

AGENDA

MEETING OF THE KERN COUNTYWIDE OVERSIGHT BOARD

The Board of Supervisors Chamber
1115 Truxtun Ave. 1st Floor
Bakersfield, California
Monday, January 27, 2020

9:00 AM

All agenda item supporting documentation is available for public review in the office of the Clerk of the Board of Supervisors, 1115 Truxtun Ave., 5th Floor, Bakersfield, 93301 during regular business hours, 8:00 a.m. – 5:00 p.m., Monday through Friday, following the posting of the agenda. Any supporting documentation that relates to an agenda item for an open session of any regular meeting that is distributed after the agenda is posted and prior to the meeting will also be available for review at the same location.

1. CALL TO ORDER:

2. PLEDGE OF ALLEGIANCE:

3. ROLL CALL

4. PUBLIC COMMENT: This time has been set aside for members of the public to address the Oversight Board on any matter not on this agenda but within the subject matter jurisdiction of the Board. Although the Oversight Board values your comments, pursuant to the Brown Act, it generally cannot take any action on items not listed on the posted agenda. Speakers are limited to two minutes. Please state and spell your name before making your comments.

5. ADMINISTRATIVE ITEMS:

5.A. ADOPTION OF A RESOLUTION

RECOMMENDATION: Adopt Resolution No. 023 “A RESOLUTION OF THE OVERSIGHT BOARD TO THE SUCCESSOR AGENCIES OF KERN COUNTY ADOPTING THE ELECTION OF AN OVERSIGHT BOARD MEMBER TO SERVE AS CHAIRPERSON FOR THE TERM ENDING JUNE 30, 2020 AND THE ELECTION OF AN OVERSIGHT BOARD MEMBER TO SERVE AS VICE-CHAIRPERSON FOR THE TERM ENDING JUNE 30, 2020”.

5.B. ADOPTION OF A RESOLUTION

RECOMMENDATION: Adopt Resolution No. 024 “RESOLUTION OF THE BOARD OF DIRECTORS OF THE OVERSIGHT BOARD OF THE SUCCESSOR AGENCY TO THE DISSOLVED ARVIN COMMUNITY DEVELOPMENT AGENCY, APPROVING

AND ADOPTING A RECOGNIZED OBLIGATION PAYMENT SCHEDULE COVERING THE PERIOD OF JULY 1, 2020 THROUGH JUNE 30, 2021, PURSUANT TO HEALTH AND SAFETY CODE SECTION 34177(l) AND (o)".

5.C. ADOPTION OF A RESOLUTION

RECOMMENDATION: Adopt Resolution No. 025 "RESOLUTION OF THE KERN COUNTYWIDE OVERSIGHT BOARD TO THE FORMER CITY OF DELANO COMMUNITY REDEVELOPMENT AGENCY APPROVING THE RECOGNIZED OBLIGATION PAYMENT SCHEDULE 20-21 FOR THE PERIOD OF JULY 2020 THROUGH JUNE 2021".

5.D. ADOPTION OF A RESOLUTION

RECOMMENDATION: Adopt Resolution No. 026 "RESOLUTION OF THE KERN COUNTYWIDE OVERSIGHT BOARD TO THE FORMER CITY OF SHAFTER COMMUNITY REDEVELOPMENT AGENCY APPROVING THE ADMINISTRATIVE BUDGET FOR THE PERIOD OF JULY 2020 THROUGH JUNE 2021"

5.E. ADOPTION OF A RESOLUTION

RECOMMENDATION: Adopt Resolution No. 027 "RESOLUTION OF THE KERN COUNTYWIDE OVERSIGHT BOARD TO THE FORMER CITY OF SHAFTER COMMUNITY REDEVELOPMENT AGENCY APPROVING THE RECOGNIZED OBLIGATION PAYMENT SCHEDULE 20-21 FOR THE PERIOD OF JULY 2020 THROUGH JUNE 2021".

5.F. ADOPTION OF A RESOLUTION

RECOMMENDATION: Adopt Resolution No. 028 "RESOLUTION OF THE KERN COUNTYWIDE OVERSIGHT BOARD TO THE FORMER CITY OF TEHACHAPI REDEVELOPMENT AGENCY APPROVING THE RECOGNIZED OBLIGATION PAYMENT SCHEDULE 20-21 FOR THE PERIOD OF JULY 2020 THROUGH JUNE 2021".

5.G. ADOPTION OF A RESOLUTION

RECOMMENDATION: Adopt Resolution No. 029 "A RESOLUTION OF THE KERN COUNTYWIDE OVERSIGHT BOARD OF THE SUCCESSOR AGENCY TO THE FORMER WASCO REDEVELOPMENT AGENCY APPROVING A PROPOSED ADMINISTRATIVE BUDGET COVERING THE PERIOD OF JULY 1, 2020 THROUGH JUNE 30, 2021, PURSUANT TO HEALTH AND SAFETY CODE SECTION 34177(j)".

5.H. ADOPTION OF A RESOLUTION

RECOMMENDATION: Adopt Resolution No. 030 "A RESOLUTION OF THE KERN COUNTYWIDE OVERSIGHT BOARD OF THE SUCCESSOR AGENCY TO THE FORMER WASCO REDEVELOPMENT AGENCY, APPROVING THE RECOGNIZED OBLIGATION PAYMENT SCHEDULE 20-21 FOR THE PERIOD OF JULY 1, 2020 THROUGH JUNE 30, 2021"

5.I. ADOPTION OF A RESOLUTION

RECOMMENDATION: Adopt Resolution No. 031 “RESOLUTION OF THE KERN COUNTYWIDE OVERSIGHT BOARD OF THE SUCCESSOR AGENCY TO THE FORMER WASCO REDEVELOPMENT AGENCY, APPROVING A LOAN AGREEMENT BETWEEN THE CITY OF WASCO AND THE SUCCESSOR AGENCY TO THE FORMER WASCO REDEVELOPMENT AGENCY (SUCCESSOR LOAN AGREEMENT NO.1: ROPS 20-21).”

5.J. ADOPTION OF A RESOLUTION

RECOMMENDATION: Adopt Resolution No. 032 “RESOLUTION OF THE KERN COUNTYWIDE OVERSIGHT BOARD TO THE FORMER ARVIN REDEVELOPMENT AGENCY APPROVING THE SALE OF A CERTAIN REAL PROPERTY TO OSCAR L. RUDNICK – APN 192-110-16”.

5.K ADOPTION OF A RESOLUTION

RECOMMENDATION: Adopt Resolution No. 033 “RESOLUTION OF THE KERN COUNTYWIDE OVERSIGHT BOARD TO THE FORMER CITY OF RIDGECREST REDEVELOPMENT AGENCY APPROVING THE RECOGNIZED OBLIGATION PAYMENT SCHEDULE 20-21 FOR THE PERIOD OF JULY 2020 THROUGH JUNE 2021”

6. BOARD MEMBER COMMENTS OR ANNOUNCEMENTS:

7. ADJOURNMENT:

**Americans with Disabilities Act
(Government Code Section 54954.2)**

The Board of Supervisors Chamber is accessible to persons with disabilities. Disabled individuals who need special assistance to attend or participate in a meeting of the Board of Supervisors may request assistance at the Clerk of the Board of Supervisors, Fifth Floor, 1115 Truxtun Avenue, Bakersfield, California or by calling (661) 868-3585. Every effort will be made to reasonably accommodate individuals with disabilities by making meeting material available in alternative formats. Requests for assistance should be made five (5) working days in advance of a meeting whenever possible.

BEFORE THE KERN COUNTYWIDE OVERSIGHT BOARD

In the matter of:

Resolution No. 23

RESOLUTION ELECTING OFFICERS

I, Amanda Ruiz, Secretary on behalf of the Oversight Board, do certify that the following resolution, on motion of Director _____, seconded by Director _____, was duly passed and adopted by the Board of Directors at an official meeting on _____, 2020, by the following vote:

AYES:

NOES:

ABSENT:

Secretary on behalf of the Oversight Board
Kern Countywide Oversight Board

RESOLUTION

Section 1. WHEREAS:

- (a) The Board requires a Chairperson and Vice-Chairperson
- (b) The Board has determined that X and Y are appropriately named to those positions

Section 2. THEREFORE IT IS RESOLVED by the Board of Directors of the Kern Countywide Oversight Board, as follows:

1. This Board finds that the recited facts are true and that it has the jurisdiction to consider, approve, and adopt this Resolution.
2. This Board hereby appoints the persons named in the attached Exhibit "A" as Chairperson and Vice-Chairperson for the term ending June 30, 2020.

EXHIBIT A

Chairperson

Vice-Chairperson



CITY OF ARVIN Staff Report

Meeting Date: January 27, 2020

TO: Members of the Kern County Oversight Board

FROM: Jeff Jones, City of Arvin Finance Director

SUBJECT: A RESOLUTION OF THE BOARD OF DIRECTORS OF THE SUCCESSOR AGENCY TO THE DISSOLVED ARVIN COMMUNITY REDEVELOPMENT AGENCY, APPROVING AND ADOPTING A RECOGNIZED OBLIGATION PAYMENT SCHEDULE COVERING THE PERIOD OF JULY 1, 2020 THROUGH JUNE 30, 2021, PURSUANT TO HEALTH AND SAFETY CODE SECTION 34177(l) AND (o).

BACKGROUND:

As part of the RDA wind down process, each successor agency is responsible for drafting a Recognized Obligations Payment Schedule (ROPS) delineating the enforceable obligations of the former RDA and their source of payment every year. ROPS are subject to the approval of the local oversight board.

In the past, the ROPS were presented every six months. The State of California has changed the reporting period to be an annual report. In compliance with this requirement, Staff has prepared ROPS 20-21 for the Period July 01, 2020 to June 30, 2021 which is due to the Department of Finance (DOF) by February 1, 2020. Attached is the ROPS that Staff is recommending for submittal. This list includes all obligations that have been identified and the amounts requested for payment in this cycle. Items are listed under the RPTTF column for Admin or Non Admin obligations. "RPTTF" stands for Redevelopment Property Tax Trust Fund. These are the revenues collected through the property taxes. These funds must be used first to meet debt obligations and any remaining obligations may be funded with the RPTTF.

The rows highlighted in red on the "Obligation Payment Schedule" are items that have been denied in previous ROPS requests. Staff has kept them on the ROPS schedule in order to keep them active and give the City an opportunity to revisit these requests in future submissions. The main item identified for payment during this cycle will be the funds to meet bond obligations for a principal and interest payment in March and September. In addition to the bond principal and interest payments, a modest amount for general maintenance expenditures for the properties

currently owned by the Successor Agency. The allowable amount for Administrative Costs is estimated to be \$150,000 and will be included on this schedule. This amount is below the 'minimum amount' of \$250,000 which is authorized per ROPS guidelines and State law. Staff has determined that \$150,000 is sufficient to support all administrative costs of the Successor Agency. Administrative costs include staff time, appraisals of property owned by the Successor Agency, City Attorney expense, and other consultant costs.

In prior years, and most recently in 2014, the total available RPTTF through property taxes was less than the amounts being requested on the ROPS. Should this situation happen during FY 20-21, the obligations that cannot be funded in this cycle will be carried over into the next ROPS cycle, and the City will be asked to provide a short-term loan to the Successor Agency to cover the shortfall.

Once the ROPS is approved by the Kern County Oversight Board for approval the ROPS will be then submitted to the Kern County Auditor Controller, the State Controller's Office, and the State Department of Finance for review and approval.

RECOMMENDATION:

Staff recommends that the Kern County Oversight Board approve the ROPS 20-21 for the period of July 01, 2020 to June 30, 2021 and authorize staff to submit this item after approval by the Kern County Oversight Board to the Kern County Auditor-Controller, the California State Controller and the State of California Department of Finance.

FISCAL IMPACT:

None. There is cost recovery for staff time which City staff spends on Successor Agency business. Such cost recovery is paid via an administrative allowance that the City requests on the ROPS.

RESOLUTION

A RESOLUTION OF THE BOARD OF DIRECTORS OF THE SUCCESSOR AGENCY TO THE DISSOLVED ARVIN COMMUNITY REDEVELOPMENT AGENCY, APPROVING AND ADOPTING A RECOGNIZED OBLIGATION PAYMENT SCHEDULE COVERING THE PERIOD OF JULY 1, 2020 THROUGH JUNE 30, 2021, PURSUANT TO HEALTH AND SAFETY CODE SECTION 34177(R) AND (M).

WHEREAS, pursuant to Health and Safety Code Section 34173(d), the City of Arvin became the successor agency to the Arvin Community Redevelopment Agency ("Successor Agency"); and

WHEREAS, pursuant to Health and Safety Code Section 34173(g), the Successor Agency is now a separate legal entity from the City; and

WHEREAS, pursuant to Health and Safety Code Section 34179(j), on July 1, 2018 a single oversight board, staffed by the county auditor-controller, was created to oversee the actions of all successor agencies within Kern County, including the Successor Agency to the Arvin Community Redevelopment Agency, and

WHEREAS, Health and Safety Code Section 34177(l) requires the Successor Agency to prepare a recognized obligation payment schedule ("ROPS"), by February 1st of each year, forward looking to the next fiscal year; and

WHEREAS, Health and Safety Code Section 34177(l)(2) requires the Successor Agency to submit the ROPS to the Successor Agency's oversight board for its approval, and upon such approval, the Successor Agency is required to submit a copy of the approved ROPS ("Approved ROPS") to the Kern County Auditor-Controller, the California State Controller, and the State of California Department of Finance, and post the Approved ROPS on the Successor Agency's website; and

WHEREAS, Health and Safety Code Section 34177(m) requires that the Approved ROPS for the period July 1, 2020 through June 30, 2021 ("ROPS 20-21") is required to be submitted to the Department of Finance, California State Controller and the Kern County Auditor Controller by February 1, 2020; and

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

NOW THEREFORE BE IT RESOLVED BY, THE BOARD OF DIRECTORS OF THE SUCCESSOR AGENCY TO THE FORMER ARVIN COMMUNITY REDEVELOPMENT AGENCY AS FOLLOWS:

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

Section 2. **Approval of ROPS.** The Successor Agency hereby approves and adopts the ROPS 20-21, covering the period July 1, 2020 through June 30, 2021, in substantially the form attached to this Resolution as Exhibit A, as required by Health and Safety Code Section 34177.

Section 3. **Transmittal of ROPS.** The City Manager and Finance Director are hereby authorized and directed to take any action necessary to carry out the purposes of this Resolution and comply with applicable law regarding the ROPS 20-21, including submitting the ROPS 20-21 to the Successor Agency's oversight board for approval, and submission of the Approved ROPS to the Kern County Auditor-Controller, the California State Controller, and the State of California Department of Finance, and posting the Approved ROPS on the Successor Agency's website.

