

# Orange Countywide Oversight Board

Agenda Item No. 4e

Date: 1/23/2024

From: Successor Agency to the Fullerton Redevelopment Agency

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

**Recommended Action:**

Approve resolution approving FY 2024-25 ROPS and Administrative Budget for the Fullerton Successor Agency

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The Fullerton Successor Agency requests approval of the Recognized Obligation Payment Schedule (ROPS) and Administrative Budget for Fiscal Year 2045-25.

The Fullerton Successor Agency requests approval of the Resolution No. 2024-XX (see Attachment 1) approving Recognized Obligation Payment Schedule (ROPS) and Administrative Budget for Fiscal Year 2024-25 (see Attachment 2).

**Fullerton Recognized Obligation Payment Schedule (ROPS)**

The purpose of the Recognized Obligation Payment Schedule (ROPS) is to identify the funds needed to carry out the dissolution process of the former Fullerton Redevelopment Agency, and to set forth the payment amounts and due dates for all existing financial obligations. ROPS shall be forward looking and prepared annually until all debt is repaid. Attached is the proposed ROPS 24-25 for the time period of July 1, 2024 through June 30, 2025. ROPS 24-25 must be submitted to the State Department of Finance (DOF) by February 1, 2024 for their review and approval.

Included in the ROPS 24-25 are all of the enforceable obligations of the Fullerton Successor Agency requiring payments during Fiscal Year 2024-25. These obligations include annual bond debt service payments, one lease, a purchase and sale agreement, ongoing programs, a stipulated judgment, and an administrative cost allowance.

**Bond Debt Service Payments**

In 2020 the Fullerton Successor Agency refunded the 2005 Tax Allocation Bonds and 2010 Taxable Tax Allocation Refunding Bonds with the Tax Allocation Refunding Bonds Series 2020A and Series 2020B (Federally Taxable). Below is a list of remaining bonds that are outstanding including annual bank trustee fees:

<b>ROPS Item No.</b>	<b>Bond Name</b>	<b>Term Ends</b>
49	Annual bank trustee fees for bonds	Until all bonds are paid FY 2027-28
60	2015 Tax Allocation Refunding Bonds (refunded 1998 Revenue Bonds)	FY 2024-25
63	2020 Tax Allocation Refunding Bonds Series 2020A &B (refunded 2005 and 2010 bonds)	FY 2027-28

**Item No. 49**

Annual bank trustee fees for bonds.

**Item No. 60**

The 2015 Tax Allocation Refunding Bonds were issued in 2015 in the amount of \$11,975,000 for the purpose of prepaying a financing agreement entered into by the former redevelopment agency and to refund certain outstanding bonds issued by the 1998 Financing Agreement. The bonds are secured by property tax revenues derived from each project area. Repayment commenced on March 1, 2016 with interest rates ranging from 3.00% to 5.00%. The final maturity date is March 1, 2025. Interest and principal payments are due semiannually and annually, respectively. This item will no longer be included in future ROPS as it has been completed.

**Item No. 63**

In 2020 the Fullerton Successor Agency refunded the 2005 Tax Allocation Bonds and 2010 Taxable Tax Allocation Refunding Bonds with the Tax Allocation Refunding Bonds Series 2020A (Tax-Exempt) and Series 2020B (Federally Taxable). The 2020 Series A bonds were issued in the amount of \$33,965,000 refunding the 2005 Tax Allocation Bonds. The 2020 Series B bonds were issued in the amount of \$10,730,000 refunding the 2010 Taxable Tax Allocation Bonds. The bonds are secured by property tax revenues derived from each project area. Series A bonds repayment commenced on March 1, 2021 with a 4% interest rate. Series B bonds repayment commenced on March 1, 2021 with interest rates ranging from 0.591% to 1.514%. Interest and principal payments are due semiannually and annually, respectively.

Property Lease and Purchase Agreements

In addition to the bonds debt service payments there is one remaining property lease and a purchase and sale agreement:

<b>ROPS Item No.</b>	<b>Lease Reference Name</b>	<b>Term Ends</b>	<b>Purpose</b>
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

**Item No. 11**

The Miller Property Lease Agreement (127 West Chapman Avenue, Fullerton, California) was entered into on July 6, 2004 between Ronald F. Miller, Ronald F. Miller Family Trust, and the Fullerton Redevelopment Agency. The purpose of the lease agreement is to lease the premises for public parking. The lease expires on July 31, 2024. The termination of this lease will occur within the first month of ROPS FY 24-25.

**Item No. 62**

The Miller property purchase Agreement for Sale and Purchase of Real Estate (127 West Chapman Avenue, Fullerton, California) between Ronald F. Miller, Ronald F. Miller Family Trust, (Seller) and the Fullerton Redevelopment Agency (Buyer) was entered on July 6, 2004. The agreement provides for the purchase of the property prior to the lease expiration as it relates to 032-212-15 (Miller Property),

Pursuant to prior approvals by the California Department of Finance that Item No.62 in the Recognized Obligation Payment Schedule is an enforceable obligation, the Fullerton Successor Agency is including a six-million-dollar (\$6,000,000) distribution from the Redevelopment Property Tax Trust Fund (RPTTF) for the upcoming 2024-2025 fiscal year. Pursuant to two agreements that work in tandem and were approved back in July 2004, property owners Ronald F. Miller and Ronnie D. Miller, as Co-Trustees of the Ronald F. Miller Family Trust ("Millers") and the former Fullerton Redevelopment Agency ("RDA") entered into an Agreement to Lease approximately one (1) acre of real property used as a public parking lot located at 127 West Chapman Avenue, Fullerton, California (the "Property"), with a 20-year lease term that terminates on July 31, 2024.

Upon the conclusion of that lease term (i.e., July 31, 2024), the Millers contracted to sell, and the RDA contracted to buy, the Property pursuant to that certain Agreement for Sale and Purchase of Real Estate ("Purchase and Sale Agreement"). The lease and purchase of the Property was also memorialized by that certain Memorandum of Lease and Purchase Agreement, recorded in the County Recorder's Office as Instrument No. 2004000732754.

Pursuant to the Purchase and Sale Agreement, the "Purchase Price," as defined therein, is the "Fair Market Value" of the "Land" as of the date that is ninety (90) days prior to the closing date of the escrow to facilitate the acquisition of the Property by the Successor Agency. Also as set forth in the Purchase and Sale Agreement, the "Fair Market Value" of the Land shall be the then current fair market value of the Land only (without any attribution of any value for any improvements or furnishings, fixtures, and equipment that may be located on, over, or under or affixed to on the Land or any improvements thereon) based upon the then-existing highest and best use of the Property.

As more specifically described and contracted in the Purchase and Sale Agreement, the exact amount of the Purchase Price will require the obtaining of an appraisal and establishing of an escrow, all to be timed in accordance with the terms of the agreement and coordination of the parties. At the same time, the Redevelopment Dissolution Law (Health & Safety Code, section 34170 et seq.) provides that the Successor Agency submit its annual ROPS and reservation of RPTTF by the end of this month, January 2024. Thus, the ROPS process and RPTTF reservation needs to be in place for the Millers and the Successor Agency to then proceed with the purchase and sale of the Property pursuant to the enforceable obligation. The Successor Agency solicited a response from CBRE Brokage Services to obtain merely a "ballpark" estimate of the "Fair Market Value" based on the highest and best use of the Property, recognizing that a dollar amount must be provided to the Oversight Board and Department of Finance for purposes of reserving RPTTF for the upcoming fiscal year and ROPS process.

CBRE Brokerage Services indicated that the highest and best use of the Property in this area of the City would be a for-sale townhome development, as financing for townhome developments is currently quite active. With that assumption, CBRE Brokerage Services provided an estimate – again, only for purposes of reserving sufficient RPTTF for the Successor Agency's payment obligation under the Purchase and Sale Agreement – of between \$5,713,000 - \$6,000,000 (\$105-\$115/sf). The Successor Agency has attributed the \$6,000,000 amount based on the higher-end of the CBRE Brokerage Services' estimate, recognizing that the "Purchase Price" under the Purchase and Sale Agreement will ultimately be determined by the actual appraisal of the Land, which can only happen once an escrow has been established with a defined a closing date.

The Successor Agency submits that the \$6,000,000 amount is an accurate amount to make its payment obligation to the Millers. To the extent there is a difference in the final "Purchase Price" based on the appraised Fair Market Value of the Land, the Successor Agency will remit any remaining unused RPTTF to the County Auditor-Controller if the "Purchase Price" is less than \$6,000,000, or, the Successor Agency will request vis-a-vis an amendment to the ROPS any additional RPTTF necessary to fulfill its payment obligation to the Millers if the "Purchase Price" is more than \$6,000,000. Attached are copies of the executed Lease and Purchase and Sale Agreement, Memorandum of Lease and Purchase Agreement, and email from CBRE Brokerage Services with the estimates based on square footage.

Other ROPS Items

Other ROPS items include the following:

<b>ROPS Item No.</b>	<b>Description</b>	<b>Term</b>	<b>Purpose</b>
27	Administrative Cost Allowance	Annual cost until dissolution is complete	Allowed annual administrative cost for successor agency operations

**Item No. 27**

The administrative budget amount being requested is \$249,674 per department of finance guidelines. The amount represents a gradual decrease as identified by the Oversight Board in previous ROPS reviews. This reduction remains below the cap as well as below the \$250,000 amount. If approved, this amount will be allocated to staff salaries, and operations costs including supplies, postage, printing, legal and professional contractual services. A detailed description for this request is provided further below.

With regards to previously denied ROPS Items: 23, 25, and 28, staff continues to include these per our legal counsel’s advice, due to recent settled and pending litigation. The outcome of the litigation may cause the State Department of Finance to change their determination to continue to deny these items in the future. Below is a list of the previously denied items included int the ROPS.

<b>ROPS Item No.</b>	<b>Description</b>	<b>Purpose</b>
23	Affordable Housing Project Monitoring	Annually inspect and monitor 17 affordable housing projects with long term covenants.
28	Affordable Housing Project Administration and Reporting	Administer over 50 down payment assistance loans and two home ownership projects with 45 affordable housing agreements, and prepare required annual reports to State and Federal agencies.

**Item No. 23**

Since 1992, the agency entered into development agreements for the construction of 17 affordable housing projects. Per the agreements, in order to ensure the affordability covenants are enforced, it is necessary for staff to conduct annual monitoring and inspections of each unit. Subsequent to inspections, staff is required to prepare reports to submit to property owners, and the Department of Housing and Community Development. Most of the covenants continue for 55 years and some as long as 98 years.

**Item No. 28**

The agency issued over 69 down payment assistance loans, and 45 affordable ownership housing agreement that require staff to manage and prepare annual State and Federal reports. In addition, staff manages the preparation of appraisals, subordination agreements, and reviews refinancing documents when necessary.

**Administrative Budget**

On January 16, 2024, the Fullerton Successor Agency Board approved SA Resolution No. 2024-XX approving ROPS 24-25 and administrative budget allowance for the period covering July 1, 2024 – June 30, 2025 (see Attachment 3).

The administrative budget amount being requested for FY 2024-25 is \$249,674 consistent with the calculated administrative budget allowance amount per the Department of Finance guidelines. If approved, this amount will be allocated to staff salaries, direct costs including supplies, postage, printing, legal and professional contractual services, annual bond disclosure and audit services, and indirect costs including insurance, facility maintenance and repair, custodial, computer and software, and human resources support costs. Additionally, a moderate amount of work related to redevelopment loans and loan administration, which loans were for privately owned properties subject to specific agreements (i.e., not subject to the property use or disposition provisions in the Long Range Property Management Plan (“LRPMP”)). For example, Fullerton has many former RDA loans (40 seismic loans, 33 Rehabilitation Loans) all with various long term covenants, balances and payment terms, and associated deed restrictions that are triggered upon transfer of title of those properties subject to these loans. The procedures involve multiple Fullerton Staff members from various departments and offices in the City, whereby the post-RDA duties and tasks are covered in the ACA calculation, including the specific items.

