrose) between City of Placentia and Redevelopment Agency	City/County Loan (Prior 06/28/11), Property transaction	01/20/2009	06/30/2023	City of Placentia	Real Property Transaction (312 S. Melrose) between City of Placentia and Redevelopment Agency	970,282	121,478	
37	Real Property Transaction (110 S. Bradford Ave) between City of Placentia and Redevelopment Agency	City/County Loan (Prior 06/28/11), Property transaction	01/20/2009	06/30/2022	City of Placentia	Real Property Transaction (110 S. Melrose) between City of Placentia and Redevelopment Agency	651,790	121,478	
38	SERAF	SERAF/ERAF	05/10/2010	05/10/2011	Orange County Auditor Controller/State of California	Balance of SERAF amount for FY 2009-10 and FY 2010-11 pursuant to Health and Safety Code Sections 33690 and 33690.5.	-	-	

July 1, 2017 through June 30, 2018

(Report Amounts in Whole Dollars)

A	B	C	D	E		F	G	H
				Bond Proceeds	Other Funds			
ROPS 17-18 Cash Balances (07/01/17 - 06/30/18)		Bonds issued on or before 12/31/10	Bonds issued on or after 01/01/11	Reserve Balance	Prior ROPS RPTTF and Reserve Balances retained for future period(s)	Rent, Grants, Interest, etc.	RPTTF	Comments
1	Beginning Available Cash Balance (Actual 07/01/17)		0					
2	RPTTF amount should exclude "A" period distribution amount							
2	Revenue/Income (Actual 06/30/18)		2,267				2,700,747	
3	RPTTF amount should tie to the ROPS 17-18 total distribution from the County Auditor-Controller							
3	Expenditures for ROPS 17-18 Enforceable Obligations (Actual 06/30/18)		0				2,145,747	
4	Retention of Available Cash Balance (Actual 06/30/18)		2,267				555,000	
4	RPTTF amount retained should only include the amounts distributed as reserve for future period(s)							
5	ROPS 17-18 RPTTF Prior Period Adjustment							
5	RPTTF amount should tie to the Agency's ROPS 17-18 PPA form submitted to the CAC							
6	Ending Actual Available Cash Balance (06/30/18)	\$	0 \$	0 \$	0 \$	0 \$	0 \$	0
	C to F = (1 + 2 - 3 - 4), G = (1 + 2 - 3 - 4 - 5)							

No entry required



April 11, 2019

Ms. Jeannette Ortega, Economic Development Manager
City of Placentia
401 East Chapman Avenue
Placentia, CA 92870

Dear Ms. Ortega:

Subject: 2019-20 Annual Recognized Obligation Payment Schedule

Pursuant to Health and Safety Code (HSC) section 34177 (o) (1), the City of Placentia Successor Agency (Agency) submitted an annual Recognized Obligation Payment Schedule for the period of July 1, 2019 through June 30, 2020 (ROPS 19-20) to the California Department of Finance (Finance) on January 30, 2019. Finance has completed its review of the ROPS 19-20.

Based on a sample of line items reviewed and application of the law, Finance is approving all of the items listed on the ROPS 19-20 at this time. However, Finance notes the following:

The administrative costs claimed are within the fiscal year administrative cap pursuant to HSC section 34171 (b) (3). However, Finance notes the Oversight Board (OB) has approved an amount that appears excessive, given the number and nature of the obligations listed on the ROPS. HSC section 34179 (i) requires the OB to exercise a fiduciary duty to the taxing entities. Therefore, Finance encourages the OB to apply adequate oversight when evaluating the administrative resources necessary to successfully wind-down the Agency.

Pursuant to HSC section 34186, successor agencies are required to report differences between actual payments and past estimated obligations. Reported differences in Redevelopment Property Tax Trust Fund (RPTTF) are used to offset current RPTTF distributions. The County Auditor-Controller's review of the prior period adjustment form submitted by the Agency resulted in no prior period adjustment.

If the Agency disagrees with our determination with respect to any items on the ROPS 19-20, except items that are the subject of litigation disputing our previous or related determinations, the Agency may request a Meet and Confer within five business days of the date of this letter. The Meet and Confer process and guidelines are available on our website:

[http://dof.ca.gov/Programs/Redevelopment/Meet And Confer/](http://dof.ca.gov/Programs/Redevelopment/Meet_And_Confer/)

The Agency's maximum approved RPTTF distribution for the reporting period is \$2,195,253 as summarized in the Approved RPTTF Distribution table on Page 3 (see Attachment).