Section 4. **Effectiveness.** This Resolution shall take effect immediately upon its adoption.

I HEREBY CERTIFY that the foregoing resolution was passed and adopted by the City Council of the City of Arvin at a Special Meeting thereof held on the 19th day of December, 2019 by the following vote:

ATTEST

CECILIA VELA, City Clerk

CITY OF ARVIN

By: _____
JOSE GURROLA, Mayor

APPROVED AS TO FORM:

By: _____
SHANNON L. CHAFFIN, City Attorney
Aleshire & Wynder, LLP

I, _____, City Clerk of the City of Arvin, California, DO
HEREBY CERTIFY that the foregoing is a true and accurate copy of the Resolution passed and
adopted by the City Council of the City of Arvin on the date and by the vote indicated herein.

BEFORE THE KERN COUNTYWIDE OVERSIGHT BOARD

In the matter of:

Resolution No. _____

A RESOLUTION OF THE BOARD OF DIRECTORS OF THE OVERSIGHT BOARD OF THE SUCCESSOR AGENCY TO THE DISSOLVED ARVIN COMMUNITY DEVELOPMENT AGENCY, APPROVING AND ADOPTING A RECOGNIZED OBLIGATION PAYMENT SCHEDULE COVERING THE PERIOD OF JULY 1, 2020 THROUGH JUNE 30, 2021, PURSUANT TO HEALTH AND SAFETY CODE SECTION 34177(I) AND (o)

I, Amanda Ruiz, Secretary on behalf of the Oversight Board, do certify that the following resolution, on motion of Director _____, seconded by Director _____, was duly passed and adopted by the Board of Directors at an official meeting this _____ day of _____, 2020, by the following vote:

AYES:

NOES:

ABSENT:

Secretary on behalf of the Oversight Board
Kern Countywide Oversight Board

RESOLUTION

Section 1. WHEREAS

(a) Pursuant to Health and Safety Code Section 34173(d), the City of Arvin became the successor agency to the Arvin Community Development Agency ("Successor Agency"); and

(b) Pursuant to Health and Safety Code Section 34173(g), the Successor Agency is now a separate legal entity from the City and

(c) Pursuant to Health and Safety Code Section 34179(j), on July 1, 2018 a single oversight board, staffed by the county auditor-controller, was created to oversee the

actions of all successor agencies within Kern County, including the Successor Agency to the Arvin Community Development Agency, and

(d) Health and Safety Code Section 34177(l) requires the Successor Agency to prepare a recognized obligation payment schedule ("ROPS"), by February 1st of each year, forward looking to the next fiscal year□and

(e) Health and Safety Code Section 34177(l)(2) requires the Successor Agency to submit the ROPS to the Successor Agency's oversight board for its approval, and upon such approval, the Successor Agency is required to submit a copy of the approved ROPS ("Approved ROPS") to the Kern County Auditor-Controller, the California State Controller, and the State of California Department of Finance, and post the Approved ROPS on the Successor Agency's website; and

(f) Health and Safety Code Section 34177(o) requires that the Approved ROPS for the period □uly 1, 2020 through □une 30, 2021 ("ROPS 20-21") is required to be submitted to the Department of Finance, California State Controller and the County Auditor-Controller by February 1, 2019□and

(g) All other legal prerequisites to the adoption of this Resolution have occurred.

Section 2. THEREFORE IT IS RESOLVED by the Board of Directors of the Kern Countywide Oversight Board, as follows□

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

2. The Kern County Oversight Board of the Successor Agency hereby approves and adopts the ROPS 20-21, covering the period □uly 1, 2020 through □une 30, 2021, in substantially the form attached to this Resolution as Exhibit A, as required by Health and Safety Code Section 34177.

3. The Secretary is hereby authorized and directed to take any action necessary to carry out the purposes of this Resolution and comply with applicable law regarding the ROPS 20-21, including submitting the approved ROPS 20-21 to the Kern County Auditor-Controller, the California State Controller, and the State of California Department of Finance, and posting the Approved ROPS on the Successor Agency's website.

4. This Resolution shall be effective in accordance with California Health and Safety Code Section 34179(h)..

**OVERSIGHT BOARD
FOR THE SUCCESSOR AGENCY TO THE FORMER
DELANO COMMUNITY REDEVELOPMENT AGENCY**

Meeting Date: January 27, 2020

To: Oversight Board Members

From: Maribel Reyna, Executive Director
Rosa Lara Rios, Director of Finance

Subject: Recognized Obligation Payment Schedule 20-21 A and B

RECOMMENDATION: Adopt the attached resolution approving the Recognized Obligation Payment Schedule ("ROPS") 20-21 A and B for the Successor Agency to the former City of Delano Community Redevelopment Agency ("Successor Agency") for the period of July 2020 through June 2021.

BACKGROUND: Pursuant to Health and Safety Code ("HSC") § 34172 (a)(1), the City of Delano Community Redevelopment Agency was dissolved effective February 1, 2012. Consistent with the provisions of the HSC, the City Council previously elected to serve in the capacity of the Successor Agency to the former City of Delano Community Redevelopment Agency (the "Successor Agency"). The Oversight Board for the Successor Agency to the former City of Delano Community Redevelopment Agency ("Oversight Board") has been established pursuant to HSC § 34179 to assist in the wind-down of the dissolved redevelopment agency.

Per HSC § 34177 (o)(1), the Successor Agency is required to prepare a ROPS before each twelve-month fiscal year period commencing with the period from July 1, 2020 through June 30, 2021. Pursuant to HSC § 34180 (g), Oversight Board approval is required for the establishment of each ROPS. Pursuant to HSC § 34177 (o) (1), an Oversight Board-approved ROPS 20-21 A and B for the period of July 2020 through June 2021 must be submitted to the State Department of Finance and to the County Auditor-Controller not later than February 1, 2020.

FISCAL IMPACT: Pursuant to HSC § 34177, the Successor Agency is legally required to continue to make payments due for enforceable obligations. The Oversight Board's approval of the ROPS 20-21 A and B will ensure that the Successor Agency has the authority to continue to pay its enforceable obligations.

ATTACHMENTS: Resolution.

BEFORE THE KERN COUNTYWIDE OVERSIGHT BOARD

In the matter of:

Resolution No. _____

RESOLUTION OF THE KERN COUNTYWIDE OVERSIGHT BOARD TO THE FORMER CITY OF DELANO COMMUNITY REDEVELOPMENT AGENCY APPROVING THE RECOGNIZED OBLIGATION PAYMENT SCHEDULE 20-21 FOR THE PERIOD OF JULY 2020 THROUGH JUNE 2021

I, Amanda Ruiz, Secretary on behalf of the Oversight Board, do certify that the following resolution, on motion of Director _____, seconded by Director _____, was duly passed and adopted by the Board of Directors at an official meeting this _____ day of _____ 2020, by the following vote:

AYES:

NOES:

ABSENT:

Secretary on behalf of the Oversight Board
Kern Countywide Oversight Board

RESOLUTION

Section 1. WHEREAS

(a) Pursuant to Health and Safety Code Section 34173(d), the City of Delano became the successor agency to the Delano Community Redevelopment Agency ("Successor Agency"); and

(b) Pursuant to Health and Safety Code Section 34173(g), the Successor Agency is now a separate legal entity from the City; and

(c) Pursuant to Health and Safety Code Section 34179(j), on July 1, 2018 a single oversight board, staffed by the county auditor-controller, was created to oversee the actions of all successor agencies within Kern County, including the Successor Agency to the Delano Community Redevelopment Agency, and

(d) Health and Safety Code Section 34177(l) requires the Successor Agency to prepare a recognized obligation payment schedule ("ROPS"), by February 1st of each year, forward looking to the next fiscal year and

(e) Health and Safety Code Section 34177(l)(2) requires the Successor Agency to submit the ROPS to the Successor Agency's oversight board for its approval, and upon such approval, the Successor Agency is required to submit a copy of the approved ROPS ("Approved ROPS") to the Kern County Auditor-Controller, the California State Controller, and the State of California Department of Finance, and post the Approved ROPS on the Successor Agency's website; and

(f) Health and Safety Code Section 34177(o) requires that the Approved ROPS for the period July 1, 2020 through June 30, 2021 ("ROPS 20-21") is required to be submitted to the Department of Finance, California State Controller and the County Auditor-Controller by February 1, 2020 and

(g) All other legal prerequisites to the adoption of this Resolution have occurred.

Section 2. THEREFORE IT IS RESOLVED by the Board of Directors of the Kern Countywide Oversight Board, as follows

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

2. The Kern Countywide Oversight Board of the Successor Agency hereby approves and adopts the ROPS 20-21, covering the period July 1, 2020 through June 30, 2021, in substantially the form attached to this Resolution as Exhibit A, as required by Health and Safety Code Section 34177.

3. The Secretary is hereby authorized and directed to take any action necessary to carry out the purposes of this Resolution and comply with applicable law regarding the ROPS 20-21, including submitting the approved ROPS 20-21 to the Kern County Auditor-Controller, the California State Controller, and the State of California Department of Finance, and posting the Approved ROPS on the Successor Agency's website.

4. This Resolution shall be effective in accordance with California Health and Safety Code Section 34179(h).

EXHIBIT A

Recognized Obligation Payment Schedule (ROPS 20-21) - Summary
Filed for the July 1, 2020 through June 30, 2021 Period

Successor Agency: Delano

County: Kern

Current Period Requested Funding for Enforceable Obligations (ROPS Detail)	20-21A Total (July - December)	20-21B Total (January - June)	ROPS 20-21 Total
A Enforceable Obligations Funded as Follows (B+C+D)	\$ -	\$ -	\$ -
B Bond Proceeds	-	-	-
C Reserve Balance	-	-	-
D Other Funds	-	-	-
E Redevelopment Property Tax Trust Fund (RPTTF) (F+G)	\$ 2,426,853	\$ 756,703	\$ 3,183,556
F RPTTF	2,301,853	631,703	2,933,556
G Administrative RPTTF	125,000	125,000	250,000
H Current Period Enforceable Obligations (A+E)	\$ 2,426,853	\$ 756,703	\$ 3,183,556

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

Delano
Recognized Obligation Payment Schedule (ROPS 20-21) - ROPS Detail
July 1, 2020 through June 30, 2021

A	B	C	D	E	F	G	H	I	J	K	L	M	N	O	P	Q	R	S	T	U	V	W
Item #	Project Name	Obligation Type	Agreement Execution Date	Agreement Termination Date	Payee	Description	Project Area	Total Outstanding Obligation	Retired	ROPS 20-21 Total	ROPS 20-21A (Jul - Dec)					20-21A Total	ROPS 20-21B (Jan - Jun)					20-21B Total
											Fund Sources						Fund Sources					
											Bond Proceeds	Reserve Balance	Other Funds	RPTTF	Admin RPTTF		Bond Proceeds	Reserve Balance	Other Funds	RPTTF	Admin RPTTF	
								\$41,671,617		\$3,183,556	\$-	\$-	\$-	\$2,301,853	\$125,000	\$2,426,853	\$-	\$-	\$-	\$631,703	\$125,000	\$756,703
3	2010A LRBs Reimbursement Agreement	Revenue Bonds Issued On or Before 12/31/10	11/12/2010	12/01/2030	US Bank NA	Debt Service on 2010A LRBs per Reimbursement Agreement	RP No. 1	22,945,968	N	\$2,100,712	-	-	-	1,690,406	-	\$1,690,406	-	-	-	410,306	-	\$410,306
4	Securities Servicing	Professional Services	05/28/2003	09/01/2038	US Bank NA	Annual Servicing for 2015 A & B TABs and 2010A LRBs	RP No. 1	119,600	N	\$2,750	-	-	-	2,750	-	\$2,750	-	-	-	-	-	\$-
5	Continuing Disclosure	Professional Services	05/28/2003	09/01/2038	Willdan Financial Services	Continuing Disclosure for TABs	RP No. 1	103,320	N	\$700	-	-	-	-	-	\$-	-	-	-	700	-	\$700
6	Continuing Disclosure	Professional Services	11/12/2010	09/01/2038	Willdan Financial Services	Continuing Disclosure for LRBs	RP No. 1	82,500	N	\$2,000	-	-	-	-	-	\$-	-	-	-	2,000	-	\$2,000
12	Successor Agency Administration	Admin Costs	02/01/2012	09/01/2038	City of Delano	Successor Agency Administration (see Notes form)	RP No. 1	2,875,000	N	\$250,000	-	-	-	-	125,000	\$125,000	-	-	-	-	125,000	\$125,000
14	Property Maintenance	Property Maintenance	01/02/2014	06/30/2016	Various	Maintain Properties Until Sold per LRPMP	RP No. 1	-	N	\$-	-	-	-	-	-	\$-	-	-	-	-	-	\$-
18	LRPMP Implementation	Fees	06/18/2014	09/01/2038	Selected vendors for appraisals, Legal, costs, fees, etc.	LRPMP Implementation costs that cannot be paid from land sales proceeds., e.g., appraisals, Legal, costs, fees, etc. (See Notes)	RP No. 1	-	N	\$-	-	-	-	-	-	\$-	-	-	-	-	-	\$-
19	2015A TABs (Interest Only)	Refunding Bonds Issued After 6/27/12	02/03/2015	09/01/2038	US Bank NA	Refunding for 2003A TABs (Interst Only Payments)	RP No. 1	4,705,229	N	\$437,394	-	-	-	218,697	-	\$218,697	-	-	-	218,697	-	\$218,697

A	B	C	D	E	F	G	H	I	J	K	L	M	N	O	P	Q	R	S	T	U	V	W
Item #	Project Name	Obligation Type	Agreement Execution Date	Agreement Termination Date	Payee	Description	Project Area	Total Outstanding Obligation	Retired	ROPS 20-21 Total	ROPS 20-21A (Jul - Dec)					20-21A Total	ROPS 20-21B (Jan - Jun)					20-21B Total
											Fund Sources						Fund Sources					
											Bond Proceeds	Reserve Balance	Other Funds	RPTTF	Admin RPTTF		Bond Proceeds	Reserve Balance	Other Funds	RPTTF	Admin RPTTF	
21	2015A TABs (Principal Reduction Only)	Refunding Bonds Issued After 6/27/12	02/03/2015	09/01/2038	US Bank NA	Refunding for 2003A TABs (Principal Reduction Payments)	RP No. 1	10,840,000	N	\$390,000	-	-	-	390,000	-	\$390,000	-	-	-	-	-	\$-

Delano
Recognized Obligation Payment Schedule (ROPS 20-21) - Report of Cash Balances
July 1, 2017 through June 30, 2018
(Report Amounts in Whole Dollars)