The loan work includes the following:

- Conducting Loan Research;
- Identifying relevant liabilities;
- Drafting of demand letters;
- Coordinating with escrow companies;
- Vetting & ensuring correct process of continued obligations w/Finance & Accounting offices
- Clearing title via reconveyances of deeds of trust securing former RDA interests;
- Reviewing Procedures W/Fullerton Risk Management & Legal Teams
- Recordings at OC Clerk Records
- Review and performance of accounting and reconciliations with loan administration.

The estimated FY 2022-23 Administrative Budget is as follows:

<u>Primary Staff - Salaries &amp; Benefits:</u> City Manager, Community & Economic Development Director, Econ Dev Mgr/ Princ. Planner, Administrative Services Director, Sr. Admin Analyst	\$88,904
<u>Administrative Support - Staff Salaries &amp; Benefits:</u> City Clerk, AP Account Clerk, Payroll Technician, Human Resources Manager	\$4,446
<u>Professional Services:</u> Annual Audit Fees, Professional Services, and Legal Services	\$71,163
<u>Indirect Costs:</u> Facilities, maintenance, computers, etc.	\$85,161
Total:	\$249,674

The City Council had previously 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, and leases payments. Accounting staff 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 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.

As mentioned above, the Successor Agency together with the City continues to work on implementing the Long Range Property Management Plan (LRPMP). Progress has been made on 4 of the 5 development areas as identified in the LRPMP.

**The Fox Block Theater Complex DDA** - Still responsible for enforcement of DDA and working through renovations. Adjacent property including triangle lot and others have been sold to a developer for a major economic development project, staff is hopeful this will act as a catalyst for the completion of the obligations of the Fox Block Theater DDA.

**Fox Block Peck Parking Structure** - The Parking structure OPA agreement is in force and the City and developer have closed on the sale of this property. The developer is preparing to submit plans for staff review and approval. This will meet the obligations set forth by DOF.

**Fox Block Public Parking** - The Pomona & Chapman property have been sold to the Fox Block developer for an economic development as of December 31, 2022.

**Amerige Court Site** – Staff will include this site for economic development marketing now that the COVID-19 pandemic has subsided. The Disposition and Development Agreement expired and the current site remains a public parking lot for surrounding businesses. This is the only site which has not had activity since the last submittal of the ROPS budget.

**Fullerton Transportation Center (FTC)** – The FTC consists of 14 assessor parcels developed with a train depot, parking lots and several businesses. The City negotiated and approved a DDA for 212 S. Santa Fe parcel for economic development purposes and the property has been sold as of December 31, 2022. The developer has an agreed upon schedule of performance to complete necessary entitlements or result in default. The project proposal stands to include a transit-oriented development with a hotel and residential with ground floor retail. The City anticipates soliciting development proposals and potentially update the Fullerton Transportation Center Specific Plan (FTCSP) in the coming year.

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.

**Fullerton Successor Agency Action**

On January 17, 2024, the Fullerton Successor Agency Board approved SA Resolution No. 2024-XX approving ROPS 24-25 and administrative budget allowance for the period covering July 1, 2024 – June 30, 2025 (see Attachment 3).

**Impact on Taxing Entities**

The affected taxing entities will continue to receive the statutory pass-through payments as in previous years plus available property tax revenue due enforceable obligations being retired.

**Staff Contacts**

Director of Community & Economic Development  
714-738-6541 or via e-mail at  
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Fullerton Successor Agency staff contacts:

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## **Attachments**

**Attachment 1** – Orange Countywide Board Resolution No. 2024-XX

**Attachment 2** – Fullerton Successor Agency Recognized Obligation Payment Schedule 2024-25 and Administrative Budget Allowance.

**Attachment 3** – SA Resolution No. 2024-XX approving ROPS 24-25 and administrative budget allowance for the period covering July 1, 2024 – June 30 2025.

**Attachment 4** – Department of Finance letters of determination for Fullerton Successor Agency Recognized Obligation Payment Schedule and Administrative Budget Allowance.

**Attachment 5** – Fullerton Successor Agency Recognized Obligation Payment Schedule and Administrative Budget Allowance for FY 2024-25, and ROPS 2023-24

**Attachment 6** – Miller Property Recorded Instrument for Purchase & Sale Agreement Executed, Memorandum of lease, CBRE email with documentation for pricing.



**RESOLUTION OF THE ORANGE COUNTYWIDE OVERSIGHT BOARD**  
**RESOLUTION NO. 24-012**

A RESOLUTION OF THE ORANGE COUNTYWIDE OVERSIGHT BOARD WITH OVERSIGHT OF THE SUCCESSOR AGENCY TO THE FULLERTON SUCCESSOR AGENCY APPROVING THE RECOGNIZED OBLIGATION PAYMENT SCHEDULE [ROPS] 23-24 A-B FOR THE ANNUAL FISCAL PERIOD OF JULY 1, 2024 TO JUNE 30, 2025, INCLUDING THE FY 2024-25 ADMINISTRATIVE BUDGET, SUBJECT TO SUBMITTAL TO, AND REVIEW BY THE STATE DEPARTMENT OF FINANCE [DOF] PURSUANT TO DISSOLUTION LAW, AND AUTHORIZING POSTING AND TRANSMITTAL THEREOF

**WHEREAS**, the Fullerton Redevelopment Agency (“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 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 Fullerton 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, all subject to the review and approval by a seven-member oversight board; and

**WHEREAS**, pursuant to Health and Safety Code Section 34179(j) on July 1, 2018 the Orange Countywide Oversight Board (“Oversight Board”) has jurisdiction over the 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, reviewed and approved by the Successor Agency and then reviewed and approved by the Orange Countywide Oversight Board with final review and approval by the State Department of Finance (“DOF”); and

**WHEREAS**, Section 34177(l) and 34177(o) of the Dissolution Law requires that the annual ROPS for the 24-25 A-B fiscal period of July 1, 2024 to June 30, 2025 (“ROPS 24-25 A-B”) shall be submitted to the DOF by the Successor Agency, after approval by the Orange Countywide Oversight Board, no later than February 1, 2024; and

**WHEREAS**, the ROPS 24-25, in the form required by DOF, is attached as Exhibit A and the Fiscal Year (“FY”) 2024-25 Administrative Budget is attached as Exhibit B, and both attachments are fully incorporated by this reference; and

**WHEREAS**, the Orange Countywide Oversight Board has reviewed and considered the Successor Agency’s ROPS 24-25 A-B and desires to approve it and authorize and direct the Successor Agency staff to transmit the ROPS 24-25 A-B to the DOF, with copies to the County Executive Officer (“CEO”), County Auditor-Controller (“CAC”), and the State Controller’s Office (“SCO”) as required under 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 approves ROPS 24-25 A-B submitted therewith and incorporated by this reference, including the FY 2024-25 administrative budget included herewith.

**SECTION 3.** The Orange Countywide Oversight Board authorizes transmittal of the ROPS 24-25 A-B to the DOF, with copies to the CEO, the CAC, and the SCO.

**SECTION 4.** The City of Fullerton’s City Manager or authorized designee is directed to post this Resolution, including the ROPS 24-25 A-B, on the City/Successor Agency website pursuant to the Dissolution Law.

**SECTION 5.** 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 6.** The Clerk of the Board shall certify to the adoption of this Resolution.

EXHIBIT A

Fullerton Successor Agency

Recognized Obligation Payment Schedule 2023-24 (ROPS 23-24)

**Recognized Obligation Payment Schedule (ROPS 24-25) - Summary  
Filed for the July 1, 2024 through June 30, 2025 Period**

**Successor Agency:** Fullerton

**County:** Orange

<b>Current Period Requested Funding for Enforceable Obligations (ROPS Detail)</b>	<b>24-25A Total (July - December)</b>	<b>24-25B Total (January - June)</b>	<b>ROPS 24-25 Total</b>
<b>A Enforceable Obligations Funded as Follows (B+C+D)</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>
B Bond Proceeds	-	-	-
C Reserve Balance	-	-	-
D Other Funds	-	-	-
<b>E Redevelopment Property Tax Trust Fund (RPTTF) (F+G)</b>	<b>\$ 10,592,039</b>	<b>\$ 4,040,812</b>	<b>\$ 14,632,851</b>
F RPTTF	10,467,202	3,915,975	14,383,177
G Administrative RPTTF	124,837	124,837	249,674
<b>H Current Period Enforceable Obligations (A+E)</b>	<b>\$ 10,592,039</b>	<b>\$ 4,040,812</b>	<b>\$ 14,632,851</b>

**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

**Fullerton**  
**Recognized Obligation Payment Schedule (ROPS 24-25) - ROPS Detail**  
**July 1, 2024 through June 30, 2025**

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 24-25 Total	ROPS 24-25A (Jul - Dec)					24-25A Total	ROPS 24-25B (Jan - Jun)					24-25B Total	
											Fund Sources						Fund Sources						
											Bond Proceeds	Reserve Balance	Other Funds	RPTTF	Admin RPTTF		Bond Proceeds	Reserve Balance	Other Funds	RPTTF	Admin RPTTF		
								\$14,673,351		\$14,632,851	\$-	\$-	\$-	\$10,467,202	\$124,837	\$10,592,039	\$-	\$-	\$-	\$3,915,975	\$124,837	\$4,040,812	
11	Lease: Ron Miller	Miscellaneous	08/01/2004	08/01/2024	Ronald F Miller Trust	Property lease	Merged	13,503	N	\$13,503	-	-	-	13,503	-	\$13,503	-	-	-	-	-	-	\$-
23	Affordable Housing Project Monitoring - (REMOVED PER OB 01/23/24)	Unfunded Liabilities	01/01/2014	06/30/2098	Various Consultants and City of Fullerton	Annually inspect and monitor 11 affordable housing projects with long term covenants. (REMOVED PER OB 01/23/24)	Merged	-	Y	\$-	-	-	-	-	-	\$-	-	-	-	-	-	-	\$-
27	Administrative Cost Allowance FY 2024-25	Admin Costs	07/01/2024	06/30/2025	Fullerton Successor Agency	Administrative expenses for Successor Agency	Merged	249,674	N	\$249,674	-	-	-	-	124,837	\$124,837	-	-	-	-	-	124,837	\$124,837
28	Affordable Housing Administration and Reporting - (REMOVED PER OB 01/23/24)	Unfunded Liabilities	01/01/2015	06/30/2023	Various Consultants and City of Fullerton	Administer 69 down payment assistance laond and two home ownership projects with 45 affordable housing agreements, and prepare required annual reports to State and Federal agencies. (REMOVED PER OB 01/23/24)	Merged	-	Y	\$-	-	-	-	-	-	\$-	-	-	-	-	-	-	\$-
49	Bond Debt Service Fees	Fees	07/01/1998	06/30/2028	US Bank and Wells Fargo	Bond Debt Service Fees	Merged	50,000	N	\$9,500	-	-	-	-	-	\$-	-	-	-	9,500	-	\$9,500	
60	2015 Tax Allocation Refunding	Refunding Bonds Issued After 6/27/12	01/28/2015	12/31/2025	US Bank	Debt service payment on 2015 Tax	Merged	1,698,375	N	\$1,698,375	-	-	-	647,750	-	\$647,750	-	-	-	1,050,625	-	\$1,050,625	

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 24-25 Total	ROPS 24-25A (Jul - Dec)					24-25A Total	ROPS 24-25B (Jan - Jun)					24-25B Total
											Fund Sources						Fund Sources					
											Bond Proceeds	Reserve Balance	Other Funds	RPTTF	Admin RPTTF		Bond Proceeds	Reserve Balance	Other Funds	RPTTF	Admin RPTTF	
	Bonds (refunded 1998 Revenue Bonds)					Allocation Refunding Bonds																
62	Miller Property Purchase	Miscellaneous	07/06/2004	08/01/2024	Ronald F Miller Family Trust	Purchase of real estate per Purchase and Sale Agreement dated 7/6/2004	Merged	6,000,000	N	\$6,000,000	-	-	-	6,000,000	-	\$6,000,000	-	-	-	-	-	\$-
63	2020 Series A & B Tax Allocation Refunding Bonds	Refunding Bonds Issued After 6/27/12	09/01/2020	12/31/2027	US Bank	Refunding bonds	Merged Project Area	6,661,799	N	\$6,661,799	-	-	-	3,805,949	-	\$3,805,949	-	-	-	2,855,850	-	\$2,855,850