RPTTF distributions occur biannually, one distribution for the July 1 through December 31 period (ROPS A period), and one distribution for the January 1 through June 30 period (ROPS B period) based on Finance approved amounts. Since this determination is for the entire ROPS 19-20 period, the Agency is authorized to receive up to the maximum approved RPTTF through the combined ROPS A and B period distributions.

Absent a Meet and Confer, this is our final determination regarding the obligations listed on the ROPS 19-20. This determination only applies to items when funding was requested for the 12-month period. If a denial by Finance in a previous ROPS is currently the subject of litigation, the item will continue to be denied until the matter is resolved.

The ROPS 19-20 form submitted by the Agency and this determination letter will be posted on our website:

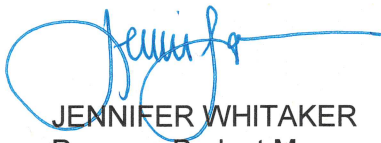
<http://dof.ca.gov/Programs/Redevelopment/ROPS/>

This determination is effective for the ROPS 19-20 period only and should not be conclusively relied upon for future ROPS periods. All items listed on a future ROPS are subject to review and may be denied even if not denied on this ROPS or a preceding ROPS. The only exception is for items that have received a Final and Conclusive determination from Finance pursuant to HSC section 34177.5 (i). Finance's review of Final and Conclusive items is limited to confirming the scheduled payments as required by the obligation.

The amount available from the RPTTF is the same as the amount of property tax increment available prior to the enactment of redevelopment dissolution law. Therefore, as a practical matter, the ability to fund the items on the ROPS with property tax increment is limited to the amount of funding available to the Agency in the RPTTF.

Please direct inquiries to Nichelle Jackson, Supervisor, or Michael Painter, Analyst, at (916) 322-2985.

Sincerely,



JENNIFER WHITAKER
Program Budget Manager

cc: Mr. Damien Arrula, City Administrator, City of Placentia
Mr. Israel M. Guevara, Administrative Manager, Property Tax Section, Orange County

Attachment

Approved RPTTF Distribution For the period of July 1, 2019 through June 30, 2020			
	ROPS A Period	ROPS B Period	ROPS 19-20 Total
RPTTF Requested	\$ 573,413	\$ 1,371,840	\$ 1,945,253
Administrative RPTTF Requested	125,000	125,000	250,000
Total RPTTF Requested	698,413	1,496,840	2,195,253
RPTTF Authorized	573,413	1,371,840	1,945,253
Administrative RPTTF Authorized	125,000	125,000	250,000
Total RPTTF Authorized for Obligations	698,413	1,496,840	2,195,253
Prior Period Adjustment	0	0	0
Total RPTTF Approved for Distribution	\$ 698,413	\$ 1,496,840	\$ 2,195,253

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

Successor Agency: Placentia
 County: Orange

Current Period Requested Funding for Enforceable Obligations (ROPS Detail)	19-20A Total (July - December)	19-20B Total (January - June)	ROPS 19-20 Total
A Enforceable Obligations Funded as Follows (B+C+D):	\$ -	\$ -	\$ -
B Bond Proceeds	-	-	-
C Reserve Balance	-	-	-
D Other Funds	-	-	-
E Redevelopment Property Tax Trust Fund (RPTTF) (F+G):	\$ 698,413	\$ 1,496,840	\$ 2,195,253
F RPTTF	573,413	1,371,840	1,945,253
G Administrative RPTTF	125,000	125,000	250,000
H Current Period Enforceable Obligations (A+E):	\$ 698,413	\$ 1,496,840	\$ 2,195,253

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

Brian Probofsky, Chairman

Name Brian Probofsky Title
 Signature *[Signature]* Date 1/29/2019

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

July 1, 2019 through June 30, 2020

(Report Amounts in Whole Dollars)