Pursuant to Health and Safety Code section 34177 (l), Redevelopment Property Tax Trust Fund (RPTTF) may be listed as a source of payment on the ROPS, but only to the extent no other funding source is available or when payment from property tax revenues is required by an enforceable obligation.							
A	B	C	D	E	F	G	H
	ROPS 17-18 Cash Balances (07/01/17 - 06/30/18)	Fund Sources					Comments
		Bond Proceeds		Reserve Balance	Other Funds	RPTTF	
		Bonds issued on or before 12/31/10	Bonds issued on or after 01/01/11	Prior ROPS RPTTF and Reserve Balances retained for future period(s)	Rent, grants, interest, etc.	Non-Admin and Admin	
1	Beginning Available Cash Balance (Actual 07/01/17) RPTTF amount should exclude "A" period distribution amount.		355,326				D1 represents the DSRF balance for the 2015 Refunding TABs
2	Revenue/Income (Actual 06/30/18) RPTTF amount should tie to the ROPS 17-18 total distribution from the County Auditor-Controller		1,704			3,115,677	Cell D3 represents interest earnings on the DSRF balance. Cell G-2 represents the sum of the actual RPTTF received from the CAC for ROPS 18-19 A&B
3	Expenditures for ROPS 17-18 Enforceable Obligations (Actual 06/30/18)		2,935			3,115,677	Cell D3 represents the use of interest earnings from the DSRF balance for current debt service. Cell G3 represents the use of the sum of the actual RPTTF received from the CAC for ROPS 18-19 A&B
4	Retention of Available Cash Balance (Actual 06/30/18) RPTTF amount retained should only include the amounts distributed as reserve for future period(s)						

5	ROPS 17-18 RPTTF Prior Period Adjustment RPTTF amount should tie to the Agency's ROPS 17-18 PPA form submitted to the CAC		No entry required				
6	Ending Actual Available Cash Balance (06/30/18) C to F = (1 + 2 - 3 - 4), G = (1 + 2 - 3 - 4 - 5)	\$-	\$354,095	\$-	\$-	\$-	

Delano
Recognized Obligation Payment Schedule (ROPS 20-21) - Notes
July 1, 2020 through June 30, 2021

Item #	Notes/Comments
3	
4	
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12	
14	
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21	

RESOLUTION NO. 2020-01

RESOLUTION OF THE CITY COUNCIL OF THE CITY OF DELANO IN ITS CAPACITY AS THE SUCCESSOR AGENCY TO THE FORMER CITY OF DELANO COMMUNITY REDEVELOPMENT AGENCY APPROVING THE RECOGNIZED OBLIGATION PAYMENT SCHEDULE 20-21 A & B FOR THE PERIOD OF JULY 2020 THROUGH JUNE 2021 AND APPROVING CERTAIN RELATED ACTIONS

WHEREAS, pursuant to Health and Safety Code (the "HSC") § 34172 (a)(1), the City of Delano Community Redevelopment Agency was dissolved on February 1, 2012; and

WHEREAS, consistent with the provisions of the HSC, the City Council of the City of Delano previously elected to serve in the capacity of the Successor Agency to the City of Delano Community Redevelopment Agency (the "Successor Agency"); and

WHEREAS, the Oversight Board for the Successor Agency (the "Oversight Board") has been established pursuant to HSC § 34179 to assist in the wind-down of the dissolved redevelopment agency; and

WHEREAS, per HSC § 34177 (o) (1), the Successor Agency is required to prepare a Recognized Obligation Payment Schedule (the "ROPS") before each twelve-month fiscal year period commencing with the period from July 1, 2020 through June 30, 2021; and

WHEREAS, pursuant to HSC § 34180 (g), Oversight Board approval is required for the establishment of each ROPS; and

WHEREAS, pursuant to HSC § 34177 (o) (1), an Oversight Board-approved ROPS 20-21 A and B for the period of July 2020 through June 2021 must be submitted to the State Department of Finance and to the County Auditor-Controller not later than February 1, 2020; and

WHEREAS, pursuant to HSC § 34177, the Successor Agency is legally required to continue to make payments due for enforceable obligations; and

WHEREAS, the Oversight Board will be approving the establishment of ROPS 20-21 A and B, which will ensure that the Successor Agency has the authority to continue to pay its enforceable obligations; and

WHEREAS, it is proposed that the Successor Agency approve the establishment of the ROPS 20-21 A and B, which is attached hereto as Exhibit "A"; and

WHEREAS, all of the prerequisites with respect to the approval of this Resolution have been met.

NOW, THEREFORE, BE IT RESOLVED by the Board of Directors of the Successor Agency to the City of Delano Community Redevelopment Agency, as follows:

- Section 1.** The foregoing recitals are true and correct and are a substantive part of this Resolution.
- Section 2.** The Successor Agency's ROPS 20-21 A and B for the period of July 2020 through June 2021, which is attached hereto as Exhibit "A", is approved, inclusive of each enforceable obligation.
- Section 3.** The amount requested for enforceable obligation No. 12, the Successor Agency's Administrative Allowance, is consistent with the provisions of HSC § 34171 (b) and is thus considered fair and reasonable
- Section 4.** The City Manager, as the Successor Agency's Executive Director or designee, is authorized to: i) post that ROPS 20-21 A and B on the City's website, ii) transmit the ROPS 20-21 A and B to the State Department of Finance and the County Auditor-Controller for their review within the timeframe and in the manner prescribed by the HSC; and iii) make ministerial revisions to ROPS 20-21A and B, which may include, but are not limited to restating the information included within ROPS 20-21 A and B in any format that may be requested by the State Department of Finance, take such other actions and execute such other documents as are necessary to effectuate the intent of this Resolution, and to implement ROPS 20-21 A and B on behalf of the Successor Agency, including authorizing and causing such payments.
- Section 5.** This Resolution shall take effect upon the date of its adoption.

PASSED, APPROVED AND ADOPTED this 9th day of January 2020.



Liz Morris, Chairman

ATTEST



Ricardo G. Chavez, City Clerk

CERTIFICATION:

I, Ricardo G. Chavez, Secretary for the Successor Agency to the City of Delano Community Redevelopment Agency, do hereby certify that the foregoing Resolution No. 2020-01 (SA) was duly adopted by the Board of Directors for the Successor Agency to the City of Delano Community Redevelopment Agency, at a meeting thereof held on the 9th day of January 2020, by the following vote:

AYES: MORRIS/ALINDAJAO/VALLEJO

NOES: NONE

ABSENT: AGUIRRE/OSORIO

ABSTAIN: NONE



Ricardo G. Chavez, Secretary for the
Successor Agency

SECRET

EXHIBIT "A"

**SUCCESSOR AGENCY TO THE
CITY OF DELANO COMMUNITY REDEVELOPMENT AGENCY
RECOGNIZED OBLIGATION PAYMENT SCHEDULE 20-21 A and B
(JULY 2020 THROUGH JUNE 2021)**

(See Attachment)

TO: Honorable Chairperson and Board Members of the Kern Countywide Oversight Board of the Successor Agency to the Former Shafter Community Development Agency

FROM: Jim Zervis, Administrative Services Director

SUBJECT: Consideration of Resolution No. ____ approving and adopting a proposed administrative budget for the two six-month periods of July 1, 2020 through June 30, 2021, pursuant to Health and Safety Code Section 34177(j)

BACKGROUND

Following dissolution of the Redevelopment Agency of the City of Shafter (“Agency”), the City became the successor agency to the Agency (the “Successor Agency”). Pursuant to Health and Safety Code Section 34173(b), the Successor Agency is now a separate legal entity from the City. One of the responsibilities of the Successor Agency is to prepare a proposed administrative budget covering each 6-month period and submit it to the Successor Agency’s Oversight Board for approval.

On April 16, 2013, the City of Shafter and the Successor Agency entered into an Administrative Services Agreement. According to that agreement, the City of Shafter conducts all administrative functions of the Successor Agency at the City’s expense in exchange for the Successor Agency remitting the entire Administrative Cost Allowance to the City each year.

DISCUSSION/ANALYSIS

One of the responsibilities of the Successor Agency is to prepare a proposed administrative budget for each 6-month fiscal period. According to Health and Safety Code Section 34177(j), the administrative budget is to include all of the following: (i) estimated amounts for the Successor’ Agency’s administrative costs for the upcoming six-month fiscal period; (ii) proposed sources of payment for the costs identified in (i); and (iii) proposals for arrangements for administrative and operations services provided by a city, county, city and county, or other entity.

This proposed administrative budget is to be submitted to the Successor Agency’s oversight board for approval (“Approved Administrative Budget”). Under Health and Safety Code Section 34177(k), the Successor Agency is to provide administrative cost estimates, from the Approved Administrative Budget, that are to be paid from property tax revenues deposited in the Redevelopment Property Tax Trust Fund, to the Kern County Auditor-Controller for the upcoming two six-month fiscal periods.

The Administrative Cost Allowance has been computed according to the applicable California Health and Safety Codes, at \$250,000 for fiscal year 2020-2021. In accordance, with the Administrative Services Agreement, this amount is to be remitted to the City as payment in full for contractual administrative services.

FISCAL IMPACT

No City or Successor Agency funds are involved with the adoption of the proposed administrative budget.

RECOMMENDED ACTION

It is recommended that the Kern Countywide Oversight Board of the Successor Agency adopt Resolution No. ____ approving and adopting the proposed administrative budget pursuant to Health and Safety Code Section 34177(j).

ATTACHMENT

1. Resolution No. ____ approving and adopting the proposed administrative budget for the period July 1, 2020 through June 30, 2021, pursuant to Health and Safety Code Section 34177(j).

BEFORE THE KERN COUNTYWIDE OVERSIGHT BOARD

In the matter of:

Resolution No. _____

RESOLUTION OF THE KERN COUNTWIDE OVERSIGHT BOARD TO THE FORMER CIT OF SHAFTER COMMUNIT REDEVELOPMENT AGENC APPROVING THE ADMINISTRATIVE BUDGET FOR THE PERIOD OF JUL 2020 THROUGH JUNE 2021

I, Amanda Ruiz, Secretary on behalf of the Oversight Board, do certify that the following resolution, on motion of Director _____, seconded by Director _____, was duly passed and adopted by the Board of Directors at an official meeting this _____ day of _____, 2020, by the following vote:

AYES:

NOES:

ABSENT:

Secretary on behalf of the Oversight Board
Kern Countywide Oversight Board

RESOLUTION

Section 1. WHEREAS:

(a) Pursuant to Health and Safety Code Section 34173(d), the City of Shafter became the successor agency to the Shafter Community Development Agency ("Successor Agency"); and

(b) Pursuant to Health and Safety Code Section 34173(g), the Successor Agency is now a separate legal entity from the City and

(c) Pursuant to Health and Safety Code Section 34179(j), on July 1, 2018 a single oversight board, staffed by the county auditor-controller, was created to oversee the actions of all successor agencies within Kern County, including the Successor Agency to the Shafter Community Development Agency, and

(d) Health and Safety Code Section 34177(j) requires the Successor Agency to prepare a proposed administrative budget covering each 6-month period, and submit it to the oversight board for approval and

(e) Pursuant to Health and Safety Code Section 34177(k), upon approval of the administrative budget by the oversight board, the Successor Agency is required to provide administrative cost estimates, from the approved administrative budget, that are to be paid from property tax revenues deposited in the Redevelopment Property Tax Trust Fund, to the Kern County Auditor-Controller for each fiscal period covered by the administrative budget and

(F) All other legal prerequisites to the adoption of this Resolution have occurred.

Section 2. THEREFORE IT IS RESOLVED by the Board of Directors of the Kern Countywide Oversight Board, as follows:

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

2. The Kern Countywide Oversight Board of the Successor Agency hereby approves and adopts the administrative budget covering the two six-month periods from July 1, 2020 through June 30, 2021, in substantially the form attached to this Resolution as Exhibit A, as required by Health and Safety Code Section 34177.

3. The Secretary is hereby authorized and directed to take any action necessary to carry out the purposes of this Resolution and comply with applicable law regarding the proposed administrative budget, including submitting the proposed administrative budget to the California Department of Finance for review.

4. This Resolution shall be effective in accordance with California Health and Safety Code Section 34179(h).

EXHIBIT A

SHAFTER COMMUNITY DEVELOPMENT AGENCY - SUCCESSOR AGENCY
Administrative Budget: 7/1/20 - 6/30/21

EXPENSE CLASSIFICATION	ANNUAL BUDGET	7/1/20 - 12/31/20 BUDGET	1/1/21 - 6/30/21 BUDGET
Administrative Services Agreement Fee to the City of Shafter	\$ 250,000	\$ 125,000	\$ 125,000
(A) TOTAL BUDGET	\$ 250,000	\$ 125,000	\$ 125,000

* Administrative Budget limited to 3% of property tax distributed to the successor agency by the county auditor-controller in the preceding fiscal year for payment of enforceable obligations less any city loan repayments and administrative cost allowances ("PY Net Property Tax"), but not less than \$250,000 per year, but in no case can exceed 50% of the PY Net Property Tax, per H&S 34171(b),

Administrative Budget Compliance Test:		
Actual prior year property tax distributed to the successor agency (2019-20)	\$	1,097,095
Less city loan repayments		-
Less administrative cost allowances		(250,000)
P Net Property Tax		847,095
1. 3% net Property Tax - limit	\$	25,413
2. Statutory administrative cost allowance minimum	\$	250,000
3. Greater of 1 or 2	\$	250,000
4. 50% P Net Property Tax - hard limit	\$	423,548
5. Administrative Budget (A)	\$	250,000
6. In Compliance		YES

TO: Honorable Chairperson and Board Members of the Kern Countywide Oversight Board of the Successor Agency to the Former Shafter Community Development Agency

FROM: Jim Zervis, Administrative Services Director

SUBJECT: Consideration of Resolution No. ____ approving and adopting a Recognized Obligation Payment Schedule for the period July 1, 2020 through June 30, 2021, pursuant to Health and Safety Code Section 34177(l) and (m).

DISCUSSION/ANALYSIS

Annually the Successor Agency must prepare a Recognized Payment Obligation Schedule (ROPS) listing all enforceable obligations due for the next fiscal year as well as an actual accounting of the prior ROPS period and a reconciliation of all cash held by the Successor Agency. The ROPS must be approved by the Successor Agency Board of Directors, Oversight Board, and ultimately the Department of Finance. Once approved by all parties, the County Auditor Controller will distribute available property tax to the Successor Agency to fund the obligations on the ROPS. The ROPS 20-21 being considered for approval includes the following obligations.