**Fullerton**  
**Recognized Obligation Payment Schedule (ROPS 24-25) - Report of Cash Balances**  
**July 1, 2021 through June 30, 2022**  
(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
		<b>Fund Sources</b>					
		<b>Bond Proceeds</b>		<b>Reserve Balance</b>	<b>Other Funds</b>	<b>RPTTF</b>	
	<b>ROPS 21-22 Cash Balances (07/01/21 - 06/30/22)</b>	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	<b>Comments</b>
1	<b>Beginning Available Cash Balance (Actual 07/01/21)</b> RPTTF amount should exclude "A" period distribution amount.				52,735		
2	<b>Revenue/Income (Actual 06/30/22)</b> RPTTF amount should tie to the ROPS 21-22 total distribution from the County Auditor-Controller				45,815	9,367,206	
3	<b>Expenditures for ROPS 21-22 Enforceable Obligations (Actual 06/30/22)</b>					9,335,441	
4	<b>Retention of Available Cash Balance (Actual 06/30/22)</b> RPTTF amount retained should only include the amounts distributed as reserve for future period(s)				52,735		
5	<b>ROPS 21-22 RPTTF Prior Period Adjustment</b> RPTTF amount should tie to the Agency's ROPS 21-22 PPA form submitted to the CAC		No entry required				
6	<b>Ending Actual Available Cash Balance (06/30/22)</b> <b>C to F = (1 + 2 - 3 - 4), G = (1 + 2 - 3 - 4 - 5)</b>	\$-	\$-	\$-	\$45,815	\$31,765	

**Fullerton**  
**Recognized Obligation Payment Schedule (ROPS 24-25) - Notes**  
**July 1, 2024 through June 30, 2025**

Item #	Notes/Comments
11	
23	
27	
28	
49	
60	
62	Successor Agency Agreement Signed & Executed - Purchase Agreement is Triggered upon Lease Expiration
63	



EXHIBIT B

Fullerton Successor Agency

FY 2024-25 Administrative Budget Allowance

EXHIBIT B

Fullerton Successor Agency

FY 2024-25 Administrative Budget Allowance

<u>Primary Staff - Salaries &amp; Benefits:</u> City Manager, Community & Economic Development Director, Econ Dev Mgr/ Princ. Planner, Administrative Services Director, Sr. Admin Analyst	\$88,904
<u>Administrative Support - Staff Salaries &amp; Benefits:</u> City Clerk, AP Account Clerk, Payroll Technician, Human Resources Manager	\$4,446
<u>Professional Services:</u> Annual Audit Fees, Professional Services, and Legal Services	\$71,163
<u>Indirect Costs:</u> Facilities, maintenance, computers, etc.	\$85,161
Total:	\$249,674

**Attachment 2**

Fullerton Successor Agency

Recognized Obligation Payment Schedule 2024-25 and Administrative Budget Allowance

**Recognized Obligation Payment Schedule (ROPS 24-25) - Summary  
Filed for the July 1, 2024 through June 30, 2025 Period**

**Successor Agency:** Fullerton

**County:** Orange

<b>Current Period Requested Funding for Enforceable Obligations (ROPS Detail)</b>	<b>24-25A Total (July - December)</b>	<b>24-25B Total (January - June)</b>	<b>ROPS 24-25 Total</b>
<b>A Enforceable Obligations Funded as Follows (B+C+D)</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>
B Bond Proceeds	-	-	-
C Reserve Balance	-	-	-
D Other Funds	-	-	-
<b>E Redevelopment Property Tax Trust Fund (RPTTF) (F+G)</b>	<b>\$ 10,912,039</b>	<b>\$ 4,100,812</b>	<b>\$ 15,012,851</b>
F RPTTF	10,787,202	3,975,975	14,763,177
G Administrative RPTTF	124,837	124,837	249,674
<b>H Current Period Enforceable Obligations (A+E)</b>	<b>\$ 10,912,039</b>	<b>\$ 4,100,812</b>	<b>\$ 15,012,851</b>

**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

**Fullerton**  
**Recognized Obligation Payment Schedule (ROPS 24-25) - ROPS Detail**  
**July 1, 2024 through June 30, 2025**

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 24-25 Total	ROPS 24-25A (Jul - Dec)					24-25A Total	ROPS 24-25B (Jan - Jun)					24-25B Total
											Fund Sources						Fund Sources					
											Bond Proceeds	Reserve Balance	Other Funds	RPTTF	Admin RPTTF		Bond Proceeds	Reserve Balance	Other Funds	RPTTF	Admin RPTTF	
								\$24,407,351		\$15,012,851	\$-	\$-	\$-	\$10,787,202	\$124,837	\$10,912,039	\$-	\$-	\$-	\$3,975,975	\$124,837	\$4,100,812
11	Lease: Ron Miller	Miscellaneous	08/01/2004	08/01/2024	Ronald F Miller Trust	Property lease	Merged	13,503	N	\$13,503	-	-	-	13,503	-	\$13,503	-	-	-	-	-	\$-
23	Affordable Housing Project Monitoring	Unfunded Liabilities	01/01/2014	06/30/2098	Various Consultants and City of Fullerton	Annually inspect and monitor 11 affordable housing projects with long term covenants.	Merged	9,474,000	N	\$120,000	-	-	-	60,000	-	\$60,000	-	-	-	60,000	-	\$60,000
27	Administrative Cost Allowance FY 2024-25	Admin Costs	07/01/2024	06/30/2025	Fullerton Successor Agency	Administrative expenses for Successor Agency	Merged	249,674	N	\$249,674	-	-	-	-	124,837	\$124,837	-	-	-	-	124,837	\$124,837
28	Affordable Housing Administration and Reporting	Unfunded Liabilities	01/01/2015	06/30/2023	Various Consultants and City of Fullerton	Administer 69 down payment assistance laond and two home ownership projects with 45 affordable housing agreements, and prepare required annual reports to State and Federal agencies.	Merged	260,000	N	\$260,000	-	-	-	260,000	-	\$260,000	-	-	-	-	-	\$-
49	Bond Debt Service Fees	Fees	07/01/1998	06/30/2028	US Bank and Wells Fargo	Bond Debt Service Fees	Merged	50,000	N	\$9,500	-	-	-	-	-	\$-	-	-	-	9,500	-	\$9,500
60	2015 Tax Allocation Refunding Bonds (refunded 1998 Revenue Bonds)	Refunding Bonds Issued After 6/27/12	01/28/2015	12/31/2025	US Bank	Debt service payment on 2015 Tax Allocation Refunding Bonds	Merged	1,698,375	N	\$1,698,375	-	-	-	647,750	-	\$647,750	-	-	-	1,050,625	-	\$1,050,625
62	Miller	Miscellaneous	07/06/	08/01/2024	Ronald F	Purchase of	Merged	6,000,000	N	\$6,000,000	-	-	-	6,000,000	-	\$6,000,000	-	-	-	-	-	\$-

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 24-25 Total	ROPS 24-25A (Jul - Dec)					24-25A Total	ROPS 24-25B (Jan - Jun)					24-25B Total
											Fund Sources						Fund Sources					
											Bond Proceeds	Reserve Balance	Other Funds	RPTTF	Admin RPTTF		Bond Proceeds	Reserve Balance	Other Funds	RPTTF	Admin RPTTF	
	Property Purchase		2004		Miller Family Trust	real estate per Purchase and Sale Agreement dated 7/6/2004																
63	2020 Series A & B Tax Allocation Refunding Bonds	Refunding Bonds Issued After 6/27/12	09/01/2020	12/31/2027	US Bank	Refunding bonds	Merged Project Area	6,661,799	N	\$6,661,799	-	-	-	3,805,949	-	\$3,805,949	-	-	-	2,855,850	-	\$2,855,850

**Fullerton**  
**Recognized Obligation Payment Schedule (ROPS 24-25) - Report of Cash Balances**  
**July 1, 2021 through June 30, 2022**  
(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
		<b>Fund Sources</b>					
		<b>Bond Proceeds</b>		<b>Reserve Balance</b>	<b>Other Funds</b>	<b>RPTTF</b>	
	<b>ROPS 21-22 Cash Balances (07/01/21 - 06/30/22)</b>	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	<b>Comments</b>
1	<b>Beginning Available Cash Balance (Actual 07/01/21)</b> RPTTF amount should exclude "A" period distribution amount.				52,735		
2	<b>Revenue/Income (Actual 06/30/22)</b> RPTTF amount should tie to the ROPS 21-22 total distribution from the County Auditor-Controller				45,815	9,367,206	
3	<b>Expenditures for ROPS 21-22 Enforceable Obligations (Actual 06/30/22)</b>					9,335,441	
4	<b>Retention of Available Cash Balance (Actual 06/30/22)</b> RPTTF amount retained should only include the amounts distributed as reserve for future period(s)				52,735		
5	<b>ROPS 21-22 RPTTF Prior Period Adjustment</b> RPTTF amount should tie to the Agency's ROPS 21-22 PPA form submitted to the CAC		No entry required				
6	<b>Ending Actual Available Cash Balance (06/30/22)</b> C to F = (1 + 2 - 3 - 4), G = (1 + 2 - 3 - 4 - 5)	\$-	\$-	\$-	\$45,815	\$31,765	

**Fullerton**  
**Recognized Obligation Payment Schedule (ROPS 24-25) - Notes**  
**July 1, 2024 through June 30, 2025**

Item #	Notes/Comments
11	
23	
27	
28	
49	
60	
62	Successor Agency Agreement Signed & Executed - Purchase Agreement is Triggered upon Lease Expiration
63	



### **Attachment 3**

Fullerton SA Resolution No. 2023-01 approving ROPS 2024-25 and administrative budget allowance for the period covering July 1, 2024 – June 30, 2025

RESOLUTION NO. SA 2024-XX

A RESOLUTION OF THE SUCCESSOR AGENCY OF THE CITY OF FULLERTON, CALIFORNIA, APPROVING AND ADOPTING THE RECOGNIZED OBLIGATION PAYMENT SCHEDULE 2024-2025 AND ADMINISTRATIVE BUDGET ALLOWANCE (PERIOD COVERING JULY 1, 2024 – JUNE 30, 2025)

WHEREAS, the City of Fullerton established the Successor Agency to the Fullerton Redevelopment Agency (the "Successor Agency") to take certain actions to wind down the affairs of the former Fullerton Redevelopment Agency in accordance with the California Health and Safety Code.

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

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
5. administrative budget allowance.

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

WHEREAS, Successor Agency staff has prepared the Recognized Obligation Payment Schedule 2024 - 2025 and administrative budget allowance for July 1, 2024 through June 30, 2025.

NOW, THEREFORE, THE SUCCESSOR AGENCY OF THE CITY OF FULLERTON RESOLVES AS FOLLOWS:

1. The above recitals are true and correct and incorporated by reference herein.
2. The Successor Agency approves the Recognized Obligation Payment Schedule 2024-2025 and administrative budget allowance (for July 1, 2024 through June 30, 2025).

3. The City will transmit a executed copy of this Resolution, including the ROPS 2024-2025, to the Orange County Oversight Board.
4. The Secretary shall certify to adoption of this Resolution.

ADOPTED BY THE SUCCESSOR AGENCY OF THE CITY OF FULLERTON,  
CALIFORNIA ON JANUARY 16, 2024.