A	B	C	D	E	F	G	H	I	J	K	19-20A (July - December)					19-20B (January - June)					W	
											Fund Sources					Fund Sources						
											L	M	N	O	P	Q	R	S	T	U		V
Item #	Project Name/Debt Obligation	Obligation Type	Contract/Agreement Execution Date	Contract/Agreement Termination Date	Payee	Description/Project Scope	Project Area	Total Outstanding Debt or Obligation	Retired	ROPS 19-20 Total	Bond Proceeds	Reserve Balance	Other Funds	RPTTF	Admin RPTTF	19-20A Total	Bond Proceeds	Reserve Balance	Other Funds	RPTTF	Admin RPTTF	19-20B Total
								\$ 23,150,328		\$ 2,195,253	\$ 0	\$ 0	\$ 0	\$ 573,413	\$ 125,000	\$ 698,413	\$ 0	\$ 0	\$ 0	\$ 1,371,840	\$ 125,000	\$ 1,496,840
4	2003 COPs City Reimbursement	Miscellaneous	11/1/2003	1/1/2028	City of Placentia	Amended & Restated Reimbursement	Merged	3,762,991	N	\$ 418,425				352,325	125,000	\$ 352,325				66,100		\$ 66,100
9	Trustee Fees	Fees	7/1/2014	8/1/2032	US Bank	Trustee Fees for US Bank bond proceed holder	Merged	28,000	N	\$ 2,000						\$ -				2,000		\$ 2,000
15	Administrative Overhead	Admin Costs	7/1/2016	8/1/2032	City of Placentia	Allocated overhead for SA/OB operations	Merged	3,500,000	N	\$ 250,000					125,000	\$ 125,000					125,000	\$ 125,000
19	Bond Administration	Fees	8/19/2008	12/31/2017	Harrel & Company	Continuing disclosure 2013 Bonds	Merged	237,000	N	\$ 1,500						\$ -				1,500		\$ 1,500
29	2013 Tax Allocation Refund Bond	Refunding Bonds Issued After 6/27/12	12/3/2013	8/1/2032	US Bank	2013 Tax Allocation Refund Bond	Merged	3,552,513	N	\$ 430,576				221,088		\$ 221,088				209,488		\$ 209,488
30	Loan Agreement between City of Placentia and Successor Agency (Reso #OB-2014-05)	City/County Loans After 6/27/11	1/8/2014	1/8/2018	City of Placentia	Cashflow Loan from City to Successor Agency due to RPTTF shortfall	Merged	0	N	\$ -						\$ -						\$ -
32	2013 Tax Allocation Refund Bond	Reserves	12/3/2013	8/1/2032	US Bank	2013 Bond Debt Service Reserve	Merged	9,955,000	N	\$ 600,000						\$ -				600,000		\$ 600,000
35	Real Property Transaction (312 S. Melrose) between City of Placentia and Redevelopment Agency	City/County Loan (Prior 06/28/11), Property transaction	1/20/2009	6/30/2023	City of Placentia	Real Property Transaction (312 S. Melrose) between City of Placentia and Redevelopment Agency	Merged	1,216,658	N	\$ 246,376						\$ -				246,376		\$ 246,376
37	Real Property Transaction (110 S. Bradford Ave) between City of Placentia and Redevelopment Agency	City/County Loan (Prior 06/28/11), Property transaction	1/20/2009	6/30/2022	City of Placentia	Real Property Transaction (110 S. Melrose) between City of Placentia and Redevelopment Agency	Merged	898,166	N	\$ 246,376						\$ -				246,376		\$ 246,376
38	SERAF	SERAF/ERAF	5/10/2010	5/10/2011	Orange County Auditor Controller/State of California	Balance of SERAF amount for FY 2009-10 and FY 2010-11 pursuant to Health and Safety Code Sections 33690 and 33690.5.	Merged		N	\$ -						\$ -						\$ -
39	132 Crowther Settlement Agreement and Release	Litigation	1/16/2018	1/16/2050	DMWP, LLC	Litigation Settlement Agreement and Release between Successor Agency and DMWP, LLC (Plaintiff) regarding 132 Crowther Avenue Property.	Merged	0	Y	\$ -						\$ -						\$ -
40	132 Crowther Settlement Agreement and Release	Legal	9/9/2015	9/9/2025	Lawfirm of Jones & Mayer	legal expenses incurred as part of Litigation Settlement Agreement and Release between Successor Agency and DMWP, LLC (Plaintiff) regarding 132 Crowther Avenue Property.	Merged	0	Y	\$ -						\$ -						\$ -
41									N	\$ -						\$ -						\$ -
42									N	\$ -						\$ -						\$ -
43									N	\$ -						\$ -						\$ -
44									N	\$ -						\$ -						\$ -
45									N	\$ -						\$ -						\$ -
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89									N	\$ -						\$ -						\$ -
90									N	\$ -						\$ -						\$ -

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

July 1, 2019 through June 30, 2020

(Report Amounts in Whole Dollars)