July 1, 2020 – December 31, 2020:

- | | |
|----------------------------------|-----------|
| 1. 2016 Refunding Bonds: | \$911,800 |
| 2. Administrative Budget: | \$125,000 |
| 3. City / Agency Loan Agreement: | \$201,113 |

January 1, 2021 – June 30, 2021:

- | | |
|----------------------------------|-----------|
| 1. Administrative Budget: | \$125,000 |
| 2. City / Agency Loan Agreement: | \$0 |

FISCAL IMPACT

The \$1,362,913 in total expenditures will be paid with property tax allocations from the County Auditor Controller including any unused property tax allocations from prior years.

The Successor Agency stands alone as a private purpose trust fund. Thus, the financial activity of the Successor Agency is accounted for separately and not combined with the City's finances.

RECOMMENDED ACTION

It is recommended that the Board of Directors adopt Resolution No. ____ approving and adopting the Recognized Obligation Payment Schedule covering the period July 1, 2020 through June 30, 2021.

ATTACHMENT

1. Resolution No. ____ approving and adopting the Recognized Obligation Payment Schedule covering the period July 1, 2020 through June 30, 2021.

BEFORE THE KERN COUNTYWIDE OVERSIGHT BOARD

In the matter of:

Resolution No _____

RESOLUTION OF THE KERN COUNTYWIDE OVERSIGHT BOARD TO THE FORMER CITY OF SHAFTER COMMUNITY REDEVELOPMENT AGENCY APPROVING THE RECOGNIZED OBLIGATION PAYMENT SCHEDULE 20-21 FOR THE PERIOD OF JULY 2020 THROUGH JUNE 2021

I, Amanda Ruiz, Secretary on behalf of the Oversight Board, do certify that the following resolution, on motion of Director _____, seconded by Director _____, was duly passed and adopted by the Board of Directors at an official meeting this _____ day of _____, 2020, by the following vote:

AES:

NOES:

ABSENT:

Secretary on behalf of the Oversight Board

Kern Countywide Oversight Board

RESOLUTION

Section 1. WHEREAS

(a) Pursuant to Health and Safety Code Section 34173(d), the City of Shafter became the successor agency to the Shafter Community Development Agency ("Successor Agency"); and

(b) Pursuant to Health and Safety Code Section 34173(g), the Successor Agency is now a separate legal entity from the City; and

(c) Pursuant to Health and Safety Code Section 34179(j), on July 1, 2018 a single oversight board, staffed by the county auditor-controller, was created to oversee the actions of all successor agencies within Kern County, including the Successor Agency to the Shafter Community Development Agency, and

(d) Health and Safety Code Section 34177(l) requires the Successor Agency to prepare a recognized obligation payment schedule ("ROPS"), by February 1st of each year, forward looking to the next fiscal year and

(e) Health and Safety Code Section 34177(l)(2) requires the Successor Agency to submit the ROPS to the Successor Agency's oversight board for its approval, and upon such approval, the Successor Agency is required to submit a copy of the approved ROPS ("Approved ROPS") to the Kern County Auditor-Controller, the California State Controller, and the State of California Department of Finance, and post the Approved ROPS on the Successor Agency's website and

(f) Health and Safety Code Section 34177(o) requires that the Approved ROPS for the period July 1, 2020 through June 30, 2021 ("ROPS 20-21") is required to be submitted to the Department of Finance, California State Controller and the County Auditor-Controller by February 1, 2020 and

(g) All other legal prerequisites to the adoption of this Resolution have occurred.

Section 2. THEREFORE IT IS RESOLVED by the Board of Directors of the Kern Countywide Oversight Board, as follows

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

2. The Kern Countywide Oversight Board of the Successor Agency hereby approves and adopts the ROPS 20-21, covering the period July 1, 2020 through June 30, 2021, in substantially the form attached to this Resolution as Exhibit A, as required by Health and Safety Code Section 34177.

3. The Secretary is hereby authorized and directed to take any action necessary to carry out the purposes of this Resolution and comply with applicable law regarding the ROPS 20-21, including submitting the approved ROPS 20-21 to the Kern County Auditor-Controller, the California State Controller, and the State of California Department of Finance, and posting the Approved ROPS on the Successor Agency's website.

4. This Resolution shall be effective in accordance with California Health and Safety Code Section 34179(h).

EXHIBIT A

Recognized Obligation Payment Schedule (ROPS 20-21) - Summary
Filed for the July 1, 2020 through June 30, 2021 Period

Successor Agency: Shafter

County: Kern

Current Period Requested Funding for Enforceable Obligations (ROPS Detail)	20-21A Total (July - December)	20-21B Total (January - June)	ROPS 20-21 Total
A Enforceable Obligations Funded as Follows (B+C+D)	\$ -	\$ -	\$ -
B Bond Proceeds	-	-	-
C Reserve Balance	-	-	-
D Other Funds	-	-	-
E Redevelopment Property Tax Trust Fund (RPTTF) (F+G)	\$ 1,237,913	\$ 125,000	\$ 1,362,913
F RPTTF	1,112,913	-	1,112,913
G Administrative RPTTF	125,000	125,000	250,000
H Current Period Enforceable Obligations (A+E)	\$ 1,237,913	\$ 125,000	\$ 1,362,913

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

Shafter
Recognized Obligation Payment Schedule (ROPS 20-21) - ROPS Detail
July 1, 2020 through June 30, 2021

A	B	C	D	E	F	G	H	I	J	K	L	M	N	O	P	Q	R	S	T	U	V	W
Item #	Project Name	Obligation Type	Agreement Execution Date	Agreement Termination Date	Payee	Description	Project Area	Total Outstanding Obligation	Retired	ROPS 20-21 Total	ROPS 20-21A (Jul - Dec)					20-21A Total	ROPS 20-21B (Jan - Jun)					20-21B Total
											Fund Sources						Fund Sources					
											Bond Proceeds	Reserve Balance	Other Funds	RPTTF	Admin RPTTF		Bond Proceeds	Reserve Balance	Other Funds	RPTTF	Admin RPTTF	
								\$16,850,027		\$1,362,913	\$-	\$-	\$-	\$1,112,913	\$125,000	\$1,237,913	\$-	\$-	\$-	\$-	\$125,000	\$125,000
3	Administrative Budget	Admin Costs	07/01/2013	06/30/2014	City of Shafter	Successor Agency Administrative Costs		250,000	N	\$250,000	-	-	-	-	125,000	\$125,000	-	-	-	-	125,000	\$125,000
4	Loan Agreement	City/ County Loan (Prior 06/28/11), Cash exchange	01/18/2011	06/30/2015	City of Shafter	SERAF and operating expense loan agreement		1,231,802	N	\$201,113	-	-	-	201,113	-	\$201,113	-	-	-	-	-	\$-
10	Property Tax Increment Allocation Bonds	Bonds Issued After 12/31/10	12/28/2016	11/01/2036	U.S. Bank, N.A.	2016 Series A Refunding Bonds	1&2	15,368,225	N	\$911,800	-	-	-	911,800	-	\$911,800	-	-	-	-	-	\$-

Shafter
Recognized Obligation Payment Schedule (ROPS 20-21) - Report of Cash Balances
July 1, 2017 through June 30, 2018
(Report Amounts in Whole Dollars)

Pursuant to Health and Safety Code section 34177 (l), Redevelopment Property Tax Trust Fund (RPTTF) may be listed as a source of payment on the ROPS, but only to the extent no other funding source is available or when payment from property tax revenues is required by an enforceable obligation.							
A	B	C	D	E	F	G	H
	ROPS 17-18 Cash Balances (07/01/17 - 06/30/18)	Fund Sources					Comments
		Bond Proceeds		Reserve Balance	Other Funds	RPTTF	
		Bonds issued on or before 12/31/10	Bonds issued on or after 01/01/11	Prior ROPS RPTTF and Reserve Balances retained for future period(s)	Rent, grants, interest, etc.	Non-Admin and Admin	
1	Beginning Available Cash Balance (Actual 07/01/17) RPTTF amount should exclude "A" period distribution amount.	-	-	-	-	177,316	
2	Revenue/Income (Actual 06/30/18) RPTTF amount should tie to the ROPS 17-18 total distribution from the County Auditor-Controller		512		6,396	1,238,850	
3	Expenditures for ROPS 17-18 Enforceable Obligations (Actual 06/30/18)		404		6,396	1,232,051	
4	Retention of Available Cash Balance (Actual 06/30/18) RPTTF amount retained should only include the amounts distributed as reserve for future period(s)						
5	ROPS 17-18 RPTTF Prior Period Adjustment RPTTF amount should tie to the Agency's ROPS 17-18 PPA form submitted to the CAC		No entry required				
6	Ending Actual Available Cash Balance (06/30/18) C to F = (1 + 2 - 3 - 4), G = (1 + 2 - 3 - 4 - 5)	\$-	\$108	\$-	\$-	\$184,115	

Shafter
Recognized Obligation Payment Schedule (ROPS 20-21) - Notes
July 1, 2020 through June 30, 2021

Item #	Notes/Comments
3	
4	Balance as of 6/30/2020. See Sponsoring Entity Loan Repayment Calculator for payment amount support.
10	See bond payment amortization schedule.

KERN COUNTYWIDE OVERSIGHT BOARD

TO: MEMBERS OF THE OF KERN COUNTYWIDE OVERSIGHT BOARD

FROM: HANNAH CHUNG, FINANCE DIRECTOR OF THE CITY OF TEHACHAPI, ON BEHALF OF THE SUCCESSOR AGENCY OF THE TEHACHAPI REDEVELOPMENT AGENCY

DATE: JANUARY 27, 2020

SUBJECT: APPROVE A RECOGNIZED OBLIGATION PAYMENT SCHEDULE FOR THE FISCAL PERIOD FROM JULY 1, 2020 THROUGH JUNE 30, 2021 PURSUANT TO HEALTH AND SAFETY CODE SECTION 34177

Executive Summary

Pursuant to Section 34177 of the Health and Safety Code ("HSC"), in order to make payments on enforceable obligations, the Successor Agency must prepare a Recognized Obligation Payment Schedule ("ROPS") for each fiscal year (from each July through June of the following year). All ROPS must be approved by the Oversight Board and submitted to the State Department of Finance ("DOF") for review.

Background

Pursuant to HSC Section 34177, the Successor Agency must prepare an annual ROPS listing the anticipated payments for enforceable obligations for the two six month periods (from July through December, and from January through June) of each fiscal year. All ROPS must be approved by the Oversight Board. Furthermore, each Oversight Board-approved ROPS must be submitted to the DOF for review. HSC Section 34177 also requires the Successor Agency to submit an Oversight Board-approved ROPS to the DOF and to the County Auditor-Controller no later than February 1, 2020. A copy of the Oversight Board-approved ROPS must be posted on the Successor Agency's website.

The DOF may eliminate or modify any item on the ROPS before approving the ROPS. The DOF must make its determination regarding the enforceable obligations and the amount and funding source for each enforceable obligation listed on ROPS 20-21 no later than April 15, 2020. Within five business days of the DOF's determination, the Successor Agency may request to "meet and confer" with the DOF on disputed items. The meet and confer period may vary, but an untimely submission of ROPS 20-21 may result in a meet and confer period of less than 30 days.

The County Auditor-Controller may object to the inclusion of any item on the ROPS that is not demonstrated to be an enforceable obligation and may object to the funding source proposed for any item. The County Auditor-Controller must provide notice of its objections to the DOF, the Successor Agency and the Oversight Board at least 60 days before disbursements from the Redevelopment Property Tax Trust Fund ("RPTTF") are required to be made.

The County Auditor-Controller is required to make RPTTF disbursements to the Successor Agency pursuant to the DOF-approved ROPS 20-21 on June 1, 2020 (to cover enforceable obligation payments from July 1, 2020 through December 31, 2020) and January 2, 2021 (to cover enforceable obligation payments from January 1, 2021 through June 30, 2021).

Penalties for Failure to Make Timely Submission

If the Successor Agency does not submit an Oversight Board-approved ROPS 20-21 by February 1, 2020, the City of Tehachapi will be subject to a civil penalty of \$10,000 per day for every day that ROPS 20-21 is not submitted to the DOF. The penalty will be paid to the County Auditor-Controller for distribution to the taxing entities. If the Successor Agency does not timely submit ROPS 20-21, creditors of the Successor Agency, the DOF, and affected taxing entities may request a writ of mandate to require the Successor Agency to immediately perform this duty. Additionally, if the Successor Agency does not submit ROPS 20-21 within 10 days of the February 1, 2020 deadline, the Successor Agency's maximum administrative cost for that period will be reduced by 25 percent.

If the Successor Agency fails to submit an Oversight Board-approved ROPS to the DOF within five business days of "the date upon which the ROPS is to be used to determine the amount of property tax allocations," the DOF may order the County Auditor-Controller to withhold a scheduled RPTTF disbursement to the Successor Agency pending the DOF's review of the related ROPS. (It is not clear what is meant by "the date upon which the ROPS is to be used to determine the amount of property tax allocations." Possibly, it is referring to October 1 and April 1, the dates by which the County Auditor-Controller must prepare estimates for the upcoming RPTTF disbursements on January 2 and June 1, respectively, and provide the estimates to the DOF, the Successor Agency and the taxing entities.) In conjunction with such a withholding, the DOF may order the County Auditor-Controller to disburse to the taxing entities money from the RPTTF that the DOF determines to be in excess of the amount needed for enforceable obligations.

Staff recommends that the Oversight Board adopt Resolution No. [REDACTED] approving ROPS 20-21 and taking certain related actions.

Fiscal Impact

The preparation and submittal of ROPS 20-21 is for the purpose of allowing the Successor Agency to pay its enforceable obligations for the period from July 1, 2020 to June 30, 2021.

Recommendation

That the Oversight Board adopt Resolution No. [REDACTED] approving the Recognized Obligation Payment Schedule for the annual period from July 1, 2020 through June 30, 2021 ("ROPS 20-21").