\_\_\_\_\_  
Nicholas Dunlap  
Mayor

ATTEST:

\_\_\_\_\_  
Lucinda Williams, MMC  
Secretary

\_\_\_\_\_  
Date

Attachments:

- Attachment 1 - Recognized Obligation Payment Schedule 2024-25

EXHIBIT A

Fullerton Successor Agency  
Recognized Obligation Payment Schedule 2024-25 (ROPS 2024-25)

**Recognized Obligation Payment Schedule (ROPS 24-25) - Summary  
Filed for the July 1, 2024 through June 30, 2025 Period**

**Successor Agency:** Fullerton

**County:** Orange

<b>Current Period Requested Funding for Enforceable Obligations (ROPS Detail)</b>	<b>24-25A Total (July - December)</b>	<b>24-25B Total (January - June)</b>	<b>ROPS 24-25 Total</b>
<b>A Enforceable Obligations Funded as Follows (B+C+D)</b>	\$ -	\$ -	\$ -
B Bond Proceeds	-	-	-
C Reserve Balance	-	-	-
D Other Funds	-	-	-
<b>E Redevelopment Property Tax Trust Fund (RPTTF) (F+G)</b>	<b>\$ 10,912,039</b>	<b>\$ 4,100,812</b>	<b>\$ 15,012,851</b>
F RPTTF	10,787,202	3,975,975	14,763,177
G Administrative RPTTF	124,837	124,837	249,674
<b>H Current Period Enforceable Obligations (A+E)</b>	<b>\$ 10,912,039</b>	<b>\$ 4,100,812</b>	<b>\$ 15,012,851</b>

**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



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 24-25 Total	ROPS 24-25A (Jul - Dec)			ROPS 24-25B (Jan - Jun)			24-25B Total						
											Bond Proceeds	Reserve Balance	Other Funds	RPTTF	Admin RPTTF	24-25A Total	Bond Proceeds	Reserve Balance	Other Funds	RPTTF	Admin RPTTF		
	Property Purchase		2004		Miller Family Trust	real estate per Purchase and Sale Agreement dated 7/6/2004																	
63	2020 Series A & B Tax Allocation Refunding Bonds	Refunding Bonds Issued After 6/27/12	09/01/2020	12/31/2027	US Bank	Refunding bonds	Merged Project Area	6,661,799	N	\$6,661,799	-	-	-	3,805,949	-	\$3,805,949	-	-	-	2,855,850	-	-	\$2,855,850

**Fullerton**  
**Recognized Obligation Payment Schedule (ROPS 24-25) - Report of Cash Balances**  
**July 1, 2021 through June 30, 2022**  
 (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	Fund Sources				
								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
	<b>ROPS 21-22 Cash Balances (07/01/21 - 06/30/22)</b>											
<b>1</b>	<b>Beginning Available Cash Balance (Actual 07/01/21)</b> RPTTF amount should exclude "A" period distribution amount.				52,735							
<b>2</b>	<b>Revenue/Income (Actual 06/30/22)</b> RPTTF amount should tie to the ROPS 21-22 total distribution from the County Auditor-Controller				45,815	9,367,206						
<b>3</b>	<b>Expenditures for ROPS 21-22 Enforceable Obligations (Actual 06/30/22)</b>					9,335,441						
<b>4</b>	<b>Retention of Available Cash Balance (Actual 06/30/22)</b> RPTTF amount retained should only include the amounts distributed as reserve for future period(s)				52,735							
<b>5</b>	<b>ROPS 21-22 RPTTF Prior Period Adjustment</b> RPTTF amount should tie to the Agency's ROPS 21-22 PPA form submitted to the CAC								<b>No entry required</b>			
<b>6</b>	<b>Ending Actual Available Cash Balance (06/30/22)</b> <b>C to F = (1 + 2 - 3 - 4), G = (1 + 2 - 3 - 4 - 5)</b>	\$-	\$-	\$-	\$45,815	\$31,765						



**Fullerton**  
**Recognized Obligation Payment Schedule (ROPS 24-25) - Notes**  
**July 1, 2024 through June 30, 2025**

Item #	Notes/Comments
11	
23	
27	
28	
49	
60	
62	Successor Agency Agreement Signed & Executed - Purchase Agreement is Triggered upon Lease Expiration
63	

**Attachment 4**

Fullerton Successor Agency Recognized Obligation Payment Schedule and Administrative Budget Allowance for FY 2024-25, and ROPS 2023-24

**Recognized Obligation Payment Schedule (ROPS 24-25) - Summary**  
**Filed for the July 1, 2024 through June 30, 2025 Period**

**Successor Agency:** Fullerton

**County:** Orange

<b>Current Period Requested Funding for Enforceable Obligations (ROPS Detail)</b>	<b>24-25A Total (July - December)</b>	<b>24-25B Total (January - June)</b>	<b>ROPS 24-25 Total</b>
<b>A Enforceable Obligations Funded as Follows (B+C+D)</b>	\$ -	\$ -	\$ -
B Bond Proceeds	-	-	-
C Reserve Balance	-	-	-
D Other Funds	-	-	-
<b>E Redevelopment Property Tax Trust Fund (RPTTF) (F+G)</b>	<b>\$ 10,912,039</b>	<b>\$ 4,100,812</b>	<b>\$ 15,012,851</b>
F RPTTF	10,787,202	3,975,975	14,763,177
G Administrative RPTTF	124,837	124,837	249,674
<b>H Current Period Enforceable Obligations (A+E)</b>	<b>\$ 10,912,039</b>	<b>\$ 4,100,812</b>	<b>\$ 15,012,851</b>

**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



A Item #	B Project Name	C Obligation Type	D Agreement Execution Date	E Agreement Termination Date	F Payee	G Description	H Project Area	I Total Outstanding Obligation	J Retired	K ROPS 24-25 Total	L	M	N	O ROPS 24-25A (Jul - Dec)	P	Q 24-25A Total	R	S ROPS 24-25B (Jan - Jun)			V	W	
																		Bond Proceeds	Reserve Balance	Other Funds			RPTTF
	Property Purchase		2004		Miller Family Trust	real estate per Purchase and Sale Agreement dated 7/6/2004																	
63	2020 Series A & B Tax Allocation Refunding Bonds	Refunding Bonds Issued After 6/27/12	09/01/2020	12/31/2027	US Bank	Refunding bonds	Merged Project Area	6,661,799	N	\$6,661,799	-	-	-	3,805,949	-	\$3,805,949	-	-	2,855,850	-	-	-	\$2,855,850

**Fullerton**  
**Recognized Obligation Payment Schedule (ROPS 24-25) - Report of Cash Balances**  
**July 1, 2021 through June 30, 2022**  
 (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	Fund Sources				
								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
	<b>ROPS 21-22 Cash Balances (07/01/21 - 06/30/22)</b>											
<b>1</b>	<b>Beginning Available Cash Balance (Actual 07/01/21)</b> RPTTF amount should exclude "A" period distribution amount.				52,735							
<b>2</b>	<b>Revenue/Income (Actual 06/30/22)</b> RPTTF amount should tie to the ROPS 21-22 total distribution from the County Auditor-Controller				45,815	9,367,206						
<b>3</b>	<b>Expenditures for ROPS 21-22 Enforceable Obligations (Actual 06/30/22)</b>					9,335,441						
<b>4</b>	<b>Retention of Available Cash Balance (Actual 06/30/22)</b> RPTTF amount retained should only include the amounts distributed as reserve for future period(s)				52,735							
<b>5</b>	<b>ROPS 21-22 RPTTF Prior Period Adjustment</b> RPTTF amount should tie to the Agency's ROPS 21-22 PPA form submitted to the CAC								<b>No entry required</b>			
<b>6</b>	<b>Ending Actual Available Cash Balance (06/30/22)</b> C to F = (1 + 2 - 3 - 4), G = (1 + 2 - 3 - 4 - 5)	\$-	\$-	\$-	\$45,815	\$31,765						

**Fullerton**  
**Recognized Obligation Payment Schedule (ROPS 24-25) - Notes**  
**July 1, 2024 through June 30, 2025**

Item #	Notes/Comments
11	
23	
27	
28	
49	
60	
62	Successor Agency Agreement Signed & Executed - Purchase Agreement is Triggered upon Lease Expiration
63	

**Attachment 5**

Department of Finance letters of determinations for Fullerton Successor Agency  
Recognized Obligation Payment Schedule and Administrative Budget Allowances for FY  
2023-24, and ROPS 2022-23





Transmitted via e-mail

March 30, 2023

Taylor Samuelson, Administrative Analyst  
City of Fullerton  
303 West Commonwealth Avenue  
Fullerton, CA 92832

### **2023-24 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 July 1, 2023 through June 30, 2024 (ROPS 23-24) to the California Department of Finance (Finance) on January 30, 2023. Finance has completed its review of the ROPS 23-24.

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 \$9,854,000 (\$9,594,000 + \$260,000) are not allowed. Finance continues to deny these items. HSC section 34176 requires all rights, powers, duties, obligations, and housing assets to 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 includes the transfer of administrative obligations. Therefore, the total requested amount of \$380,000 (\$120,000 + \$260,000) in Redevelopment Property Tax Trust Fund (RPTTF) funding is not allowed.
- Item No. 63 – 2020 Series A & B Tax Allocation Refunding Bonds debt service in the amount of \$7,616,491 requested from RPTTF is correct. However, the Agency inadvertently requested incorrect amounts for the July 1, 2023 through December 31, 2023 (ROPS A) and the January 1, 2024 through June 30, 2024 (ROPS B) periods. Therefore, to accurately reflect the correct debt service payments, Finance made the following adjustments:

<b>Funding Source</b>	<b>Requested</b>	<b>Adjusted</b>	<b>Authorized</b>
<b>RPTTF (A Period)</b>	\$5,699,600	(\$1,889,058)	\$3,810,542
<b>RPTTF (B Period)</b>	1,916,891	1,889,058	\$3,805,949
<b>Total</b>	\$7,616,491	\$ 0	\$7,616,491

- On the ROPS 23-24 form, the Agency reported cash balances and activity for the July 1, 2020 through June 30, 2021 (ROPS 20-21) period. According to our review, the Agency has approximately \$52,735 from Other Funds available to fund enforceable obligations on the ROPS 23-24. HSC section 34177 (l) (1) (E) requires these balances to be used prior to requesting RPTTF funding. 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 amount specified below:
  - Item No. 60 – 2015 Tax Allocation Refunding Bonds (refunded 1998 Revenue Bonds) in the amount of \$1,293,625 is partially reclassified. Finance is approving RPTTF in the amount of \$1,240,890 and the use of Other Funds in the amount of \$52,735, totaling \$1,293,625.
- 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 ROPS 20-21 period. The ROPS 20-21 prior period adjustment (PPA) will offset the ROPS 23-24 RPTTF distribution. The amount of RPTTF authorized includes the 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 \$9,262,816, as summarized in the Approved RPTTF Distribution table (see Attachment).

RPTTF distributions occur biannually, one distribution for the July 1, 2023 through December 31, 2023 period (ROPS A period), and one distribution for the January 1, 2024 through June 30, 2024 period (ROPS B period), based on Finance's approved amounts. Since this determination is for the entire ROPS 23-24 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 adjusted items, Finance approves the remaining items listed on the ROPS 23-24 at this time. If the Agency disagrees with our determination with respect to any items on the ROPS 23-24, 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 from the date of this letter. The Agency must use the RAD App to complete and submit its Meet and Confer request form. 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/)

Absent a Meet and Confer, this is our final determination regarding the obligations listed on the ROPS 23-24. This determination only applies to items when funding was requested for the 12-month period. If a determination by Finance in a previous ROPS is currently the subject of litigation, the item will continue to reflect the determination until the matter is resolved.

The ROPS 23-24 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 23-24 period only and should not be conclusively relied upon for future ROPS periods. All items listed on a future ROPS are subject to Finance's review and may be adjusted even if not adjusted 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 Kylie Oltmann, Supervisor, or Dylan Newton, Staff, at (916) 322-2985.