A	B	C	D	E	F	G	H	I	J	K	L	M	N	O	P	Q	R	S	T	U	V	W	
Item #	Project Name/Debt Obligation	Obligation Type	Contract/Agreement Execution Date	Contract/Agreement Termination Date	Payee	Description/Project Scope	Project Area	Total Outstanding Debt or Obligation	Retired	ROPS 19-20 Total	19-20A (July - December)					19-20A Total	19-20B (January - June)					19-20B Total	
											Fund Sources						Fund Sources						
											Bond Proceeds	Reserve Balance	Other Funds	RPTTF	Admin RPTTF		Bond Proceeds	Reserve Balance	Other Funds	RPTTF	Admin RPTTF		
91									N	\$ -						\$ -							\$ -
92									N	\$ -						\$ -							\$ -
93									N	\$ -						\$ -							\$ -
94									N	\$ -						\$ -							\$ -
95									N	\$ -						\$ -							\$ -
96									N	\$ -						\$ -							\$ -
97									N	\$ -						\$ -							\$ -
98									N	\$ -						\$ -							\$ -
99									N	\$ -						\$ -							\$ -
100									N	\$ -						\$ -							\$ -
101									N	\$ -						\$ -							\$ -
102									N	\$ -						\$ -							\$ -
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104									N	\$ -						\$ -							\$ -
105									N	\$ -						\$ -							\$ -
106									N	\$ -						\$ -							\$ -
107									N	\$ -						\$ -							\$ -
108									N	\$ -						\$ -							\$ -
109									N	\$ -						\$ -							\$ -

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

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

A	B	C	D	E	F	G	H
		Fund Sources					
		Bond Proceeds		Reserve Balance	Other Funds	RPTTF	
	ROPS 16-17 Cash Balances (07/01/16 - 06/30/17)	Bonds issued on or before 12/31/10	Bonds issued on or after 01/01/11	Prior ROPS RPTTF and Reserve Balances retained for future period(s)	Rent, Grants, Interest, etc.	Non-Admin and Admin	Comments
1	Beginning Available Cash Balance (Actual 07/01/16) RPTTF amount should exclude "A" period distribution amount		0			0	
2	Revenue/Income (Actual 06/30/17) RPTTF amount should tie to the ROPS 16-17 total distribution from the County Auditor-Controller		274			1,899,537	
3	Expenditures for ROPS 16-17 Enforceable Obligations (Actual 06/30/17)					1,364,537	
4	Retention of Available Cash Balance (Actual 06/30/17) RPTTF amount retained should only include the amounts distributed as reserve for future period(s)		274			535,000	
5	ROPS 16-17 RPTTF Prior Period Adjustment RPTTF amount should tie to the Agency's ROPS 16-17 PPA form submitted to the CAC	No entry required					
6	Ending Actual Available Cash Balance (06/30/17) C to F = (1 + 2 - 3 - 4), G = (1 + 2 - 3 - 4 - 5)						
		\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	

Orange Countywide Oversight Board

Agenda Item No. 15g

Date: 9/22/2020

From: Successor Agency to the Santa Ana Redevelopment Agency

Subject: Straw Vote of the Countywide Oversight Board Regarding Administrative Budget

Recommended Action:

Hold a straw vote regarding FY 2021-22 Administrative Budget for the Santa Ana Successor Agency

The Santa Ana Successor Agency requests a straw vote of the Administrative Budget for Fiscal Year 2021-22. The Successor Agency shall return in January with a request for final approval of the Administrative Budget with the Recognized Obligation Payment Schedule (ROPS).

The authorized distribution from the Redevelopment Property Tax Trust Fund (RPTTF) for the ROPS 2020-21 period, less administrative costs is \$2,795,322. Pursuant to Section 34171 (b) (3), the administrative allowance for FY 2021-22 is 3% of the adjusted RPTTF distribution from ROPS 20-21 (\$83,860), or the minimum amount of \$250,000. The Santa Ana Successor Agency anticipates that the minimum \$250,000 will be the administrative budget for FY 2021-22 and prepared the budget accordingly.

The administrative cost allowance for the 2021-22 period will be used for salaries and benefits for staff involved in successor agency activities, legal and consulting expenses, information technology support, insurance, facility costs, and supplies. Additional descriptions of the various line items are provided in Attachment 1 (a). Please note that this budget is only a draft and subject to change, pending employee labor contract negotiations, increases in CalPERS employer contribution rates, unfunded accrued liability, etc.