BEFORE THE KERN COUNTYWIDE OVERSIGHT BOARD

In the matter of:

Resolution No. _____

RESOLUTION OF THE KERN COUNTYWIDE OVERSIGHT BOARD TO THE FORMER CITY OF TEHACHAPI REDEVELOPMENT AGENCY APPROVING THE RECOGNIZED OBLIGATION PAYMENT SCHEDULE 20-21 FOR THE PERIOD OF JULY 2020 THROUGH JUNE 2021

I, Amanda Ruiz, Secretary on behalf of the Oversight Board, do certify that the following resolution, on motion of Director _____, seconded by Director _____, was duly passed and adopted by the Board of Directors at an official meeting this _____ day of _____, 2020, by the following vote:

AYES:

NOES:

ABSENT:

Secretary on behalf of the Oversight Board
Kern Countywide Oversight Board

RESOLUTION

Section 1. WHEREAS ☐

(a) Pursuant to Health and Safety Code Section 34173(d), the City of Tehachapi became the successor agency to the Tehachapi Redevelopment Agency ("Successor Agency"); and

(b) Pursuant to Health and Safety Code Section 34173(g), the Successor Agency is now a separate legal entity from the City ☐ and

(c) Pursuant to Health and Safety Code Section 34179(j), on July 1, 2018 a single oversight board, staffed by the county auditor-controller, was created to oversee the actions of all successor agencies within Kern County, including the Successor Agency to the Tehachapi Redevelopment Agency, and

(d) Health and Safety Code Section 34177(l) requires the Successor Agency to prepare a recognized obligation payment schedule ("ROPS"), by February 1st of each year, forward looking to the next fiscal year and

(e) Health and Safety Code Section 34177(l)(2) requires the Successor Agency to submit the ROPS to the Successor Agency's oversight board for its approval, and upon such approval, the Successor Agency is required to submit a copy of the approved ROPS ("Approved ROPS") to the Kern County Auditor-Controller, the California State Controller, and the State of California Department of Finance, and post the Approved ROPS on the Successor Agency's website; and

(f) Health and Safety Code Section 34177(o) requires that the Approved ROPS for the period July 1, 2020 through June 30, 2021 ("ROPS 20-21") is required to be submitted to the Department of Finance, California State Controller and the County Auditor-Controller by February 1, 2020 and

(g) All other legal prerequisites to the adoption of this Resolution have occurred.

Section 2. THEREFORE IT IS RESOLVED by the Board of Directors of the Kern Countywide Oversight Board, as follows:

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

2. The Kern Countywide Oversight Board of the Successor Agency hereby approves and adopts the ROPS 20-21, covering the period July 1, 2020 through June 30, 2021, in substantially the form attached to this Resolution as Exhibit A, as required by Health and Safety Code Section 34177.

3. The Secretary is hereby authorized and directed to take any action necessary to carry out the purposes of this Resolution and comply with applicable law regarding the ROPS 20-21, including submitting the approved ROPS 20-21 to the Kern County Auditor-Controller, the California State Controller, and the State of California Department of Finance, and posting the Approved ROPS on the Successor Agency's website.

4. This Resolution shall be effective in accordance with California Health and Safety Code Section 34179(h).

EXHIBIT A

Tehachapi
ROPS 2020-21 Annual

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

Export to Excel

Note: Cash Balances data is auto-saved.

July 1, 2017 through June 30, 2018
(Report Amounts in Whole Dollars)

A	B	C	D	E	F	G	H
	ROPS 17-18 Cash Balances (07/01/17 - 06/30/18)	Fund Sources					Comments
		Bond Proceeds		Reserve Balance	Other Funds	RPTTF	
		Bonds issued on or before 12/31/10	Bonds issued on or after 01/01/11	Prior ROPS RPTTF and Reserve Balances retained for future period(s)	Rent, Grants, Interest, etc.	Non-Admin and Admin	
1	Beginning Available Cash Balance (Actual 07/01/17) RPTTF amount should exclude "A" period distribution amount	0	476,606	984,318		56,011	
2	Revenue/Income (Actual 06/30/18) RPTTF amount should tie to the ROPS 17-18 total distribution from the County Auditor-Controller		0		6,124	946,243	(F2):\$6103 (Interest Income) (G2): \$946,243 RPTTF 17-18B
3	Expenditures for ROPS 17-18 Enforceable Obligations (Actual 06/30/18)		76,028	984,318	6,124	268,144	(D3): \$76,028: Cost of Issuance for 2017AB bonds \$62,320; paid for a portion of debt service interest \$13,708 (E3&F3): Reserve and Interest Funds were spent before
4	Retention of Available Cash Balance (Actual 06/30/18) RPTTF amount retained should only include the amounts distributed as reserve for future period(s)						
5	ROPS 17-18 RPTTF Prior Period Adjustment RPTTF amount should tie to the Agency's ROPS 17-18 PPA form submitted to the CAC	No entry required					
6	Ending Actual Available Cash Balance (06/30/18) C to F = (1 + 2 - 3 - 4), G = (1 + 2 - 3 - 4 - 5)	\$ 0	\$ 400,578	\$ 0	\$ 0	\$ 734,110	

Tehachapi

ROPS 2020-21 Annual

[Summary](#)
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[Cash Balances](#)
[Submission](#)
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[Export to Excel](#)

Item #	Obligation Name	Obligation Type	Agreement Execution Date	Agreement Termination Date	Payee	Description	Total Outstanding Obligation	Total Requested Funding	Notes
5	Administrative Expense	Admin Costs	02/01/2012	06/30/2038	City of Tehachapi	Admin of Successor Agency - RDA	4,500,000	250,000	
20	2017ATax Allocation Refunding Bonds	Refunding Bonds Issued After 6/27/12	06/30/2017	12/01/2035	Bank of New York	2017A Tax Allocation Refunding Bonds Debt Service	6,190,045	389,363	
21	2017BTax Allocation Refunding Bonds	Refunding Bonds Issued After 6/27/12	06/30/2017	12/01/2037	Bank of New York	2017B Tax Allocation Refunding Bonds Debt Service	7,123,995	400,913	
22	2017 A&B Refunding Bonds Trustee Service	Fees	06/30/2017	06/30/2038	Bank of New York	Trustee Service Fee	111,700	3,970	
23	SB 1029 Reporting Service	Professional Services	01/11/2018	02/28/2038	Urban Futures	SB 1029 Annual Reporting Service	18,700	660	
24	Annual Disclosure	Professional Services	02/01/2018	02/28/2038	Urban Futures	2017A & 2017B Tax Revenue Refunding Bonds Annual Disclosure Reporting	54,300	1,930	
25	2017 A&B Refunding Bonds Arbitrage Rebate Services	Professional Services	12/21/2005	02/28/2038	Willdan Financial Services	Arbitrage rebate calculation services for 2017A and 2017B Bonds	25,300	-	
26	Parking Lot Maintenance	Property Maintenance	07/01/2018	12/06/2044	City of Tehachapi	Property maintenance	-	-	
27	Contingency for unexpected Expense	Miscellaneous	07/01/2018	12/06/2044	Unknown	Misc. Expenses not listed	-	-	

	Item #	Obligation Name	Obligation Type	Agreement Execution Date	Agreement Termination Date	Payee	Description	Total Outstanding Obligation	Total Requested Funding	Notes
	28	2017 A & B Tax Allocation Refunding Bond Debt Service Reserves- December Payment	Reserves	06/30/2017	12/01/1935	Bank of New York	2017 A & B Refunding Bond Debt Service Reserves for Principal	631,302	631,302	

Tehachapi

ROPS 2020-21 Annual

Summary		Detail	Cash Balances	Submission
Requested Funding for Obligations		20-21A Total	20-21B Total	ROPS Total
A	Obligations Funded as Follows (B+C+D)	0	0	0
B	Bond Proceeds	0	0	0
C	Reserve Balance	0	0	0
D	Other Funds	0	0	0
E	Redevelopment Property Tax Trust Fund (RPTTF) (F+G)	756,943	921,195	1,678,138
F	RPTTF	631,943	796,195	1,428,138
G	Administrative RPTTF	125,000	125,000	250,000
H	Current Period Obligations (A+E)	756,943	921,195	1,678,138

RESOLUTION NO. SA 01-20

A RESOLUTION OF THE BOARD OF DIRECTORS OF THE SUCCESSOR AGENCY TO THE TEHACHAPI REDEVELOPMENT AGENCY APPROVING A RECOGNIZED OBLIGATION PAYMENT SCHEDULE FOR THE FISCAL PERIOD FROM JULY 1, 2020 THROUGH JUNE 30, 2021, PURSUANT TO HEALTH AND SAFETY CODE SECTION 34177 AND TAKING CERTAIN RELATED ACTIONS

RECITALS:

A. Pursuant to Health and Safety Code Section 34177(o), the Successor Agency to the Tehachapi Redevelopment Agency (the "Successor Agency") must prepare a Recognized Obligation Payment Schedule listing the anticipated payments for enforceable obligations to be made by the Successor Agency during the fiscal period from July 1, 2020 through June 30, 2021 ("ROPS 20-21") and submit ROPS 20-21 to the oversight board of the Successor Agency (the "Oversight Board") for approval.

B. Pursuant to Health and Safety Code Section 34177(l)(2)(C) and Section 34177(o)(1), the Successor Agency must: (i) submit the Oversight Board-approved ROPS 20-21 to the DOF, the Office of the State Controller, and the County Auditor-Controller no later than February 1, 2020, and (ii) post a copy of the Oversight Board-approved ROPS 20-21 on the Successor Agency's website.

NOW, THEREFORE, THE BOARD OF DIRECTORS OF THE SUCCESSOR AGENCY TO THE TEHACHAPI REDEVELOPMENT AGENCY (THE "BOARD"), HEREBY FINDS, DETERMINES, RESOLVES, AND ORDERS AS FOLLOWS:

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

Section 2. ROPS 20-21, substantially in the form attached hereto as Exhibit A, is hereby approved. The Executive Director of the Successor Agency, in consultation with the Successor Agency's legal counsel, may modify ROPS 20-21 as the Executive Director or the Successor Agency's legal counsel deems necessary or advisable.

Section 3. Staff is hereby authorized and directed to submit a copy of Oversight Board-approved ROPS 20-21 to the DOF, the Office of the State Controller, and the County Auditor-Controller. If the Oversight Board has not approved ROPS 20-21 by February 1, 2020, Staff is hereby authorized and directed to transmit ROPS 20-21 to the DOF, the Office of the State Controller, and the County Auditor-Controller by February 1, 2020, with a written notification regarding the status of the Oversight Board's review. Written notice and information regarding the action of the Oversight Board shall be provided to the DOF by electronic means and in a manner of DOF's choosing.

Section 4. Staff is hereby authorized and directed to post a copy of the Oversight Board-approved ROPS 20-21 on the Successor Agency's Internet website (being a page on the Internet website of the City of Tehachapi).

Section 5. The officers and the other Staff members of the Successor Agency are hereby authorized and directed, jointly and severally, to do any and all things which they may deem necessary or advisable to effectuate this Resolution, including but not limited to requesting additional review by the DOF and an opportunity to meet and confer on any disputed items, and making adjustments to ROPS 20-21 pursuant to the DOF's instructions, and any such actions previously taken are hereby ratified and confirmed.

PASSED, APPROVED AND ADOPTED this 6Th day of January, 2020.

AYES: WIGGINS, SMITH, POGON-CORD, DAVIES

NOES: NONE

ABSENT: NONE

ABSTAIN: NONE


SUSAN WIGGINS, Chair of the Successor Agency to
the Tehachapi Redevelopment Agency

ATTEST:


TORI MARSH, Secretary of the Successor Agency
To the Tehachapi Redevelopment Agency

I hereby certify that the foregoing resolution was duly and regularly adopted by the
Successor Agency to the Tehachapi Redevelopment Agency at a regular meeting thereof
held on January 6, 2020.


TORI MARSH, Secretary of the Successor Agency
To the Tehachapi Redevelopment Agency

Tehachapi

ROPS 2020-21 Annual

Summary

Detail

Cash Balances

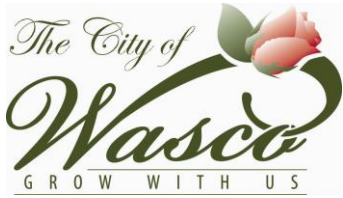
Submission

Filter

Export to Excel

Item #	Obligation Name	Obligation Type	Agreement Execution Date	Agreement Termination Date	Payee	Description	Total Outstanding Obligation	Total Requested Funding	Notes
5	Administrative Expense	Admin Costs	02/01/2012	06/30/2038	City of Tehachapi	Admin of Successor Agency - RDA	4,500,000	250,000	
20	2017ATax Allocation Refunding Bonds	Refunding Bonds Issued After 6/27/12	06/30/2017	12/01/2035	Bank of New York	2017A Tax Allocation Refunding Bonds Debt Service	6,190,045	389,363	
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26	Parking Lot Maintenance	Property Maintenance	07/01/2018	12/06/2044	City of Tehachapi	Property maintenance	-	-	
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STAFF REPORT

OVERSIGHT BOARD TO THE SUCCESSOR AGENCY OF THE FORMER WASCO REDEVELOPMENT AGENCY

TO: Members of the Oversight Board

FROM: Daniel Ortiz-Hernandez, City Manager
Daniel S. Briney, Interim Finance Director

DATE: January 27, 2020

SUBJECT: Adopt a Resolution of the Kern Countywide Oversight Board of the Successor Agency to the Former Wasco Redevelopment Agency Approving a Proposed Administrative Budget Covering the Period of July 1, 2020 through June 30, 2021, Pursuant to Health and Safety Code Section 34177(j).

Recommendation:

Staff recommends the Kern Countywide Oversight Board Adopt a Resolution of the Kern Countywide Oversight Board of the Successor Agency to the Former Wasco Redevelopment Agency Approving a Proposed Administrative Budget Covering the Period of July 1, 2020 through June 30, 2021, Pursuant to Health and Safety Code Section 34177(j).

Background:

Pursuant to Part 1.85 of Division 24 of the California Health and Safety Code (the "Redevelopment Dissolution Law"), the Successor Agency must prepare a proposed administrative budget and a Recognized Obligation Payment Schedule ("ROPS") for the 12-month fiscal period which must be submitted to the Oversight Board for approval. The proposed administrative budget must include all of the following: 1) estimated amounts for Successor Agency administrative costs for the applicable 12-month fiscal period; 2) proposed sources of payment for the administrative costs; and 3) proposals for arrangements for administrative and operations services provided by the City or other entity.

The Redevelopment Dissolution Law is unclear regarding the required timing for the submission of the proposed administrative budget for the period July 1, 2020 through June 30, 2021 ("Administrative Budget 20-21") to the Oversight Board for approval. However, because the Successor Agency's administrative expenditures also have to be reflected on the ROPS, the Administrative Budget 20-21 and the ROPS for the same period ("ROPS 20-21") should be consistent.

Fiscal Impact:

Under the Redevelopment Dissolution Law, an "Administrative Cost Allowance" is paid to the Successor Agency from property tax revenues allocated by the County Auditor-Controller ("RPTTF Funds"). The Administrative Cost Allowance is defined as an amount, subject to the

approval of the Oversight Board, which is up to 3% of the property tax allocated for enforceable obligations from the Redevelopment Property Tax Trust Fund by the County Auditor-Controller. The amount shall not be less than \$250,000 for any fiscal year unless the Oversight Board reduces this amount. The amount also may not exceed 50% of the total RPTTF Funds distributed to pay enforceable obligations in the preceding year. The Administrative Cost Allowance is subject to reduction if there are insufficient funds to pay the enforceable obligations as listed on the ROPS.