Sincerely,

Original signed by Cheryl L. McCormick for:

JENNIFER WHITAKER  
Program Budget Manager

cc: Sunayana Thomas, Interim Director of Community and Economic Development,  
City of Fullerton  
Christopher Ranftl, Administrative Manager I, Property Tax Unit, Orange County  
Kathy Tavoularis, Countywide Oversight Board Representative

<b>Approved RPTTF Distribution July 2023 through June 2024</b>			
	<b>ROPS A</b>	<b>ROPS B</b>	<b>Total</b>
RPTTF Requested	\$ 6,616,491	\$ 2,845,157	\$ 9,461,648
Administrative RPTTF Requested	130,406	130,407	260,813
<b>Total RPTTF Requested</b>	<b>6,746,897</b>	<b>2,975,564</b>	<b>9,722,461</b>
<b>RPTTF Requested</b>	<b>6,616,491</b>	<b>2,845,157</b>	<b>9,461,648</b>
<u>Adjustment(s)</u>			
Item No. 23	(60,000)	(60,000)	(120,000)
Item No. 28	(130,000)	(130,000)	(260,000)
Item No. 60	(52,735)	0	(52,735)
Item No. 63	(1,889,058)	1,889,058	0
	(2,131,793)	1,699,058	(432,735)
<b>RPTTF Authorized</b>	<b>4,484,698</b>	<b>4,544,215</b>	<b>9,028,913</b>
<b>Administrative RPTTF Authorized</b>	<b>130,406</b>	<b>130,407</b>	<b>260,813</b>
ROPS 20-21 Prior Period Adjustment (PPA)	(26,910)	0	(26,910)
<b>Total RPTTF Approved for Distribution</b>	<b>\$ 4,588,194</b>	<b>\$ 4,674,622</b>	<b>\$ 9,262,816</b>

**Attachment 5**

Miller Property Recorded Instrument for Purchase & Sale Agreement Executed,  
Memorandum of lease, CBRE email with documentation for pricing

## Taylor Samuelson

---

**From:** Abel, Tom @ Newport Beach <Tom.Abel@cbre.com>  
**Sent:** Wednesday, January 10, 2024 11:00 AM  
**To:** Taylor Samuelson  
**Subject:** [EXTERNAL MAIL]RE: High Level Price Estimate - 127 W Chapman

**CAUTION: BE CAREFUL WITH THIS MESSAGE**

This email came from outside City of Fullerton. Do not open attachments, click on links, or respond unless you expected this message and re

Hi Taylor,

After discussing the subject site (1.2 acres) at 127 W. Chapman Ave., Fullerton, with my CBRE team, the highest and best use for the property would be a for-sale townhome development. Financing for townhome developments is currently quite active and this type of development would command:

**\$5,713,000 - \$6,000,000 (\$105-\$115/sf).** This price range is based on 52,419 SF and density approval for up to thirty (30) multi-story townhomes.

The apartment development activity has mostly dried up as lenders are less interested in lending for apartment developments and would be more inclined to lend on a townhome development.

If you and the Community & Economic Development Dept. have any interest or desire to widely market the site, CBRE has a number of active townhome developers that we can submit the property to at the appropriate time.

With the pressure from the State of CA to identify potential residential sites, this site would be highly sought after and command strong pricing for the City.

Please let me know if you want to discuss further or when you are ready to consider a formal appraisal.

Thank you.

Tom Abel | First Vice President | Lic. 00985659  
CBRE | Broker Lic. 00409987 | Brokerage Services  
3501 Jamboree Rd., Suite 100, Newport Beach, CA 92660  
T+ 1 714 371 9255 | F+ 1 714 371 9201 | C+ 1 714 478 6000  
[tom.abel@cbre.com](mailto:tom.abel@cbre.com) | [www.cbre.com/tom.abel](http://www.cbre.com/tom.abel)

This email may contain information that is confidential or attorney-client privileged and may constitute inside information. The contents of this email are intended only for the recipient(s) listed above. If you are not the intended recipient, you are directed not to read, disclose, distribute or otherwise use this transmission. If you have received this email in error, please notify the sender immediately and delete the transmission. Delivery of this message is not intended to waive any applicable privileges.



Please consider the environment before printing this email

**From:** Taylor Samuelson <Taylor.Samuelson@cityoffullerton.com>  
**Sent:** Tuesday, January 9, 2024 5:09 PM  
**Cc:** Sunayana Thomas <Sunayana.Thomas@cityoffullerton.com>  
**Subject:** High Level Price Estimate - 127 W Chapman

**External**

Hi All,

I need an immediate assistance with a ballpark current market value for property located at 127 W. Chapman Avenue. This request is for a high-level assessment for highest and best use as it currently is as a parking lot.

This isn't a formal appraisal, but we are needing to incorporate a **high-level figure** for our internal purposes. If you can assist us in this endeavor we will be looking to get a formal appraisal in the coming months.

I've attached a preliminary report and parcel map for reference.

Thank You,



**Taylor Samuelson**

*Community & Economic Development*  
Senior Administrative Analyst  
City of Fullerton

**p:** 714.738-5381

**e:** [taylor.samuelson@cityoffullerton.com](mailto:taylor.samuelson@cityoffullerton.com)

303 W. Commonwealth Ave.  
Fullerton, CA 92832  
[www.cityoffullerton.com](http://www.cityoffullerton.com)



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Details about the personal data CBRE collects and why, as well as your data privacy rights under applicable law, are available at **[CBRE – Privacy Policy](#)**.

RECORDING REQUESTED BY  
LAWYERS TITLE

This Document was electronically recorded by  
Lawyers Title Company B

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



RECORDING REQUESTED BY  
AND WHEN RECORDED MAIL TO:

2004000732754 03:02pm 08/12/04  
104 27 M11 7  
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RUTAN & TUCKER, LLP  
611 Anton Boulevard, 14<sup>th</sup> Floor  
Costa Mesa, CA 92626-1998  
Attn: Jeffrey M. Oderman, Esq.

(Space Above For Recorder's Use)

MEMORANDUM OF LEASE AND PURCHASE AGREEMENT

5313437-12  
THIS MEMORANDUM OF LEASE AND PURCHASE AGREEMENT (this "Memorandum") is dated for reference purposes as of July 6, 2004, and is entered into between RONALD F. MILLER and RONNIE D. MILLER, as Co-Trustees of the RONALD F. MILLER FAMILY TRUST ("Miller") and FULLERTON REDEVELOPMENT AGENCY, a public body, corporate and politic ("Agency").

1. LEASE OF PREMISES. Miller has leased to Agency, and Agency leased from Miller that certain real property located in the City of Fullerton, County of Orange, State of California, as more particularly described on Exhibit "A" attached hereto and incorporated herein by reference (the "Premises") pursuant to and on the terms and provisions of that certain Ground Lease Agreement dated for reference purposes as of July 6, 2004 (the "Lease"). The provisions of the Lease are incorporated into this Memorandum by this reference as if set out in full herein.

2. INITIAL TERM OF LEASE. The initial term of the Lease shall commence on August 1, 2004 ("Commencement Date") and shall expire on July 31, 2024 ("Termination Date"), which date is the tenth (20<sup>th</sup>) anniversary of the Commencement Date, subject to earlier termination as provided in the Lease.

3. PURCHASE OF PREMISES. Miller and Agency have entered into that certain Agreement for Sale and Purchase of Real Estate dated July 6, 2004 ("Purchase Agreement") pursuant to which Miller has agreed to sell to Agency and Agency has agreed to purchase from Miller the Premises upon the expiration of the Lease on the terms and conditions more particularly set forth in the Purchase Agreement. The provisions of the Purchase Agreement are incorporated into this Memorandum by this reference as if set out in full herein.

4. PURPOSE OF MEMORANDUM. This Memorandum is prepared and executed for the purpose of recordation and in no way modifies the terms and provisions of the Lease or Purchase Agreement. In the event of any inconsistency between the terms of the Lease or



Purchase Agreement and the terms of this Memorandum, the terms of the Lease and Purchase Agreement shall prevail.

5. COUNTERPARTS. This Memorandum may be executed in any number of counterparts which together shall constitute the contract of the parties.

IN WITNESS WHEREOF, the parties have executed this Memorandum of Lease and Purchase Agreement as of the day and year first above written.

By: Ronald F. Miller  
Ronald F. Miller, Co-Trustee of the Ronald F. Miller Family Trust

By: Ronnie D. Miller  
Ronnie D. Miller, Co-Trustee of the Ronald F. Miller Family Trust

“Miller”

Fullerton Redevelopment Agency,  
a public body, corporate and politic

By: M. C.  
Name: Mike Clesceri  
Title: Chairman

“Agency”

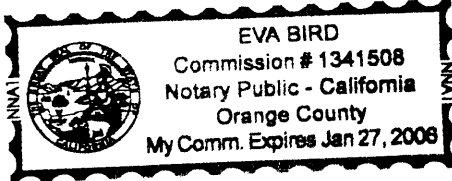
STATE OF California )  
 ) ss.  
COUNTY OF Orange )

On August 10, 2004, before me, Eva Bird, Notary Public,  
personally appeared Ronald F. Miller,  
personally known to me (or proved to me on the basis of satisfactory evidence) to be the  
person(s) whose name(s) is/are subscribed to the within instrument and acknowledged to me that  
he/she/they executed the same in his/her/their authorized capacity(ies), and that by his/her/their  
signature(s) on the instrument the person(s) or the entity upon behalf of which the person(s)  
acted, executed the instrument.

Witness my hand and official seal.

Eva Bird  
Notary Public

[SEAL]



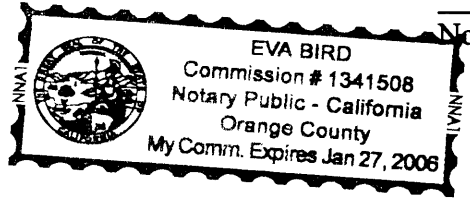
STATE OF California )  
 ) ss.  
COUNTY OF Orange )

On August 10, 2004, before me, Eva Bird, Notary Public,  
personally appeared Ronnie D Miller,  
~~personally known to me~~ (or proved to me on the basis of satisfactory evidence) to be the  
person(s) whose name(s) is/are subscribed to the within instrument and acknowledged to me that  
he/she/they executed the same in his/her/their authorized capacity(ies), and that by his/her/their  
signature(s) on the instrument the person(s) or the entity upon behalf of which the person(s)  
acted, executed the instrument.

Witness my hand and official seal.

Eva Bird  
Notary Public

[SEAL]



STATE OF California )  
 ) ss.  
COUNTY OF ORANGE )

On 8/10/04, before me, CAROL WIECH, Notary Public, personally appeared MIKE CLESERI, personally known to me (or proved to me on the basis of satisfactory evidence) to be the person(s) whose name(s) is/are subscribed to the within instrument and acknowledged to me that he/she/they executed the same in his/her/their authorized capacity(ies), and that by his/her/their signature(s) on the instrument the person(s) or the entity upon behalf of which the person(s) acted, executed the instrument.

Witness my hand and official seal.



[SEAL]

Carol Wiech  
Notary Public

STATE OF )  
 ) ss.  
COUNTY OF )

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

Witness my hand and official seal.

\_\_\_\_\_  
Notary Public

[SEAL]

EXHIBIT "A"

LEGAL DESCRIPTION OF PREMISES

The Premises are located in the County of Orange, State of California, described as follows:

PARCEL 1:

That portion of the Southeast quarter of Section 28, Township 3 South, Range 10 West, in the Rancho San Juan Cajon de Santa Ana, City of Fullerton, County of Orange, State of California, as per map recorded in Book 51 page 7 of Miscellaneous Maps, in the office of the County Recorder of said county, described as follows:

BEGINNING at a point on the center line of Chapman Avenue, west 190.00 feet from the Southeast corner of said Sections; thence West 300.00 feet along said center line; thence North parallel with and West 490.00 feet from the East line of said section to the South line of Block 1 of Hermosa Addition, as per map recorded in Book 7 page 47 of said Miscellaneous Maps; thence Northeasterly along said south line to the southeast corner of Lot 2 in said Block 1; thence South parallel with and West 190.00 feet from the East line of said section to the point of beginning.