Since dissolution of the former RDA, the Santa Ana Successor Agency has made every effort to minimize the use of the administrative cost allowance and has spent less than the total amount authorized in any given ROPS period. The table below reflects the actual expenditures compared to the authorized budget for the past four years as reported (or to be reported) on the Prior Period Adjustment:

ROPS Period	Authorized	Final Expenditures	Difference	Expenditure as % of Budget
2016-17	\$250,000	\$246,753	\$ 3,247	98.7%
2017-18	564,672	341,955	222,717	60.6%
2018-19	254,742	195,477	59,265	76.7%
2019-20	289,698	215,582	74,116	74.4%

Staff Contact(s)

Susan Gorospe, Principal Management Analyst

Phone: (714) 647-5376

E-mail: sgorospe@santa-ana.org

Attachments

1. Draft Administrative Budget for ROPS 21-22
 - a. Descriptions of line items
2. DOF Letter dated April 13, 2020 – approval of Administrative Budget for ROPS 20-21
3. DOF Letter dated April 9, 2019 – approval of Administrative Budget for ROPS 19-20

ATTACHMENT 1

City of Santa Ana Successor Agency to the former Community Redevelopment Agency FY 2021-22 Administrative Allowance Budget

<u>Direct Personnel Costs</u>	<u>Department</u> *	<u>Hourly Rate</u>	<u>Successor Agency</u> <u>Hours</u>	<u>SA</u> <u>Administration</u>	<u>% of Time</u> <u>Spent on</u> <u>SA Issues</u>
Executive Director	CDA	\$ 114.54	144	16,494	6.92%
Principal Management Analyst	CDA	82.04	1,140	93,526	54.81%
Management Analyst	CDA	55.76	180	10,037	8.65%
Senior Accounting Assistant	CDA	50.90	204	10,384	9.81%
Community Development Commission Secretary	CDA	45.54	300	13,662	14.42%
Accounting Manager	FMSA	73.50	-	-	0.00%
Senior Accountant	FMSA	65.82	96	6,319	4.62%
Senior Accounting Assistant	FMSA	50.90	48	2,443	2.31%
Assistant City Attorney	CAO	97.34	48	4,672	2.31%
Total Direct Personnel Costs			2,160	157,536	
<u>Other Direct Costs</u>					
Benefits Overhead - Shared cost allocation				600	
Building Rental/Maintenance - Shared cost allocation				8,100	
Communications - Shared cost allocation				1,200	
Consultants - Outside legal counsel / Financial / etc.				5,500	
Copier Lease - Shared cost allocation				1,000	
Delivery Charges - Shared cost allocation				400	
Employee parking				1,020	
Insurance Charges - Shared cost allocation				10,950	
IT Maintenance Charge - Shared cost allocation				7,200	
Laserfiche - Shared cost allocation for document management software				1,000	
Supplies, printing, misc. items				2,261	
Training / Mileage				100	
Unfunded Accrued Liability - Shared cost allocation				39,000	
Total Other Direct Cost				78,331	
<u>Indirect Costs (based on direct salary charges)</u>					
Indirect Costs - 10.63% for FY 20/21; rate for FY 21/22 TBD				14,133	
Includes City Manager's Office, Human Resources, Accounting, Purchasing, Treasury, Management & Support services.					
Total Indirect Cost				14,133	
Total Successor Agency Admin Allowance Cost				\$ 250,000	

* CDA = Community Development Agency
FMSA = Finance & Management Services Agency
CAO = City Attorney's Office

ATTACHMENT 1 (a)

**City of Santa Ana Successor Agency
FY 2021-22
Administrative Allowance
Description of Personnel Positions and Functions**