As the County Auditor-Controller did not distribute funds to the Successor Agency for the period of time between July 1, 2019 through June 30, 2020 under "Wasco ROPS 19-20" no Administrative Cost Allowance shall be paid to the Successor Agency from RPTTF for the period of time between July 1, 2010 through June 30, 2021, under "Wasco ROPS 20-21".

Health and Safety Code Section 34173(h) authorizes the City to loan funds to the Successor Agency to pay for administrative costs, enforceable obligations, or project related expenses at the discretion of the City and that such loans, upon approval of the Oversight Board (and subsequent approval or deemed approval by the State Department of Finance) shall be reflected on the recognized obligation payment schedule of the Successor Agency. The City and Successor Agency have determined that it is necessary and appropriate to enter in a Loan Agreement (Successor Agency Loan Agreement No. 1: ROPS 20-21) in order that the Successor may pay administrative costs in fiscal year 2020-21.

Attachments:

1. Resolution No. _____ of the Kern Countywide Oversight Board of the Successor Agency to the Former Wasco Redevelopment Agency Approving a Proposed Administrative Budget Covering the Period of July 1, 2020 to June 30, 2021, Pursuant to Health and Safety Code Section 34177(j).

BEFORE THE KERN COUNTYWIDE OVERSIGHT BOARD

In the matter of:

Resolution No. _____

A RESOLUTION OF THE KERN COUNTYWIDE OVERSIGHT BOARD OF THE SUCCESSOR AGENCY TO THE FORMER WASCO REDEVELOPMENT AGENCY APPROVING A PROPOSED ADMINISTRATIVE BUDGET COVERING THE PERIOD OF JULY 1, 2020 THROUGH JUNE 30, 2021, PURSUANT TO HEALTH AND SAFETY CODE SECTION 34177(j)

I, Amanda Ruiz, Secretary on behalf of the Oversight Board, do certify that the following resolution, on motion of Director _____, seconded by Director _____, was duly passed and adopted by the Board of Directors at an official meeting this _____ day of _____, 2020, by the following vote:

AYES:

NOES:

ABSENT:

Secretary on behalf of the Oversight Board
Kern Countywide Oversight Board

RESOLUTION

Section 1. WHEREAS ☐

(a) Pursuant to Health and Safety Code Section 34173(d), the City of Wasco became the successor agency to the Wasco Redevelopment Agency ("Successor Agency"); and

(b) Pursuant to Health and Safety Code Section 34173(g), the Successor Agency is now a separate legal entity from the City ☐ and

(c) Pursuant to Health and Safety Code Section 34179(j), on July 1, 2018 a single oversight board, staffed by the county auditor-controller, was created to oversee the actions of all successor agencies within Kern County, including the Successor Agency ☐ and

(d) Health and Safety Code Section 34177(j) requires the Successor Agency to prepare a proposed administrative budget and submit to the Successor Agency's oversight board for its approval each year, forward looking to the next fiscal year and

(e) All other legal prerequisites to the adoption of this Resolution have occurred.

Section 2. THEREFORE IT IS RESOLVED by the Board of Directors of the Kern Countywide Oversight Board, as follows

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

2. The Kern Countywide Oversight Board of the Successor Agency hereby approves the Proposed Administrative Budget 2020-21, covering the period July 1, 2020 through June 30, 2021, in substantially the form attached to this Resolution as Exhibit A, as required by Health and Safety Code Section 34177.

3. The City Manager and Finance Director are hereby authorized and directed to take any action necessary to carry out the purposes of this Resolution and comply with applicable law.

4. This Resolution shall be effective in accordance with California Health and Safety Code Section 34179(h).

EXHIBIT A

The Successor Agency of the former Wasco Redevelopment Agency Administrative Budget for July 1, 2020, through June 30, 2021.

Pursuant to Health and Safety Code Section ("HSC") 34177(j); the Successor Agency is to:

Prepare a proposed administrative budget and submit it to the oversight board for its approval. The proposed administrative budget shall include all of the following:

- 1) Estimated amounts for successor agency administrative costs for the upcoming six-month fiscal period.
- 2) Proposed sources of payment for the costs identified in paragraph 1.
- 3) Proposals for arrangements for administrative and operations services provided by a city, county, city, and county or other entity.

In accordance with HSC 34171(b) the City proposes to request the Administrative Cost Allocation ("ACA") for the fiscal year 2020-2021 as set forth below. HSC 34171(b)(3) limits the ACA to 3% of actual RPTTF distributed in the preceding year or \$250,000, whichever is greater, not to exceed 50 percent of the RPTTF distributed in the preceding year.

- 1) The estimated amount for the 12-months of FY 2021 (July 2020 – June 2021) would be \$ 40,000.
- 2) The proposed source of payment for these costs is an advance from the City of Wasco to be repaid by the Successor Agency to the City from tax revenue collected and to be distributed by the Kern County Auditor Controller's office from the Redevelopment Property Trust Fund or by Reserve Funds or any other funds of the Successor Agency.
- 3) The City proposes to arrange for administrative and operational services of the Successor Agency business by using City staff, facilities, materials, supplies, equipment and outside legal and professional services to accomplish the required administrative activities of the Successor Agency and the Oversight Board. Budget estimates for the period of July 1, 2020, through June 30, 2021, are as follows:

Salaries & benefits of City Staff	\$ 30,000
Professional services	5,000
Indirect Cost Allocation	<u>5,000</u>
Total	<u>\$ 40,000</u>

City Staff: Consist of all full-time City employees involved in the preparation and processing of the Successor Agency business activities including preparation for the Oversight Board meetings, development and implementation of the administrative and operating budget, the payment of invoices and the full administration of the dissolution of the former redevelopment agency.

Professional services: Includes all legal services and other miscellaneous professional services.

Indirect Cost Allocation: Include all overhead costs associated with the administration of the successor agency; such as printing, postage, support staff, utilities, advertising, office supplies and miscellaneous costs.



STAFF REPORT

OVERSIGHT BOARD TO THE SUCCESSOR AGENCY OF THE FORMER WASCO REDEVELOPMENT AGENCY

TO: Members of the Kern Countywide Oversight Board

FROM: Daniel Ortiz-Hernandez, City Manager
Daniel S. Briney, Interim Finance Director

DATE: January 27, 2020

SUBJECT: Approve a Resolution of the Kern Countywide Oversight Board of the Successor Agency to the Former Wasco Redevelopment Agency, Approving the Recognized Obligation Payment Schedule 20-21 for the Period of July 1, 2020 through June 30, 2021.

Recommendation:

Staff recommends the Kern Countywide Oversight Board Approve a Resolution of the Kern Countywide Oversight Board of the Successor Agency to the Former Wasco Redevelopment Agency, Approving the Recognized Obligation Payment Schedule 20-21 for the Period of July 1, 2020 through June 30, 2021.

Background:

Pursuant to Part 1.85 of Division 24 of the California Health and Safety Code (the "Redevelopment Dissolution Law"), the Successor Agency must prepare a Recognized Obligation Payment Schedule ("ROPS") for the 12-month fiscal period (commencing July 1), listing the payments to be made by the Successor Agency during such period. All ROPS must be approved by the Oversight Board. Furthermore, each Oversight Board-approved ROPS must be submitted to the State Department of Finance ("DOF") for review.

Deadlines for ROPS Submission and Review:

The Redevelopment Dissolution Law does not specify a deadline for the Successor Agency to submit the ROPS for July 1, 2020 through June 30, 2021 ("ROPS 20-21") to the Oversight Board for approval. However, the Successor Agency must submit an Oversight Board-approved ROPS 20-21 to the DOF, the Office of the State Controller and the County Auditor-Controller no later than February 1, 2020. The Successor Agency must submit the ROPS to the DOF electronically in the manner of DOF's choosing. A copy of the Oversight Board-approved ROPS must be posted on the Successor Agency's website.

The DOF may eliminate or modify any items on the ROPS before approving the ROPS. The DOF must make its determination regarding the enforceable obligations and the amount and funding source for each enforceable obligation listed on a ROPS no later than 45 days after the ROPS is submitted. Within five business days of the DOF's determination, the Successor

Agency may request to "meet and confer" with the DOF on disputed items. The meet and confer period may vary, but an untimely submission of ROPS 20-21 may result in a meet and confer period of less than 30 days.

The County Auditor-Controller may object to the inclusion of any item on the ROPS that is not demonstrated to be an enforceable obligation and may object to the funding source proposed for any item. The County Auditor-Controller must provide notice of its objections to the DOF, the Successor Agency and the Oversight Board by April 1, 2020.

Penalties for Failure to Make Timely Submission:

If the Successor Agency does not submit an Oversight Board-approved ROPS by February 1, 2020, the City of Wasco will be subject to a civil penalty of \$10,000 per day for every day the ROPS is not submitted to the DOF. The penalty is to be paid to the County Auditor-Controller for distribution to the taxing entities. If the Successor Agency does not timely submit a ROPS, creditors of the successor agency, the DOF, and affected taxing entities may request a writ of mandate to require the Successor Agency to immediately perform this duty. Additionally, if the Successor Agency does not submit a ROPS within 10 days of February 1, the Successor Agency's administrative cost allowance for that period will be reduced by 25 percent.

If the Successor Agency fails to submit an Oversight Board-approved ROPS to the DOF within five business days of "the date upon which the ROPS is to be used to determine the amount of property tax allocations", the DOF may determine whether the County Auditor-Controller should distribute any of the property tax revenues to the taxing entities, or whether any amount should be withheld for enforceable obligations pending approval of the ROPS. It is not clear what is "the date upon which the ROPS is to be used to determine the amount of property tax allocations."

Fiscal Impact:

The preparation and submittal of ROPS 2020-21 is for the purpose of allowing the Successor Agency to pay its enforceable obligations for the period from July 1, 2020 to June 30, 2021.

Attachments:

1. Resolution No. _____ of the Kern Countywide Oversight Board of the Successor Agency to the Former Wasco Redevelopment Agency, Approving the Recognized Obligation Payment Schedule 20-21 for the Period of July 1, 2020 through June 30, 2021.
2. Successor Agency to the Former Wasco Redevelopment Agency Recognized Obligation Payment Schedule FY 2020-21 (ROPS FY 2020-21).

BEFORE THE KERN COUNTYWIDE OVERSIGHT BOARD

In the matter of:

Resolution No. _____

A RESOLUTION OF THE KERN COUNTYWIDE OVERSIGHT BOARD OF THE SUCCESSOR AGENCY TO THE FORMER WASCO REDEVELOPMENT AGENCY, APPROVING THE RECOGNIZED OBLIGATION PAYMENT SCHEDULE 20-21 FOR THE PERIOD OF JULY 1, 2020 THROUGH JUNE 30, 2021

I, Amanda Ruiz, Secretary on behalf of the Oversight Board, do certify that the following resolution, on motion of Director _____, seconded by Director _____, was duly passed and adopted by the Board of Directors at an official meeting this _____ day of _____, 2020, by the following vote:

AYES:

NOES:

ABSENT:

Secretary on behalf of the Oversight Board
Kern Countywide Oversight Board

RESOLUTION

Section 1. WHEREAS ☐

(a) pursuant to Health and Safety Code Section 34173(d), the City of Wasco became the successor agency to the Wasco Redevelopment Agency ("Successor Agency"); and

(b) pursuant to Health and Safety Code Section 34173(g), the Successor Agency is now a separate legal entity from the City ☐ and

(c) pursuant to Health and Safety Code Section 34179(j), on July 1, 2018 a single oversight board, staffed by the county auditor-controller, was created to oversee the actions of all successor agencies within Kern County, including the Successor Agency ☐ and

(d) Health and Safety Code Section 34177(l) requires the Successor Agency prepare a recognized obligation payment schedule ("ROPS"), by February 1st of each year, forward looking to the next fiscal year and

(e) Health and Safety Code Section 34177(l)(2) requires the Successor Agency to submit the ROPS to the Successor Agency's oversight board for its approval, and upon such approval, the Successor Agency is required to submit a copy of the approved ROPS ("Approved ROPS") to the county administrative officer, county auditor-controller, the California State Controller, and the State of California Department of Finance, and post the Approved ROPS on the Successor Agency's website; and

(f) Health and Safety Code Section 34177(o) requires that the Approved ROPS for the period July 1, 2020 through June 30, 2021 ("ROPS 20-21") is required to be submitted to the Department of Finance, California State Controller and the County Auditor-Controller by February 1, 2020 and

(g) all other legal prerequisites to the adoption of this Resolution have occurred.

Section 2. THEREFORE IT IS RESOLVED by the Board of Directors of the Kern Countywide Oversight Board, as follows:

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

2. The Kern Countywide Oversight Board of the Successor Agency hereby approves and adopts the ROPS 20-21, covering the period July 1, 2020 through June 30, 2021, in substantially the form attached to this Resolution as Exhibit A, as required by Health and Safety Code Section 34177.

3. The City Manager and Finance Director are hereby authorized and directed to take any action necessary to carry out the purposes of this Resolution and comply with applicable law regarding the ROPS 20-21, including submitting the approved ROPS 20-21 to the Kern County Auditor-Controller, the California State Controller, and the State of California Department of Finance, and posting the Approved ROPS on the Successor Agency's website.