EXCEPT the West 170.00 feet thereof.

Parcel 2:

The East 70.00 feet of the West 170.00 feet of that portion of the Southeast quarter of Section 28, Township 3 South, Range 10 west, in the Rancho San Juan Cajon de Santa Ana, City of Fullerton, County of Orange, State of California as per map recorded in Book 51 page 7 of Miscellaneous Maps, in the office of the County Recorder of said county, described as follows:

BEGINNING at a point on the center line of Chapman Ave., West 190.00 feet from the Southeast corner of said section; thence west 300.00 feet along said center lines thence North parallel with and West 490.00 feet from the East line of said section to the south line of Block 1 of Hermosa Addition, as per map recorded in Book 7 page 47 of said Miscellaneous Maps; thence Northeasterly along said South line to the Southeast corner of Lot 2 in said Block 1; thence South parallel with and west 190.00 feet from the East line of said section to the point of beginning.

Assessor's Parcel Number: **032-212-15**



**PENALTY OF PERJURY AFFIDAVIT**  
(GOVERNMENT CODE 27361.7)

I certify under the penalty of perjury that the notary seal on the document to which this statement is attached reads as follows:

Name of the Notary: Eva Bird

Date Commission expires: Jan. 27, 2006

County Where Bond is Filed: Orange

Commission No.: 1341508      Manufacturer/Vendor No.: NNA1

Place of Execution:     Irvine, Ca.     Date: August 12, 2004

Signature:   
LAWYERS TITLE COMPANY

---

I further certify under the penalty of perjury that the illegible portion of the document to which this statement is attached reads as follows (if applicable):

Date: August 12, 2004

Signature: \_\_\_\_\_  
LAWYERS TITLE COMPANY

STANDARD COVERAGE  
POLICY OF TITLE INSURANCE

ISSUED BY

**Lawyers Title Insurance Corporation**  
A LANDAMERICA COMPANY

**SUBJECT TO THE EXCLUSIONS FROM COVERAGE, THE EXCEPTIONS FROM COVERAGE CONTAINED IN SCHEDULE B AND THE CONDITIONS AND STIPULATIONS, LAWYERS TITLE INSURANCE CORPORATION**, a Virginia corporation, herein called the Company, insures, as of Date of Policy shown in Schedule A, against loss or damage, not exceeding the Amount of Insurance stated in Schedule A, sustained or incurred by the insured by reason of:

1. Title to the estate or interest described in Schedule A being vested other than as stated therein;
2. Any defect in or lien or encumbrance on the title;
3. Unmarketability of the title;
4. Lack of a right of access to and from the land; and in addition, as to an insured lender only:
5. The invalidity or unenforceability of the lien of the insured mortgage upon the title;
6. The priority of any lien or encumbrance over the lien of the insured mortgage, said mortgage being shown in Schedule B in the order of its priority;
7. The invalidity or unenforceability of any assignment of the insured mortgage, provided the assignment is shown in Schedule B, or the failure of the assignment shown in Schedule B to vest title to the insured mortgage in the named insured assignee free and clear of all liens.

The Company will also pay the costs, attorneys' fees and expenses incurred in defense of the title or the lien of the insured mortgage, as insured, but only to the extent provided in the Conditions and Stipulations.

**IN WITNESS WHEREOF, LAWYERS TITLE INSURANCE CORPORATION** has caused its corporate name and seal to be hereunto affixed by its duly authorized officers, the Policy to become valid when countersigned by an authorized officer or agent of the Company.

**LAWYERS TITLE INSURANCE CORPORATION**

Attest:

*J. H. D. Webb*

Secretary



By:

*Janet A. Albert*

President

**EXCLUSIONS FROM COVERAGE**

The following matters are expressly excluded from the coverage of this policy and the Company will not pay loss or damage, costs, attorneys' fees or expenses which arise by reason of:

1. (a) Any law, ordinance or governmental regulation (including but not limited to building or zoning laws, ordinances, or regulations) restricting, regulating, prohibiting or relating to (i) the occupancy, use, or enjoyment of the land; (ii) the character, dimensions or location of any improvement now or hereafter erected on the land; (iii) a separation in ownership or a change in the dimensions or area of the land or any parcel of which the land is or was a part; or (iv) environmental protection, or the effect of any violation of these laws, ordinances or governmental regulations, except to the extent that a notice of the enforcement thereof or a notice of a defect, lien or encumbrance resulting from a violation or alleged violation affecting the land has been recorded in the public records at Date of Policy.  
(b) Any governmental police power not excluded by (a) above, except to the extent that a notice of the exercise thereof or a notice of a defect, lien or encumbrance resulting from a violation or alleged violation affecting the land has been recorded in the public records at Date of Policy.
2. Rights of eminent domain unless notice of the exercise thereof has been recorded in the public records at Date of Policy, but not excluding from coverage any taking which has occurred prior to Date of Policy which would be binding on the rights of a purchaser for value without knowledge.
3. Defects, liens, encumbrances, adverse claims or other matters:  
(a) whether or not recorded in the public records at Date of Policy, but created, suffered, assumed or agreed to by the insured claimant;  
(b) not known to the Company, not recorded in the public records at Date of Policy, but known to the insured claimant and not disclosed in writing to the Company by the insured claimant prior to the date the insured claimant became an insured under this policy;  
(c) resulting in no loss or damage to the insured claimant;  
(d) attaching or created subsequent to Date of Policy; or  
(e) resulting in loss or damage which would not have been sustained if the insured claimant had paid value for the insured mortgage or for the estate or interest insured by this policy.
4. Unenforceability of the lien of the insured mortgage because of the inability or failure of the insured at Date of Policy, or the inability or failure of any subsequent owner of the indebtedness, to comply with the applicable doing business laws of the state in which the land is situated.
5. Invalidity or unenforceability of the lien of the insured mortgage, or claim thereof, which arises out of the transaction evidenced by the insured mortgage and is based upon usury or any consumer credit protection or truth in lending law.
6. Any claim, which arises out of the transaction vesting in the insured the estate or interest insured by this policy or the transaction creating the interest of the insured lender, by reason of the operation of federal bankruptcy, state insolvency or similar creditors' rights laws.

# Lawyers Title Insurance Corporation

A LANDAMERICA COMPANY

## STANDARD COVERAGE POLICY OF TITLE INSURANCE - 1990

ISSUED BY  
**Lawyers Title Insurance Corporation**  
A LANDAMERICA COMPANY

HOME OFFICE:  
101 Gateway Centre Parkway, Gateway One  
Richmond, Virginia 23235-5153

### A WORD OF THANKS .....

As we make your policy a part of our permanent records, we want to express our appreciation of this evidence of your faith in Lawyers Title Insurance Corporation.

There is no recurring premium.

This policy provides valuable title protection and we suggest you keep it in a safe place where it will be readily available for future reference.

If you have any questions about the protection provided by this policy, contact the office that issued your policy or you may write to:

Consumer Affairs Department

**Lawyers Title  
Insurance Corporation**  
A LANDAMERICA COMPANY

P.O. Box 27567

Richmond, Virginia 23261-7567

TOLL FREE NUMBER: 1-800-446-7086



## CONDITIONS AND STIPULATIONS - CONTINUED

expenses incurred by the insured claimant which were authorized by the Company up to the time of payment and which the Company is obligated to pay; or

(ii) to pay or otherwise settle with the insured claimant the loss or damage provided for under this policy, together with any costs, attorneys' fees and expenses incurred by the insured claimant which were authorized by the Company up to the time of payment and which the Company is obligated to pay.

Upon the exercise by the Company of either of the options provided for in paragraphs b(i) or (ii), the Company's obligations to the insured under this policy for the claimed loss or damage, other than the payments required to be made, shall terminate, including any liability or obligation to defend, prosecute or continue any litigation.

### 7. DETERMINATION AND EXTENT OF LIABILITY.

This policy is a contract of indemnity against actual monetary loss or damage sustained or incurred by the insured claimant who has suffered loss or damage by reason of matters insured against by this policy and only to the extent herein described.

(a) The liability of the Company under this policy to an insured lender shall not exceed the least of:

(i) the Amount of Insurance stated in Schedule A, or, if applicable, the amount of insurance as defined in Section 2(c) of these Conditions and Stipulations;

(ii) the amount of the unpaid principal indebtedness secured by the insured mortgage as limited or provided under Section 8 of these Conditions and Stipulations or as reduced under Section 9 of these Conditions and Stipulations, at the time of loss or damage insured against by this policy occurs, together with interest thereon; or

(iii) the difference between the value of the insured estate or interest as insured and the value of the insured estate or interest subject to the defect, lien or encumbrance insured against by this policy.

(b) In the event the insured lender has acquired the estate or interest in the manner described in Section 2(a) of these Conditions and Stipulations or has conveyed the title, then the liability of the Company shall continue as set forth in Section 7(a) of these Conditions and Stipulations.

(c) The liability of the Company under this policy to an insured owner of the estate or interest in the land described in Schedule A shall not exceed the least of:

(i) the Amount of Insurance stated in Schedule A; or,

(ii) the difference between the value of the insured estate or interest as insured and the value of the insured estate or interest subject to the defect, lien or encumbrance insured against by this policy.

(d) The Company will pay only those costs, attorneys' fees and expenses incurred in accordance with Section 4 of these Conditions and Stipulations.

### 8. LIMITATION OF LIABILITY.

(a) If the Company establishes the title, or removes the alleged defect, lien or encumbrance, or cures the lack of a right of access to or from the land, or cures the claim of unmarketability of title, or otherwise establishes the lien of the insured mortgage, all as insured, in a reasonably diligent manner by any method, including litigation and the completion of any appeals therefrom, it shall have fully performed its obligations with respect to that matter and shall not be liable for any loss of damage caused thereby.

(b) In the event of any litigation, including litigation by the Company or with the Company's consent, the Company shall have no liability for the loss or damage until there has been a final determination by a court of competent jurisdiction, and disposition of all appeals therefrom, to the title, or, if applicable, to the lien of the insured mortgage, as insured.

(c) The Company shall not be liable for loss or damage to any insured for liability voluntarily assumed by the insured in settling any claim or suit without the prior written consent of the Company.

(d) The Company shall not be liable to an insured lender for: (i) any indebtedness created subsequent to Date of Policy except for advances made to protect the lien of the insured mortgage and secured thereby and reasonable amounts expended to prevent deterioration of improvements; or (ii) construction loan advances made subsequent to Date of Policy, except construction loan advances made subsequent to Date of Policy for the purpose of financing in whole or in part the construction of an improvement to the land which at Date of Policy were secured by the insured mortgage and which the insured was and continued to be obligated to advance at and after Date of Policy.

### 9. REDUCTION OF INSURANCE; REDUCTION OR TERMINATION OF LIABILITY.

(a) All payments under this policy, except payments made for costs, attorneys' fees and expenses, shall reduce the amount of the insurance pro tanto. However, as to an insured lender, any payments made prior to the acquisition of title to the estate or interest as provided in Section 2(a) of these Conditions and Stipulations shall not reduce pro tanto the amount of insurance afforded under this policy as to any such insured, except to the extent that the payments reduce the amount of the indebtedness secured by the insured mortgage.

(b) Payment in part by any person of the principal of the indebtedness, or any other obligation secured by the insured mortgage, or any voluntary partial satisfaction or release of the insured mortgage, to the extent of the payment, satisfaction or release, shall reduce the amount of insurance pro tanto. The amount of insurance may thereafter be increased by accruing interest and advances made to protect the lien of the insured mortgage and secured thereby, with interest thereon, provided in no event shall the amount of insurance be greater than the Amount of Insurance stated in Schedule A.

(c) Payment in full by any person or the voluntary satisfaction or release of the insured mortgage shall terminate all liability of the Company to an insured lender except as provided in Section 2(a) of these Conditions and Stipulations.