<u>Position</u>	<u>Department</u>	<u>Summary of Job Duties Pertaining to Successor Agency</u>	<u>Hours</u>	<u>Frequency (Months)</u>	<u>Total</u>
Executive Director	CDA	Oversees the entire dissolution process as City Manager's designee. Attends Successor Agency, Oversight Board and Meet and Confer meetings and updates City management on RDA dissolution. Meets weekly with staff to review wind down activities.	12	12	144
Principal Management Analyst	CDA	Prepares all staff reports and attachments for, and attends all Successor Agency and Oversight Board meetings. Administers all enforceable obligations on a daily basis. Approves all invoices. Prepares journal entries as needed. Reconciles projects expenses. Prepares ROPS & PPA and works with other departments.	95	12	1140
Management Analyst	CDA	Backup to the Principal Management Analyst. Provides assistance in reconciliation, analysis, and oversight of enforceable obligations. Assists with document management of former RDA records.	15	12	180
Senior Accounting Assistant	CDA	Posts attendance for payroll charges to Successor Agency accounts for 24 pay periods. Sets up projects and activities in financial system. Prepares and processes any travel related requests. Assists in preparation of journal entries.	17	12	204
Community Development Commission Secretary	CDA	Assists in the preparation, submission, and tracking of Successor Agency staff reports to Clerk of the Council. Assists with filing, scanning, and other records retention related tasks for former RDA and current Successor Agency files on an on-going basis.	25	12	300
Total Community Development Agency					1968
Accounting Manager	FMSA	Review final ROPS cash balance worksheet. Reconciles monthly bank statements related to Successor Agency transactions. Reviews and makes final approval of all journal entries for monthly closing. Additional hours during July - December for financial statements, addressing audit questions, and CAFR preparation.	0	12	0
Senior Accountant	FMSA	Prepares ROPS Cash Balance worksheet. Approves direct payment vouchers for payment of invoices. Reviews monthly fund balance and analyzes for month end closing. Reviews and processes journal entries as needed. Approves set up of projects and activities in financial system. Prepares all fiscal year end transactions. Additional hours during July - December for financial statements, addressing audit questions, and CAFR preparation.	8	12	96
Senior Accounting Assistant	FMSA	Processes direct payment vouchers for Successor Agency invoices.	4	12	48
Total Finance & Management Services Agency					144
Assistant City Attorney	CAO	Provides legal guidance on Dissolution Act and former RDA agreements/issues. Drafts and reviews Successor Agency resolutions. Attends Successor Agency meetings as necessary.	4	12	48
Total City Attorney's Office					48

ATTACHMENT 1 (a)

**City of Santa Ana Successor Agency
 FY 2021-22
 Administrative Allowance
 Description of Other Direct and Indirect Costs**

<u>Line Item</u>	<u>Description</u>
Benefits Overhead	Shared cost allocation of health care, dental, life insurance, LTD, etc. services provided by HR / Benefits
Building Rental / Maintenance	Shared cost allocation of City Hall building maintenance, janitorial services, utilities, and security guard services
Communications	Monthly telephone charges for direct lines, and allocation for shared telecommunication lines and system maintenance
Consultants	Outside legal counsel, financial consultants, appraisers, etc. on an as-needed basis
Copier Lease	Shared cost allocation of Sharp copier leases
Delivery Charges	Shared cost allocation of mail delivery services by Central Services Division
Employee Parking	Monthly parking fees for Successor Agency staff
Indirect Costs	Charges for City general overhead expense (City Manager's Office, Human Resources, Accounting, Purchasing, Treasury, Management and Support)
Insurance Charges	Shared cost allocation of premiums for Liability and Property Insurance, employee Group Insurance and Workers Compensation Insurance
IT Maintenance Charges	Shared cost allocation of computer services, maintenane of software, and a reserve for equipment replacement
Laserfiche	Shared cost allocation for document management software license and maintenance
Supplies, Printing, Misc.	Direct office supplies, materials, non-consumable items, computer-related hardware/peripherals less than \$5,000, duplication costs, postage, etc. for Successor Agency staff
Training / Mileage	Registration fees and travel related expenses for Succesor Agency staff
Unfunded Accrued Liability	Shared cost allocation of liability payment to CalPERS (employer's contribution) for former employees and current employees assigned to the former RDA

ATTACHMENT 2



DEPARTMENT OF
FINANCE

GAVIN NEWSOM ■ GOVERNOR

915 L STREET ■ SACRAMENTO CA ■ 95814-3706 ■ WWW.DOF.CA.GOV

Transmitted via e-mail

April 13, 2020

Susan Gorospe, Principal Management Analyst
City of Santa Ana
60 Civic Center Plaza, M-25
Santa Ana, CA 92701

2020-21 Annual Recognized Obligation Payment Schedule

Pursuant to Health and Safety Code (HSC) section 34177 (o) (1), the City of Santa Ana Successor Agency (Agency) submitted an annual Recognized Obligation Payment Schedule for the period of July 1, 2020 through June 30, 2021 (ROPS 20-21) to the California Department of Finance (Finance) on January 30, 2020. Finance has completed its review of the ROPS 20-21.

Based on a sample of line items reviewed and application of the law, Finance is approving all of the items listed on the ROPS 20-21 at this time. However, Finance notes the following:

The administrative costs claimed are within the fiscal year administrative cap pursuant to HSC section 34171 (b) (3). However, Finance notes the Oversight Board (OB) has approved an amount that appears excessive, given the number and nature of the obligations listed on the ROPS. HSC section 34179 (i) requires the OB to exercise a fiduciary duty to the taxing entities. Therefore, Finance encourages the OB to apply adequate oversight when evaluating the administrative resources necessary to successfully wind-down the Agency.