4. This Resolution shall be effective in accordance with California Health and Safety Code Section 34179(h).

EXHIBIT A

Recognized Obligation Payment Schedule (ROPS 20-21) - Summary
Filed for the July 1, 2020 through June 30, 2021 Period

Successor Agency: Wasco

County: Kern

Current Period Requested Funding for Enforceable Obligations (ROPS Detail)	20-21A Total (July - December)	20-21B Total (January - June)	ROPS 20-21 Total
A Enforceable Obligations Funded as Follows (B+C+D)	\$ 100,000	\$ 20,000	\$ 120,000
B Bond Proceeds	-	-	-
C Reserve Balance	80,000	-	80,000
D Other Funds	20,000	20,000	40,000
E Redevelopment Property Tax Trust Fund (RPTTF) (F+G)	\$ 20,000	\$ 20,000	\$ 40,000
F RPTTF	20,000	20,000	40,000
G Administrative RPTTF	-	-	-
H Current Period Enforceable Obligations (A+E)	\$ 120,000	\$ 40,000	\$ 160,000

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

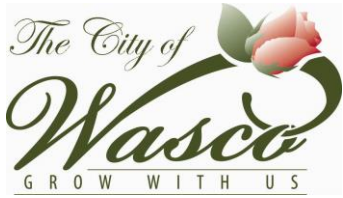
/s/ _____
Signature Date

Wasco
Recognized Obligation Payment Schedule (ROPS 20-21) - ROPS Detail
July 1, 2020 through June 30, 2021

A	B	C	D	E	F	G	H	I	J	K	L	M	N	O	P	Q	R	S	T	U	V	W
Item #	Project Name	Obligation Type	Agreement Execution Date	Agreement Termination Date	Payee	Description	Project Area	Total Outstanding Obligation	Retired	ROPS 20-21 Total	ROPS 20-21A (Jul - Dec)					20-21A Total	ROPS 20-21B (Jan - Jun)					20-21B Total
											Fund Sources						Fund Sources					
											Bond Proceeds	Reserve Balance	Other Funds	RPTTF	Admin RPTTF		Bond Proceeds	Reserve Balance	Other Funds	RPTTF	Admin RPTTF	
								\$160,000		\$160,000	\$-	\$80,000	\$20,000	\$20,000	\$-	\$120,000	\$-	\$-	\$20,000	\$20,000	\$-	\$40,000
3	Administrative Costs	Admin Costs	02/01/2012	06/30/2020	City of Wasco	Administrative Costs	Wasco RDA I	40,000	N	\$40,000	-	-	20,000	-	-	\$20,000	-	-	20,000	-	-	\$20,000
9	Registrar/ Transfer Agent	Professional Services	05/25/2017	09/15/2018	US Bank	Admin Fees for Bonds		-	N	\$-	-	-	-	-	-	\$-	-	-	-	-	-	\$-
10	Legal Fees for Sale of RDA Land	Professional Services	02/01/2012	06/30/2020	City of Wasco	Mineral Rights Issue		60,000	N	\$60,000	-	60,000	-	-	-	\$60,000	-	-	-	-	-	\$-
11	Land Sale Broker Costs	Professional Services	02/01/2012	06/30/2020	City of Wasco	Broker Fees		20,000	N	\$20,000	-	20,000	-	-	-	\$20,000	-	-	-	-	-	\$-
12	Advance from City of Wasco	Admin Costs	07/01/2020	06/30/2021	City of Wasco	Administrative Costs	Wasco RDA I	40,000	N	\$40,000	-	-	-	20,000	-	\$20,000	-	-	-	20,000	-	\$20,000

Wasco
Recognized Obligation Payment Schedule (ROPS 20-21) - Notes
July 1, 2020 through June 30, 2021

Item #	Notes/Comments
3	
9	
10	
11	
12	Advance from the City of Wasco to fund Administrative costs pursuant to the Administrative Budget.



STAFF REPORT

OVERSIGHT BOARD TO THE SUCCESSOR AGENCY OF THE FORMER WASCO REDEVELOPMENT AGENCY

TO: Members of the Oversight Board

FROM: Daniel Ortiz-Hernandez, City Manager
Daniel S. Briney, Interim Finance Director

DATE: January 27, 2020

SUBJECT: Approve a Resolution of the Board of Directors of the Kern Countywide Oversight Board of the Successor Agency to the Former Wasco Redevelopment Agency Approving a Loan Agreement Between the City of Wasco and the Successor Agency to the Former Wasco Redevelopment Agency (Successor Loan No. 1: ROPS 20-21)

Recommendation:

Staff recommends the Kern Countywide Oversight Board Approve a Resolution of the Kern Countywide Oversight Board of the Successor Agency to the Former Wasco Redevelopment Agency Approving a Loan Agreement Between the City of Wasco and the Successor Agency to the Former Wasco Redevelopment Agency (Successor Loan No. 1: ROPS 20-21)

Background:

State Law required the dissolution of Redevelopment Agencies under Abx1 26 in FY2011-12. Dissolution Law provides that an Administrative Cost Allowance is paid to the Successor Agency from Redevelopment Property Tax Trust Funds ("RPTTF"). The Administrative Cost Allowance is defined as an amount, subject to the approval of the Oversight Board, which is up to 3% of the property tax allocated for enforceable obligations from the Redevelopment Property Tax Trust Fund by the County Auditor-Controller. The amount shall not be less than \$250,000 for any fiscal year unless the Oversight Board reduces this amount. The amount also may not exceed 50% of the total RPTTF Funds distributed to pay enforceable obligations in the preceding year. The Administrative Cost Allowance is subject to reduction if there are insufficient funds to pay the enforceable obligations as listed on the ROPS.

As the County Auditor-Controller did not distribute funds to the Successor Agency for the period of time between July 1, 2019 through June 30, 2020 under "Wasco ROPS 19-20" no Administrative Cost Allowance shall be paid to the Successor Agency from RPTTF for the period of time between July 1, 2010 through June 30, 2021, under "Wasco ROPS 20-21".

Health and Safety Code Section 34173(h) authorizes the City to loan funds to the Successor Agency to pay for administrative costs, enforceable obligations, or project related expenses at the discretion of the City and that such loans, upon approval of the Oversight Board (and

subsequent approval or deemed approval by the State Department of Finance) shall be reflected on the recognized obligation payment schedule of the Successor Agency. The City and Successor Agency have determined that it is necessary and appropriate to enter in the Loan Agreement (Successor Agency Loan Agreement No. 1: ROPS 20-21) in order that the Successor may pay administrative costs in fiscal year 2020-21.

Fiscal Impact:

This funding is necessary in order for the Successor Agency to pay administrative costs in fiscal year 2020-21.

Attachments:

1. Resolution No. _____ of the Kern Countywide Oversight Board of the Successor Agency to the Former Wasco Redevelopment Agency, Approving a Loan Agreement Between the City of Wasco and the Successor Agency to the Former Wasco Redevelopment Agency (Successor Loan No. 1: ROPS 20-21).
2. Resolution 2020-3406 of the City Council of the City of Wasco approving a loan agreement between the City of Wasco and the Successor Agency to the Former Wasco Redevelopment Agency (SUCCESSOR AGENCY LOAN AGREEMENT NO. 1, ROPS 20-21).
3. Resolution 2020-018 of the Successor Agency of the Former Wasco Redevelopment Agency approving a loan agreement between the City of Wasco and the Successor Agency to the Former Wasco Redevelopment Agency (SUCCESSOR AGENCY LOAN AGREEMENT NO. 1: ROPS 20-21).
4. Successor Agency Loan Agreement No. 1: ROPS 20-21.

BEFORE THE KERN COUNTYWIDE OVERSIGHT BOARD

In the matter of:

Resolution No. _____

RESOLUTION OF THE KERN COUNTYWIDE OVERSIGHT BOARD OF THE SUCCESSOR AGENCY TO THE FORMER WASCO REDEVELOPMENT AGENCY, APPROVING A LOAN AGREEMENT BETWEEN THE CITY OF WASCO AND THE SUCCESSOR AGENCY TO THE FORMER WASCO REDEVELOPMENT AGENCY (SUCCESSOR LOAN AGREEMENT NO. 1: ROPS 20-21)

I, Amanda Ruiz, Secretary on behalf of the Oversight Board, do certify that the following resolution, on motion of Director _____, seconded by Director _____, was duly passed and adopted by the Board of Directors at an official meeting this ____ day of _____, 2020, by the following vote:

AYES:

NOES:

ABSENT:

Secretary on behalf of the Oversight Board
Kern Countywide Oversight Board

RESOLUTION

Section 1. WHEREAS ☐

(a) The City of Wasco (the "City") authorized the formation and operation of a community redevelopment agency within the territorial jurisdiction of the City pursuant to state law ☐ and

(b) The former Wasco Redevelopment Agency undertook the redevelopment of certain areas of the City in reliance upon the provisions of state law and the former Wasco Redevelopment Agency entered into certain contracts, expended public funds, incurred indebtedness and assumed certain obligations and liabilities with third parties in reliance upon applicable State and federal law in order to eliminate and prevent the spread of blight and to enhance and preserve the supply of affordable housing within the City ☐ and

(c) The State of California (the "State") has ordered the Former Wasco Redevelopment Agency to be dissolved under the provisions of AB 126 (Stats 2011-12, 18' Ex. Sess., Chapter 5), as amended by AB 1484 (Stats 2012, Chapter 26), and collectively the State legislation identified in this sentence is referred to herein as the "State Redevelopment Dissolution Law" and

(d) The Successor Agency to the Former Wasco Redevelopment Agency ("Successor Agency") has initiated the implementation of the State Redevelopment Dissolution Law including the repayment of existing obligations, the marshaling of cash assets, non-cash assets and liabilities and the preparation of land assets for disposition and sale to third parties (including without limitation so-call "Land Held for Resale") of the former Wasco Redevelopment Agency subject to the payment of enforceable obligations of the former Wasco Redevelopment Agency under applicable State and federal law, and such implementation of the State Redevelopment Dissolution Law has included, the preparation and submission to the State by the Successor Agency of a recognized obligation payment schedule for the period of July 1, 2019 through June 30, 2020, (Wasco ROPS 19-20) as provided under Health and Safety Code Section 34177 and

(e) The Successor Agency has determined that because the County Auditor-Controller did not distribute funds to the Successor Agency from the Redevelopment Property Tax Trust Fund for the Former Wasco Redevelopment Agency, for the period of time between July 1, 2019 through June 30, 2020 under "Wasco ROPS 19-20" no Administrative Cost Allowance shall be paid to the Successor Agency from the Redevelopment Property Tax Trust Fund for the period of time between July 1, 2020 through June 30, 2021, under "Wasco ROPS 20-21" as this term is described in the next paragraph and

(f) As used herein, the term "Wasco ROPS 20-21" means and refers to the draft document entitled "Wasco ROPS 20-21", as presented to the governing body of the Successor Agency and the City Council, at the joint public meeting of the Successor Agency and the City Council at which this Loan Agreement has been approved by the Successor Agency and the City. The final form of Wasco ROPS 20-21 is subject to such changes and edits as may be recommended by the staff of the Successor Agency and approved by the Oversight Board for the former Wasco Redevelopment Agency as set forth under the State Redevelopment Dissolution Law and

(g) Health and Safety Code Section 34173(h) provides authorization for the City

to loan funds to the Successor Agency to pay for administrative costs, enforceable obligations, or project-related expenses, at the discretion of the City, and that such a loan, upon approval by the Oversight Board (and subsequent approval or deemed approval by the State Department of Finance) shall be reflected on the recognized obligation payment schedule of the Successor Agency and

(h) The City and the Successor Agency have both determined that it is necessary and appropriate to enter into the Loan Agreement, as herein provided below, in order that the Successor Agency may pay administrative costs in fiscal year 2020-21.

Section 2. THEREFORE IT IS RESOLVED by the Board of Directors of the Kern Countywide Oversight Board, as follows

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

2. The Kern Countywide Oversight Board of the Successor Agency hereby approves the Successor Agency Loan Agreement (No. 1 ROPS 20-21) between the City of Wasco and the Successor Agency to the former Wasco Redevelopment Agency, attached to this Resolution as Exhibit "A." The Loan in the maximum principal amount not-to-exceed Forty Thousand Dollars (\$40,000), as hereby approved, shall be used and applied by the Successor Agency solely for the purpose set forth in Section 2 and Section 3 of the Loan Agreement.

3. The Loan Agreement as hereby approved by the Oversight Board shall take effect five (5) business days after the written notice and information as relates to the Loan Agreement and this approving Resolution of the Oversight Board has been given to the State Department of Finance as provided in Health and Safety Code Section 34179(h). For the purposes of any review of this Resolution as may hereafter be requested by the State Department of Finance, the Oversight Board hereby designates the following official to whom the State Department of Finance may make that request

Designated Official
Daniel Ortiz-Hernandez
City Manager
City of Wasco
(661) 758-7203

E-mail: daortiz@ci.wasco.ca.us

with copy to

Daniel S. Briney

Interim Finance Director

City of Wasco

(661) 758-7230

E-mail: fidirector@ci.wasco.ca.us

with additional copy to

Thomas F. Schroeter

City Attorney

City of Wasco

(661) 327-4189

E-mail: tomschroeter@sbcglobal.net

4. This Resolution shall take effect in accordance with Health and Safety Code Section 34179(h).

2020 - 001

CITY OF WASCO

-and-

SUCCESSOR AGENCY TO THE
FORMER WASCO
REDEVELOPMENT AGENCY

SUCCESSOR AGENCY LOAN AGREEMENT
No. 1: ROPS 20-21

(NOT TO EXCEED: \$40,000)

THIS SUCCESSOR AGENCY LOAN AGREEMENT 1: ROPS 20-21 (the "Loan Agreement") is dated as of January 7, 2020, by and between the City of Wasco (the "City") and the Successor Agency to the former Wasco Redevelopment Agency, a public body corporate and politic (the "Successor Agency") and is entered into in light of the following facts:

-RECITALS-

1. The City authorized the formation and operation of a community redevelopment agency within the territorial jurisdiction of the City pursuant to state law.
2. The former Wasco Redevelopment Agency undertook the redevelopment of certain areas of the City in reliance upon the provisions of state law and the former Wasco Redevelopment Agency entered into certain contracts, expended public funds, incurred indebtedness and assumed certain obligations and liabilities with third parties in reliance upon applicable State and federal law in order to eliminate and prevent the spread of blight and to enhance and preserve the supply of affordable housing within the City.
3. The State of California (the "State") has ordered the former Wasco Redevelopment Agency to be dissolved under the provisions of ABX1 26 (Stats 2011-12, 1st Ex. Sess., Chapter 5), as amended by AB 1484 (Stats 2012, Chapter 26), and collectively the State legislation identified in this sentence is referred to herein as the "State Redevelopment Dissolution Law."

4. The Successor Agency to the former Wasco Redevelopment Agency has initiated the implementation of the State Redevelopment Dissolution Law including the repayment of existing obligations, the marshaling of cash assets, non-cash assets and liabilities and the preparation of land assets for disposition and sale to third parties (including without limitation so-call "Land Held for Resale") of the former Wasco Redevelopment Agency subject to the payment of enforceable obligations of the former Wasco Redevelopment Agency under applicable State and federal law, and such implementation of the State Redevelopment Dissolution Law has included, the preparation and submission to the State by the Successor Agency of a recognized obligation payment schedule for the period of July 1, 2019, through June 30, 2020, (Wasco ROPS 19-20) as provided under Health and Safety Code Section 34177.
5. The Successor Agency has determined that because the County Auditor-Controller did not distribute funds to the Successor Agency from the Redevelopment Property Tax Trust Fund for the former Wasco Redevelopment Agency, for the period of time between July 1, 2019, through June 30, 2020, under "Wasco ROPS 19-20", no Administrative Cost Allowance shall be paid to the Successor Agency from the Redevelopment Property Tax Trust Fund for the period of time between July 1, 2020, through June 30, 2021, under "Wasco ROPS 20-21" at this term is described in the next paragraph
6. As used herein, the term "Wasco ROPS 20-21" means and refers to the draft document entitled "Wasco ROPS 20-21", as presented to the governing body of the Successor Agency and the City Council, at the joint public meeting of the Successor Agency and the City Council at which this Loan Agreement has been approved by the Successor Agency and the City. The final form of Wasco ROPS 20-21 is subject to such changes and edits as may be recommended by the staff of the Successor Agency and approved by the Oversight Board for the former Wasco Redevelopment Agency as set forth under the State Redevelopment Dissolution Law.
7. Health and Safety Code Section 34173(h) provides authorization for the City to loan funds to the Successor Agency to pay for administrative costs, enforceable obligations, or project-related expenses, at the discretion of

the City, and that such a loan, upon approval by the Oversight Board (and subsequent approval or deemed approval by the State Department of Finance) shall be reflected on the recognized obligation payment schedule of the Successor Agency.