### 10. LIABILITY NONCUMULATIVE.

It is expressly understood that the amount of insurance under this policy shall be reduced by any amount the Company may pay under any policy insuring a mortgage to which exception is taken in Schedule B or to which the insured has agreed, assumed, or taken subject, or which is hereafter executed by an insured and which is a charge or lien on the estate or interest described or referred to in Schedule A, and the amount so paid shall be deemed a payment under this policy to the insured owner.

The provisions of this Section shall not apply to an insured lender, unless such insured acquires title to said estate or interest in satisfaction of the indebtedness secured by an insured mortgage.

### 11. PAYMENT OF LOSS.

(a) No payment shall be made without producing this policy for endorsement of the payment unless the policy has been lost or destroyed, in which case proof of loss or destruction shall be furnished to the satisfaction of the Company.

(b) When liability and the extent of loss or damage has been definitely fixed in accordance with these Conditions and Stipulations, the loss or damage shall be payable within 30 days thereafter.

### 12. SUBROGATION UPON PAYMENT OR SETTLEMENT.

#### (a) The Company's Right of Subrogation.

Whenever the Company shall have settled and paid a claim under this policy, all right of subrogation shall vest in the Company unaffected by any act of the insured claimant.

The Company shall be subrogated to and be entitled to all rights and remedies which the insured claimant would have had against any person or property in respect to the claim had this policy not been issued. If requested by the Company, the insured claimant shall transfer to the Company all rights and remedies against any person or property necessary in order to perfect this right of subrogation. The insured claimant shall permit the Company to sue, compromise or settle in the name of the insured claimant and to use the name of the insured claimant in any transaction or litigation involving these rights or remedies.

If a payment on account of a claim does not fully cover the loss of the insured claimant, the Company shall be subrogated (i) as to an insured owner, to all rights and remedies in the proportion which the Company's payment bears to the whole amount of the loss; and (ii) as to an insured lender, to all rights and remedies of the insured claimant after the insured claimant shall have recovered its principal, interest, and costs of collection.

If loss should result from any act of the insured claimant, as stated above, that act shall not void this policy, but the Company, in that event, shall be required to pay only that part of any losses insured against by this policy which shall exceed the amount, if any, lost to the Company by reason of the impairment by the insured claimant of the Company's right of subrogation.

#### (b) The Insured's Rights and Limitations.

Notwithstanding the foregoing, the owner of the indebtedness secured by an insured mortgage, provided the priority of the lien of the insured mortgage or its enforceability is not affected, may release or substitute the personal liability of any debtor or guarantor, or extend or otherwise modify the terms of payment, or release a portion of the estate or interest from the lien of the insured mortgage, or release any collateral security for the indebtedness.

When the permitted acts of the insured claimant occur and the insured has knowledge of any claim of title or interest adverse to the title to the estate or interest or the priority or enforceability of the lien of an insured mortgage, as insured, the Company shall be required to pay only that part of any losses insured against by this policy which shall exceed the amount, if any, lost to the Company by reason of the impairment by the insured claimant of the Company's right of subrogation.

#### (c) The Company's Rights Against Non-insured Obligors.

The Company's right of subrogation against non-insured obligors shall exist and shall include, without limitation, the rights of the insured to indemnities, guarantees, other policies of insurance or bonds, notwithstanding any terms or conditions contained in those instruments which provide for subrogation rights by reason of this policy.

The Company's right of subrogation shall not be avoided by acquisition of an insured mortgage by an obligor (except an obligor described in Section 1(a)(ii) of these Conditions and Stipulations) who acquires the insured mortgage as a result of an insured under, guarantee, other policy of insurance, or bond and the obligor will not be an insured under this policy, notwithstanding Section 1(a)(i) of these Conditions and Stipulations.

### 13. ARBITRATION.

Unless prohibited by applicable law, either the Company or the insured may demand arbitration pursuant to the Title Insurance Arbitration Rules of the American Arbitration Association. Arbitrable matters may include, but are not limited to, any controversy or claim between the Company and the insured arising out of or relating to this policy, any service of the Company in connection with its issuance or the breach of a policy provision or other obligation. All arbitrable matters when the Amount of Insurance is \$1,000,000 or less shall be arbitrated at the option of either the Company or the insured. All arbitrable matters when the Amount of Insurance is in excess of \$1,000,000 shall be arbitrated only when agreed to by both the Company and the insured. Arbitration pursuant to this policy and under the Rules in effect on the date the demand for arbitration is made or, at the option of the insured, the Rules in effect at Date of Policy shall be binding upon the parties. The award may include attorneys' fees only if the laws of the state in which the land is located permit a court to award attorneys' fees to a prevailing party. Judgment upon the award rendered by the Arbitrator(s) may be entered in any court having jurisdiction thereof.

The law of the situs of the land shall apply to an arbitration under the Title Insurance Arbitration Rules.

A copy of the Rules may be obtained from the Company upon request.

### 14. LIABILITY LIMITED TO THIS POLICY; POLICY ENTIRE CONTRACT.

(a) This policy together with all endorsements, if any, attached hereto by the Company is the entire policy and contract between the insured and the Company. In interpreting any provisions of this policy, this policy shall be construed as a whole.

(b) Any claim of loss or damage, whether or not based on negligence, and which arises out of the status of the title to the estate or interest covered hereby or by any action asserting such claim, shall be restricted to this policy.

(c) No amendment of or endorsement to this policy can be made except by a writing endorsed hereon or attached hereto signed by either the President, a Vice President, the Secretary, an Assistant Secretary, or validating officer or authorized signatory of the Company.

### 15. SEVERABILITY.

In the event any provision of the policy is held invalid or unenforceable under applicable law, the policy shall be deemed not to include that provision and all other provisions shall remain in full force and effect.

### 16. NOTICES WHERE SENT.

All notices required to be given the Company and any statement in writing required to be furnished the Company shall include the number of this policy and shall be addressed to: Consumer Affairs Department, P.O. Box 27567, Richmond, Virginia 23261-7567.

# CONDITIONS AND STIPULATIONS

## 1. DEFINITION OF TERMS.

The following terms when used in this policy mean:

(a) "insured": the insured named in Schedule A, and, subject to any rights or defenses the Company would have had against the named insured, those who succeed to the interest of the named insured by operation of law as distinguished from purchase including, but not limited to, heirs, distributees, devisees, survivors, personal representatives, next of kin, or corporate or fiduciary successors. The term "insured" also includes

(i) the owner of the indebtedness secured by the insured mortgage and each successor in ownership of the indebtedness except a successor who is an obligor under the provisions of Section 12(c) of these Conditions and Stipulations (reserving, however, all rights and defenses as to any successor that the Company would have had against any predecessor insured, unless the successor acquired the indebtedness as a purchaser for value without knowledge of the asserted defect, lien, encumbrance, adverse claim or other matter insured against by this policy as affecting title to the estate or interest in the land);

(ii) any governmental agency or governmental instrumentality which is an insurer or guarantor under an insurance contract or guaranty insuring or guaranteeing the indebtedness secured by the insured mortgage, or any part thereof, whether named as an insured herein or not;

(iii) the parties designated in Section 2 (a) of these Conditions and Stipulations.

(b) "insured claimant": an insured claiming loss or damage.

(c) "insured lender": the owner of an insured mortgage.

(d) "insured mortgage": a mortgage shown in Schedule B, the owner of which is named as an insured in Schedule A.

(e) "knowledge" or "known": actual knowledge, not constructive knowledge or notice which may be imputed to an insured by reason of the public records as defined in this policy or any other records which impart constructive notice of matters affecting the land.

(f) "land": the land described or referred to in Schedule A, and improvements affixed thereto which by law constitute real property. The term "land" does not include any property beyond the lines of the area described or referred to in Schedule A, nor any right, title, interest, estate or easement in abutting streets, roads, avenues, alleys, lanes, ways or waterways, but nothing herein shall modify or limit the extent to which a right of access to and from the land is insured by this policy.

(g) "mortgage": mortgage, deed of trust, trust deed, or other security instrument.

(h) "public records": records established under state statutes at Date of Policy for the purpose of imparting constructive notice of matters relating to real property to purchasers for value and without knowledge.

(i) "unmarketability of the title": an alleged or apparent matter affecting the title to the land, not excluded or excepted from coverage, which would entitle a purchaser of the estate or interest described in Schedule A or the insured mortgage to be released from the obligation to purchase by virtue of a contractual condition requiring the delivery of marketable title.

## 2. CONTINUATION OF INSURANCE.

(a) **After Acquisition of Title by Insured Lender.** If this policy insures the owner of the indebtedness secured by the insured mortgage, the coverage of this policy shall continue in force as of Date of Policy in favor of (i) such insured lender who acquires all or any part of the estate or interest in the land by foreclosure, trustee's sale, conveyance in lieu of foreclosure, or other legal manner which discharges the lien of the insured mortgage; (ii) a transferee of the estate or interest so acquired from an insured corporation, provided the transferee is the parent or wholly-owned subsidiary of the insured corporation, and their corporate successors by operation of law and not by purchase, subject to any rights or defenses the Company may have against any predecessor insureds; and (iii) any governmental agency or governmental instrumentality which acquires all or any part of the estate or interest pursuant to a contract of insurance or guaranty insuring or guaranteeing the indebtedness secured by the insured mortgage.

(b) **After Conveyance of Title by an Insured.** The coverage of this policy shall continue in force as of Date of Policy in favor of an insured only so long as the insured retains an estate or interest in the land, or holds an indebtedness secured by a purchase money mortgage given by a purchaser from the insured, or only so long as the insured shall have liability by reason of covenants of warranty made by the insured in any transfer or conveyance of the estate or interest. This policy shall not continue in force in favor of any purchaser from an insured of either (i) an estate or interest in the land, or (ii) an indebtedness secured by a purchase money mortgage given to an insured.

(c) **Amount of Insurance.** The Amount of insurance after the acquisition or after the conveyance by an insured lender shall in neither event exceed the least of:

(i) The amount of insurance stated in Schedule A;

(ii) The amount of the principal of the indebtedness secured by the insured mortgage as of Date of Policy, interest thereon, expenses of foreclosure, amounts advanced pursuant to the insured mortgage to assure compliance with laws or to protect the lien of the insured mortgage prior to the time of acquisition of the estate or interest in the land and secured thereby and reasonable amounts expended to prevent deterioration of improvements, but reduced by the amounts of all payments made; or

(iii) The amount paid by any governmental agency or governmental instrumentality, if the agency or the instrumentality is the insured claimant, in the acquisition of the estate or interest in satisfaction of its insurance contract or guaranty.

## 3. NOTICE OF CLAIM TO BE GIVEN BY INSURED CLAIMANT.

An insured shall notify the Company promptly in writing (i) in case of any litigation as set forth in 4(a) below, (ii) in case knowledge shall come to an insured hereunder of any claim of title or interest which is adverse to the title to the estate or interest or the lien of the insured mortgage, as insured, and which might cause loss or damage for which the Company may be liable by virtue of this policy, or (iii) if title to the estate or interest or the lien of the insured mortgage, as insured, is rejected as unmarketable. If prompt notice shall not be given to the Company, then as to that insured all liability of the Company shall terminate with regard to the matter or matters for which prompt notice is required; provided, however, that failure to notify the Company shall in no case prejudice the rights of any insured under this policy unless the Company shall be prejudiced by the failure and then only to the extent of the prejudice.

## 4. DEFENSE AND PROSECUTION OF ACTIONS; DUTY OF INSURED CLAIMANT TO COOPERATE.

(a) Upon written request by an insured and subject to the options contained in Section 6 of these Conditions and Stipulations, the Company, at its own cost and without unreasonable delay, shall provide for the defense of such insured in litigation in which any third party asserts

a claim adverse to the title or interest as insured, but only as to those stated causes of action alleging a defect, lien or encumbrance or other matter insured against by this policy. The Company shall have the right to select counsel of its choice (subject to the right of such insured to object for reasonable cause) to represent the insured as to those stated causes of action and shall not be liable for and will not pay the fees of any other counsel. The Company will not pay any fees, costs or expenses incurred by an insured in the defense of those causes of action which allege matters not insured against by this policy.