Pursuant to HSC section 34186, successor agencies are required to report differences between actual payments and past estimated obligations (prior period adjustments) for the July 1, 2017 through June 30, 2018 (ROPS 17-18) period. Reported differences in Redevelopment Property Tax Trust Fund (RPTTF) are used to offset current RPTTF distributions. The amount of RPTTF authorized includes the prior period adjustment (PPA) resulting from the County Auditor-Controller's review of the PPA form submitted by the Agency.

The Agency's maximum approved RPTTF distribution for the reporting period is \$2,814,465, as summarized in the Approved RPTTF Distribution table (see Attachment).

RPTTF distributions occur biannually, one distribution for the July 1, 2020 through December 31, 2020 period (ROPS A period), and one distribution for the January 1, 2021 through June 30, 2021 period (ROPS B period), based on Finance's approved amounts. Since this determination is for the entire ROPS 20-21 period, the Agency is authorized to receive up to the maximum approved RPTTF through the combined ROPS A and B period distributions.

ATTACHMENT 2

Susan Gorospe
April 13, 2020
Page 2

If the Agency disagrees with our determination with respect to any items on the ROPS 20-21, except items which are the subject of litigation disputing our previous or related determinations, the Agency may request a Meet and Confer within five business days of the date of this letter. The Meet and Confer process and guidelines are available on our website:

http://dof.ca.gov/Programs/Redevelopment/Meet_And_Confer/

The Agency must use the RAD App to complete and submit its Meet and Confer request form.

Absent a Meet and Confer, this is our final determination regarding the obligations listed on the ROPS 20-21. This determination only applies to items when funding was requested for the 12-month period. If a denial by Finance in a previous ROPS is currently the subject of litigation, the item will continue to be deemed denied until the matter is resolved.

The ROPS 20-21 form submitted by the Agency and this determination letter will be posted on our website:

<http://dof.ca.gov/Programs/Redevelopment/ROPS/>

This determination is effective for the ROPS 20-21 period only and should not be conclusively relied upon for future ROPS periods. All items listed on a future ROPS are subject to review and may be denied even if not denied on this ROPS or a preceding ROPS. The only exception is for items that have received a Final and Conclusive determination from Finance pursuant to HSC section 34177.5 (i). Finance's review of Final and Conclusive items is limited to confirming the scheduled payments as required by the obligation.

The amount available from the RPTTF is the same as the amount of property tax increment available prior to the enactment of the redevelopment dissolution law. Therefore, as a practical matter, the ability to fund the items on the ROPS with property tax increment is limited to the amount of funding available to the Agency in the RPTTF.

Please direct inquiries to Anna Kyumba, Supervisor, or Satveer Ark, Staff, at (916) 322-2985.

Sincerely,



 JENNIFER WHITAKER
Program Budget Manager

cc: Steven A. Mendoza, Executive Director of Community Development
Israel M. Guevara, Administrative Manager, Property Tax Section, Orange County

ATTACHMENT 2

Susan Gorospe
April 13, 2020
Page 3

Attachment

Approved RPTTF Distribution July 2020 through June 2021			
	ROPS A	ROPS B	ROPS 20-21 Total
RPTTF Requested	\$ 1,308,841	\$ 1,486,481	\$ 2,795,322
Administrative RPTTF Requested	125,000	125,000	250,000
Total RPTTF Requested	1,433,841	1,611,481	3,045,322
RPTTF Authorized	1,308,841	1,486,481	2,795,322
Administrative RPTTF Authorized	125,000	125,000	250,000
ROPS 17-18 prior period adjustment (PPA)	(230,857)	0	(230,857)
Total RPTTF Approved for Distribution	\$ 1,202,984	\$ 1,611,481	\$ 2,814,465

ATTACHMENT 3



GAVIN NEWSOM - GOVERNOR
STATE CAPITOL ■ ROOM 1145 ■ SACRAMENTO CA ■ 95814-4998 ■ WWW.DOF.CA.GOV

April 9, 2019

Ms. Susan Gorospe, Principal Management Analyst
City of Santa Ana
60 Civic Center Plaza, M-25
Santa Ana, CA 92701

Dear Ms. Gorospe:

Subject: 2019-20 Annual Recognized Obligation Payment Schedule

Pursuant to Health and Safety Code (HSC) section 34177 (o) (1), the City of Santa Ana Successor Agency (Agency) submitted an annual Recognized Obligation Payment Schedule for the period of July 1, 2019 through June 30, 2020 (ROPS 19-20) to the California Department of Finance (Finance) on January 30, 2019. Finance has completed its review of the ROPS 19-20.