(b) The Company shall have the right, at its own cost, to institute and prosecute any action or proceeding or to do any other act which in its opinion may be necessary or desirable to establish the title to the estate or interest or the lien of the insured mortgage, as insured, or to prevent or reduce loss or damage to an insured. The Company may take any appropriate action under the terms of this policy, whether or not it shall be liable hereunder, and shall not thereby concede liability or waive any provision of this policy. If the Company shall exercise its rights under this paragraph, it shall do so diligently.

(c) Whenever the Company shall have brought an action or interposed a defense as required or permitted by the provisions of this policy, the Company may pursue any litigation to final determination by a court of competent jurisdiction and expressly reserves the right, in its sole discretion, to appeal from any adverse judgment or order.

(d) In all cases where this policy permits or requires the Company to prosecute or provide for the defense of any action or proceeding, an insured shall secure to the Company the right to so prosecute or provide defense in the action or proceeding, and all appeals therein, and permit the Company to use, at its option, the name of such insured for this purpose. Whenever requested by the Company, an insured, at the Company's expense, shall give the Company all reasonable aid (i) in any action or proceeding, securing evidence, obtaining witnesses, prosecuting or defending the action or proceeding, or effecting settlement, and (ii) in any other lawful act which in the opinion of the Company may be necessary or desirable to establish the title to the estate or interest or the lien of the insured mortgage, as insured. If the Company is prejudiced by the failure of an insured to furnish the required cooperation, the Company's obligations to such insured under the policy shall terminate, including any liability or obligation to defend, prosecute or continue any litigation, with regard to the matter or matters requiring such cooperation.

## 5. PROOF OF LOSS OR DAMAGE.

In addition to and after the notices required under Section 3 of these Conditions and Stipulations have been provided the Company, a proof of loss or damage signed and sworn to by each insured claimant shall be furnished to the Company within 90 days after the insured claimant shall ascertain the facts giving rise to the loss or damage. The proof of loss or damage shall describe the defect in, or lien or encumbrance on the title, or other matter insured against by this policy which constitutes the basis of loss or damage and shall state, to the extent possible, the basis of calculating the amount of the loss or damage. If the Company is prejudiced by the failure of an insured claimant to provide the required proof of loss or damage, the Company's obligations to such insured under the policy shall terminate, including any liability or obligation to defend, prosecute, or continue any litigation, with regard to the matter or matters requiring such proof of loss or damage.

In addition, an insured claimant may reasonably be required to submit to examination under oath by an authorized representative of the Company and shall produce for examination, inspection and copying, at such reasonable times and places as may be designated by any authorized representative of the Company, all records, books, ledgers, checks, correspondence and memoranda, whether bearing a date before or after Date of Policy, which reasonably pertain to the loss or damage. Further, if requested by any authorized representative of the Company, the insured claimant shall grant its permission, in writing, for any authorized representative of the Company to examine, inspect and copy all records, books, ledgers, checks, correspondence and memoranda in the custody or control of a third party, which reasonably pertain to the loss or damage. All information designated as confidential by the insured claimant provided to the Company pursuant to this Section shall not be disclosed to others unless, in the reasonable judgment of the Company, it is necessary in the administration of the claim. Failure of an insured claimant to submit for examination under oath, produce other reasonably requested information or grant permission to secure reasonably necessary information from third parties as required in the above paragraph, unless prohibited by law or governmental regulation, shall terminate any liability of the Company under this policy as to that insured for that claim.

## 6. OPTIONS TO PAY OR OTHERWISE SETTLE CLAIMS; TERMINATION OF LIABILITY.

In case of a claim under this policy, the Company shall have the following additional options:

(a) **To Pay or Tender Payment of the Amount of Insurance or to Purchase the Indebtedness.**

(i) to pay or tender payment of the amount of insurance under this policy together with any costs, attorneys' fees and expenses incurred by the insured claimant, which were authorized by the Company, up to the time of payment or tender of payment and which the Company is obligated to pay; or

(ii) in case loss or damage is claimed under this policy by the owner of the indebtedness secured by the insured mortgage, to purchase the indebtedness secured by the insured mortgage for the amount owing thereon together with any costs, attorneys' fees and expenses incurred by the insured claimant which were authorized by the Company up to the time of purchase and which the Company is obligated to pay.

If the Company offers to purchase the indebtedness as herein provided, the owner of the indebtedness shall transfer, assign, and convey the indebtedness and the insured mortgage, together with any collateral security, to the Company upon payment thereof.

Upon the exercise by the Company of the option provided for in paragraph a(i), all liability and obligations to the insured under this policy, other than to make the payment required in that paragraph, shall terminate, including any liability or obligation to defend, prosecute, or continue any litigation, and the policy shall be surrendered to the Company for cancellation.

Upon the exercise by the Company of the option provided for in paragraph a(ii) the Company's obligation to an insured lender under this policy for the claimed loss or damage, other than the payment required to be made, shall terminate, including any liability or obligation to defend, prosecute or continue any litigation.

(b) **To Pay or Otherwise Settle With Parties Other than the Insured or With the Insured Claimant.**

(i) to pay or otherwise settle with other parties for or in the name of an insured claimant any claim insured against under this policy, together with any costs, attorneys' fees and

CONTROL NO.: B18-0019505

continued on next page of cover sheet

**POLICY OF TITLE INSURANCE**  
Issued by  
**Lawyers Title Insurance Corporation**  
**SCHEDULE A**

Policy/File No.: **05313437**

Amount of Insurance: **\$1,200,000.00**

Premium: **\$3,170.00**

Date of Policy: **August 12, 2004 at 3:02 pm**

1. Name of Insured:

**Fullerton Redevelopment Agency, a public body, corporate and politic**

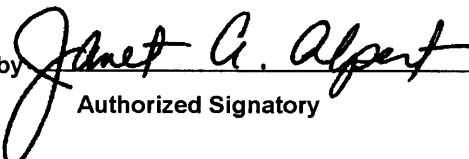
2. The estate or interest in the land described herein and which is covered by this policy is:

**A leasehold as created by that certain lease dated July 6, 2004, executed by Ronald F. Miller and Ronnie D. Miller, as Co-Trustees of the Ronald F. Miller Family Trust, as lessor and Fullerton Redevelopment Agency, a public body, corporate and politic, as lessee, as referenced in the document entitled "Memorandum of Lease and Purchase Agreement", which was recorded August 12, 2004 as Instrument No. 2004000732754 of Official Records, for the term and upon and subject to all the provisions contained in said document, and in said lease.**

3. The estate or interest referred to herein is at the Date of Policy vested in:

**Fullerton Redevelopment Agency, a public body, corporate and politic**

4. The land referred to in this policy is situated in the County of Orange, State of California, and is more particularly described in Exhibit "A" attached hereto and made a part hereof.

by   
Authorized Signatory

**EXHIBIT "A"**

All that certain real property situated in the County of Orange, State of California, described as follows:

PARCEL 1:

That portion of the Southeast quarter of Section 28, Township 3 South, Range 10 West, in the Rancho San Juan Cajon de Santa Ana, City of Fullerton, County of Orange, State of California, as per map recorded in Book 51, Page 7 of Miscellaneous Maps, in the office of the County Recorder of said county, described as follows:

BEGINNING at a point on the center line of Chapman Avenue, west 190.00 feet from the Southeast corner of said Sections; thence West 300.00 feet along said center line; thence North parallel with and West 490.00 feet from the East line of said section to the South line of Block 1 of Hermosa Addition, as per map recorded in Book 7 page 47 of said Miscellaneous Maps; thence Northeasterly along said south line to the southeast corner of Lot 2 in said Block 1; thence South parallel with and West 190.00 feet from the East line of said section to the point of beginning.

EXCEPT the West 170.00 feet thereof.

PARCEL 2:

The East 70.00 feet of the West 170.00 feet of that portion of the Southeast quarter of Section 28, Township 3 South, Range 10 west, in the Rancho San Juan Cajon de Santa Ana, City of Fullerton, County of Orange, State of California as per map recorded in Book 51, Page 7 of Miscellaneous Maps, in the office of the County Recorder of said county, described as follows:

BEGINNING at a point on the center line of Chapman Ave., West 190.00 feet from the Southeast corner of said section; thence west 300.00 feet along said center lines thence North parallel with and West 490.00 feet from the East line of said section to the south line of Block 1 of Hermosa Addition, as per map recorded in Book 7 page 47 of said Miscellaneous Maps; thence Northeasterly along said South line to the Southeast corner of Lot 2 in said Block 1; thence South parallel with and West 190.00 feet from the East line of said section to the point of beginning.

Assessor's Parcel Number: **032-212-15**

**SCHEDULE B**  
**EXCEPTIONS FROM COVERAGE**

THIS POLICY DOES NOT INSURE AGAINST LOSS OR DAMAGE (AND THE COMPANY WILL NOT PAY COSTS, ATTORNEY'S FEES OR EXPENSES) WHICH ARISE BY REASON OF:

**PART I**

1. Taxes or assessments which are not shown as existing liens by the records of any taxing authority that levies taxes or assessments on real property or by the public records.  
Proceedings by a public agency which may result in taxes or assessments, or notices of such proceedings, whether or not shown by the records of such agency or by the public records.
2. Any facts, rights, interest or claims which are not shown by the public records but which could be ascertained by an inspection of the land or which may be asserted by persons in possession thereof.
3. Easements, liens or encumbrances, or claims thereof, which are not shown by the public records.
4. Discrepancies, conflicts in boundary lines, shortage in area, encroachments, or any other facts which a correct survey would disclose, and which are not shown by the public records.
5. (a) Unpatented mining claims; (b) reservations or exceptions in patents or in Acts authorizing the issuance thereof; (c) water rights, claims or title to water, whether or not the matters excepted under (a), (b) or (c) are shown by the public records.

**END OF SCHEDULE B - PART I**

**SCHEDULE B  
PART II**

- A. Property taxes, including general and special taxes, personal property taxes, if any, and any assessments collected with taxes, to be levied for the fiscal year 2004 – 2005 which are a lien not yet payable.
- B. Supplemental or escaped assessments of property taxes, if any, assessed pursuant to the Revenue and Taxation Code of the State of California.
  - 1. The use and control of cienegas and natural streams of water, if any, naturally upon, flowing across, into or by said tract, and the right of way for and to construct irrigation or drainage ditches through said tract to irrigate or drain the adjacent land, as reserved in deed  
Recorded: March 8, 1889 in Book 542, Page 216 of Deeds
  - 2. An easement for the purpose shown below and rights incidental thereto as reserved in a document  
Purpose: roads, railroads and ditches  
Recorded: March 8, 1889 in Book 542 Page 216 of Deeds  
Affects: the South 30 feet of Parcels 1 and 2
  - 3. An easement for the purpose shown below and rights incidental thereto as set forth in a document  
Granted to: City of Fullerton  
Purpose: channel  
Recorded: December 9, 1939 in Book 1023, Page 173 of Official Records  
Affects: the Northerly portion of said land
  - 4. An easement for the purpose shown below and rights incidental thereto as set forth in a document  
Granted to: Southern California Edison Company  
Purpose: public utilities  
Recorded: October 24, 1967 as Instrument No. 16415 in Book 8413, Page 812 of Official Records  
Affects: portions of the herein described land, the exact location of which can be determined by examination of the above-mentioned instrument, which contains a complete legal description of the affected portions of said land
  - 5. Water rights, claims or title to water, whether or not shown by the public records.
  - 6. The matters contained in a document entitled "Landlord's Agreement" by and between Fallbrook National Bank and Ronald F. Miller and Ronnie D. Miller, recorded March 11, 1999 as Instrument No. 19990178376 of Official Records.

Reference is made to said document for full particulars.

**END OF SCHEDULE B - PART II**

Endorsements: NONE