Based on a sample of line items reviewed and application of the law, Finance is approving all of the items listed on the ROPS 19-20 at this time. However, Finance notes the following:

The administrative costs claimed are within the fiscal year administrative cap pursuant to HSC section 34171 (b) (3). However, Finance notes the Oversight Board (OB) has approved an amount that appears excessive, given the number and nature of the obligations listed on the ROPS. HSC section 34179 (i) requires the OB to exercise a fiduciary duty to the taxing entities. Therefore, Finance encourages the OB to apply adequate oversight when evaluating the administrative resources necessary to successfully wind-down the Agency.

Pursuant to HSC section 34186, successor agencies are required to report differences between actual payments and past estimated obligations. Reported differences in Redevelopment Property Tax Trust Fund (RPTTF) are used to offset current RPTTF distributions. The amount of RPTTF approved in the table on Page 3 includes the prior period adjustment resulting from the County Auditor-Controller's review of the prior period adjustment form submitted by the Agency.

If the Agency disagrees with our determination with respect to any items on the ROPS 19-20, except items that are the subject of litigation disputing our previous or related determinations, the Agency may request a Meet and Confer within five business days of the date of this letter. The Meet and Confer process and guidelines are available on our website:

[http://dof.ca.gov/Programs/Redevelopment/Meet And Confer/](http://dof.ca.gov/Programs/Redevelopment/Meet_And_Confer/)

The Agency's maximum approved RPTTF distribution for the reporting period is \$5,836,773 as summarized in the Approved RPTTF Distribution table on Page 3 (see Attachment).

ATTACHMENT 3

RPTTF distributions occur biannually, one distribution for the July 1 through December 31 period (ROPS A period), and one distribution for the January 1 through June 30 period (ROPS B period) based on Finance approved amounts. Since this determination is for the entire ROPS 19-20 period, the Agency is authorized to receive up to the maximum approved RPTTF through the combined ROPS A and B period distributions.

Absent a Meet and Confer, this is our final determination regarding the obligations listed on the ROPS 19-20. This determination only applies to items when funding was requested for the 12-month period. If a denial by Finance in a previous ROPS is currently the subject of litigation, the item will continue to be denied until the matter is resolved.

The ROPS 19-20 form submitted by the Agency and this determination letter will be posted on our website:

<http://dof.ca.gov/Programs/Redevelopment/ROPS/>

This determination is effective for the ROPS 19-20 period only and should not be conclusively relied upon for future ROPS periods. All items listed on a future ROPS are subject to review and may be denied even if not denied on this ROPS or a preceding ROPS. The only exception is for items that have received a Final and Conclusive determination from Finance pursuant to HSC section 34177.5 (i). Finance's review of Final and Conclusive items is limited to confirming the scheduled payments as required by the obligation.

The amount available from the RPTTF is the same as the amount of property tax increment available prior to the enactment of redevelopment dissolution law. Therefore, as a practical matter, the ability to fund the items on the ROPS with property tax increment is limited to the amount of funding available to the Agency in the RPTTF.

Please direct inquiries to Nichelle Jackson, Supervisor, or Alexander Watt, Lead Analyst, at (916) 322-2985.

Sincerely,



JENNIFER WHITAKER
Program Budget Manager

cc: Mr. Steven A. Mendoza, Executive Director of Community Development, City of Santa Ana
Mr. Israel M. Guevara, Administrative Manager, Property Tax Section, Orange County

ATTACHMENT 3

Attachment

Approved RPTTF Distribution For the period of July 1, 2019 through June 30, 2020			
	ROPS A Period	ROPS B Period	ROPS 19-20 Total
RPTTF Requested	\$ 4,240,980	\$ 1,355,380	\$ 5,596,360
Administrative RPTTF Requested	144,849	144,849	289,698
Total RPTTF Requested	4,385,829	1,500,229	5,886,058
RPTTF Authorized	4,240,980	1,355,380	5,596,360
Administrative RPTTF Authorized	144,849	144,849	289,698
Total RPTTF Authorized for Obligations	4,385,829	1,500,229	5,886,058
Prior Period Adjustment	(49,285)	0	(49,285)
Total RPTTF Approved for Distribution	\$ 4,336,544	\$ 1,500,229	\$ 5,836,773