8. The City and the Successor Agency have both determined that it is necessary and appropriate to enter into the Loan Agreement, as herein provided below, in order that the City and the Successor Agency may comply with the State Redevelopment Dissolution Law and fund the enforceable obligation as required hereunder.

FOR AND IN CONSIDERATION OF THE MUTUAL COVENANTS AND AGREEMENTS HEREINAFTER SET FORTH, THE CITY AND SUCCESSOR AGENCY AGREE AS FOLLOWS:

SECTION 1. **Recitals.** The City and Successor Agency represent and warrant to each other that the information set forth in the preceding recital paragraphs is true and correct and is hereby incorporated into this Loan Agreement by reference as if fully set forth. The City and the Successor Agency each acknowledge receipt from the staff of the Successor Agency a draft document entitled "ROPS 20-21". A copy of the draft "ROPS 20-21" document has previously been delivered by the Successor Agency to the members of the Oversight Board. The purpose of this Loan Agreement is to satisfy the provisions of Health and Safety Code Section 34173(h) and to evidence the enforceable obligation of the Successor Agency which arises in favor of the City, in order for the Successor Agency to comply with its obligations under the State Redevelopment Dissolution Law and other applicable State and federal law.

SECTION 2. **Loan.** The City hereby agrees to make available from the available funds of the City as a loan to the Successor Agency (herein, the Loan") a sum not-to-exceed Forty Thousand Dollars (\$40,000) to be used by the Successor Agency solely as set forth in Section 3. Subject to the approval of this Loan Agreement by the Oversight Board (and subsequent approval or deemed approval by the State Department of Finance), the City shall make the proceeds of the Loan available to the Successor Agency upon receipt of a written Loan Draw Request, executed by the City Manager of the City of Wasco acting as Executive Director of the Successor Agency which references Section 3 and Section 4.

SECTION 3. **Use of the Loan.** The Successor Agency shall utilize the proceeds of the Loan as follows:

to pay administrative costs of the Agency for the ROPS 20-21 period

SECTION 4. **Source of Repayment of the Loan: Limited Subordination.**

- (A) Except as provided in paragraph (B), the Loan shall be repaid by the Successor Agency to the City on par with any other enforceable obligation of the Successor Agency falling within Health and Safety Code Section 34183(a)(2)(C) (indebtedness not qualifying as tax allocation bonds and certain revenue bonds).
- (B) Unless legally prohibited by law or waived by the City, any portion of the unpaid principal balance of the Loan shall also be repaid by the Successor Agency from reserves or other revenues available to the Successor Agency, such as from the cash proceeds of the disposition of land held for resale to third persons, net of the actual and reasonable expenses of such disposition of land held for resale to third persons
- (C) SECTION 5. **Placement of Loan Obligation on the Successor Agency's ROPS 20-21 (July 1, 2020 — June 30, 2021).** Provided that this Loan Agreement is approved, the Successor Agency shall prepare and approve ROPS 20-21 which includes the Loan Agreement as a listed enforceable obligation on the ROPS 20-21. The amount of that listed obligation shall be the not-to-exceed Loan Amount as set forth in Section 2. This Loan Agreement shall be included on each successive recognized obligation payment schedule for the Successor Agency for the former Wasco Redevelopment Agency until the City is repaid the principal balance of the Loan Amount.
- (D) SECTION 6. **Term.** This Loan Agreement shall be in full force and effect from the date hereof until such time as the unpaid principal balance of the Loan has been repaid in full to the City.

SECTION 7. **Entire Agreement.** This Loan Agreement constitutes the entire agreement by and between the City and the Successor Agency with respect to the subject matter of this Loan Agreement and may be amended only in writing.

SECTION 8. **Notice of Default and Remedies.** In the event of a default, the party who alleges a default shall give the other party thirty (30) days written notice of such default, with a copy of such notice of default to the Oversight Board and to the State Department of Finance. In the event that the party who is alleged to be in default

does not promptly initiate a cure of the alleged default, and the applicable party hereto shall be entitled to pursue any and all remedies available under California law for purposes of enforcing the terms and conditions of this Loan Agreement.

APPROVED AND EXECUTED by signature of the authorized representatives of the City and the Successor Agency as of January 7, 2020.

SUCCESSOR AGENCY

A handwritten signature in dark ink, appearing to read "Daniel Ortiz Hernandez", written over a horizontal line.

By: **Daniel Ortiz Hernandez, Successor
Agency Executive Director**

ATTEST:

A handwritten signature in dark ink, appearing to read "Maria Martinez", written over a horizontal line.

By: **Maria Martinez, Successor
Agency Secretary**

RESOLUTION NO. 2020 - 3406

**RESOLUTION OF THE CITY COUNCIL OF THE CITY OF WASCO, CALIFORNIA APPROVING A
LOAN AGREEMENT BETWEEN THE CITY OF WASCO AND THE SUCCESSOR AGENCY TO THE
FORMER WASCO REDEVELOPMENT AGENCY (SUCCESSOR AGENCY LOAN AGREEMENT NO.
1, ROPS 20-21)**

WHEREAS, the City of Wasco (the "City") authorized the formation and operation of a community redevelopment agency within the territorial jurisdiction of the City pursuant to state law; and

WHEREAS, the former Wasco Redevelopment Agency undertook the redevelopment of certain areas of the City in reliance upon the provisions of state law and the former Wasco Redevelopment Agency entered into certain contracts, expended public funds, incurred indebtedness and assumed certain obligations and liabilities with third parties in reliance upon applicable State and federal law in order to eliminate and prevent the spread of blight and to enhance and preserve the supply of affordable housing within the City; and

WHEREAS, the State of California (the "State") has ordered the former Wasco Redevelopment Agency to be dissolved under the provisions of ABX1 26 (Stats 2011-12, 1st Ex. Sess., Chapter 5), as amended by AB 1484 (Stats 2012, Chapter 26), and collectively the State legislation identified in this sentence is referred to herein as the "State Redevelopment Dissolution Law"; and

WHEREAS, the Successor Agency to the former Wasco Redevelopment Agency has initiated the implementation of the State Redevelopment Dissolution Law including the repayment of existing obligations, the marshaling of cash assets, non-cash assets and liabilities and the preparation of land assets for disposition and sale to third parties (including without limitation so-call "Land Held for Resale") of the former Wasco Redevelopment Agency subject to the payment of enforceable obligations of the former Wasco Redevelopment Agency under applicable State and federal law, and such implementation of the State Redevelopment Dissolution Law has included, the preparation and submission to the State by the Successor Agency of a recognized obligation payment schedule for the period of July 1, 2019, through June 30, 2020, (ROPS 19-20) as provided under Health and Safety Code Section 34177; and

WHEREAS, the Successor Agency has determined that because the County Auditor-Controller did not distribute funds to the Successor Agency from the Redevelopment Property Tax Trust Fund for the former Wasco Redevelopment Agency, for the period of time between July 1, 2019, through June 30, 2020, no Administrative Cost Allowance shall be paid to the Successor Agency from the Redevelopment Property Tax Trust Fund for the period of time between July 1, 2020, through June 30, 2021, under "Wasco ROPS 20-21" at this term is described in the next paragraph; and

WHEREAS, as used herein, the term "Wasco ROPS 20-21" means and refers to the draft document entitled "Wasco ROPS 20-21", as presented to the governing body of the Successor Agency and the City Council, at the joint public meeting of the Successor Agency and the City Council at which this Loan Agreement has been approved by the Successor Agency and the City. The final form of Wasco ROPS 20-21 is subject to such changes and edits as may be recommended by the staff of the Successor Agency and approved by the Oversight Board for the former Wasco Redevelopment Agency as set forth under the State Redevelopment Dissolution Law; and

WHEREAS, Health and Safety Code Section 34173(h) provides authorization for the City to loan funds to the Successor Agency to pay for administrative costs, enforceable obligations, or project-related expenses, at the discretion of the City, and that such a loan shall be reflected on the recognized obligation payment schedule of the Successor Agency, which is subject to the approval of the Oversight Board for the Successor Agency; and

WHEREAS, the City and the Successor Agency have both determined that it is necessary and appropriate to enter into the Loan Agreement, as herein provided below, in order that the Successor Agency may pay administrative costs in fiscal year 2020-21.

NOW THEREFORE BE IT RESOLVED, by the City Council of the City of Wasco as follows:

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

SECTION 2: Approval of Loan Agreement. The City Council hereby approves the Loan Agreement (No. 1 ROPS 20-21) between the City of Wasco and the Successor Agency to the former Wasco Redevelopment Agency, substantially in the form attached to this Resolution as Exhibit A. The City Manager is hereby authorized and directed to cause Loan Agreement No. 1 ROPS 20-21 to be included on the recognized obligation payment schedule of the Successor Agency as shall be submitted to the State Department of Finance at the most feasible time after the adoption of this Resolution.

SECTION 3: Execution of the Loan Agreement. The City Manager is hereby authorized and directed to execute and deliver, for and in the name of the City, the Loan Agreement (No. 1: ROPS 20-21) in substantially the form attached to this Resolution as Exhibit A, with such changes therein as the City Manager may approve (such approval to be conclusively evidenced by the execution and delivery thereof) and to take such other and further action consistent with this Resolution and sign any documents, as necessary, in order to implement this Resolution on behalf of the City.

SECTION 4: This Resolution shall take effect upon adoption. The City Clerk shall certify to the adoption of this Resolution.

-o0o-

I **HEREBY CERTIFY** that the foregoing Resolution No. 2020- 3406 was passed and adopted by the Council of the City of Wasco at a regular meeting thereof held on January 7, 2020, by the following vote:

COUNCIL MEMBERS: CORTEZ, ESPITIA, GARCIA PALLARES, REYNA

AYES:

NOES:

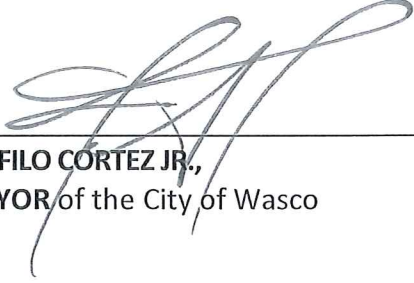
ABSTAIN:

ABSENT:

NONE

NONE

NONE

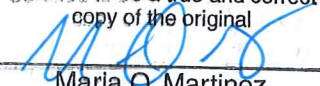

TEOFILO CORTEZ JR.,
MAYOR of the City of Wasco

Attest:


MARIA O. MARTINEZ

CITY CLERK and Ex Officio Clerk of
the Council of the City of Wasco

City of Wasco
Certified to be a true and correct
copy of the original


Maria O. Martinez
City Clerk of
The City of Wasco

A RESOLUTION OF THE SUCCESSOR AGENCY FOR THE FORMER WASCO REDEVELOPMENT AGENCY APPROVING A LOAN AGREEMENT BETWEEN THE CITY OF WASCO AND THE SUCCESSOR AGENCY TO THE FORMER WASCO REDEVELOPMENT AGENCY (SUCCESSOR AGENCY LOAN AGREEMENT NO. 1: ROPS 20-21)

WHEREAS, the City of Wasco (the "City") authorized the formation and operation of a community redevelopment agency within the territorial jurisdiction of the City pursuant to state law; and

WHEREAS, the former Wasco Redevelopment Agency undertook the redevelopment of certain areas of the City in reliance upon the provisions of state law and the former Wasco Redevelopment Agency entered into certain contracts, expended public funds, incurred indebtedness and assumed certain obligations and liabilities with third parties in reliance upon applicable State and federal law in order to eliminate and prevent the spread of blight and to enhance and preserve the supply of affordable housing within the City; and

WHEREAS, the State of California (the "State") has ordered the former Wasco Redevelopment Agency to be dissolved under the provisions of ABX1 26 (Stats 2011-12, 1st Ex. Sess., Chapter 5), as amended by AB 1484 (Stats 2012, Chapter 26), and collectively the State legislation identified in this sentence is referred to herein as the "State Redevelopment Dissolution Law"; and

WHEREAS, the Successor Agency to the former Wasco Redevelopment Agency has initiated the implementation of the State Redevelopment Dissolution Law including the repayment of existing obligations, the marshaling of cash assets, non-cash assets and liabilities and the preparation of land assets for disposition and sale to third parties (including without limitation so-call "Land Held for Resale") of the former Wasco Redevelopment Agency subject to the payment of enforceable obligations of the former Wasco Redevelopment Agency under applicable State and federal law, and such implementation of the State Redevelopment Dissolution Law has included, the preparation and submission to the State by the Successor Agency of a recognized obligation payment schedule for the period of July 1, 2019, through June 30, 2020, (Wasco ROPS 19-20) as provided under Health and Safety Code Section 34177; and

WHEREAS, the Successor Agency has determined that because the County Auditor-Controller did not distribute funds to the Successor Agency from the Redevelopment Property Tax Trust Fund for the former Wasco Redevelopment Agency, for the period of time between July 1, 2019, through June 30, 2020, under "Wasco ROPS 19-20" no Administrative Cost Allowance shall be paid to the Successor Agency from the Redevelopment Property Tax Trust Fund for the period of time between July 1, 2020, through June 30, 2021, under "Wasco ROPS 20-21" at this term is described in the next paragraph; and

WHEREAS, as used herein, the term "Wasco ROPS 20-21" means and refers to the draft document entitled "Wasco ROPS 20-21", as presented to the governing body of the

Successor Agency and the City Council, at the joint public meeting of the Successor Agency and the City Council at which this Loan Agreement has been approved by the Successor Agency and the City. The final form of Wasco ROPS 20-21 is subject to such changes and edits as may be recommended by the staff of the Successor Agency and approved by the Oversight Board for the former Wasco Redevelopment Agency as set forth under the State Redevelopment Dissolution Law; and

WHEREAS, Health and Safety Code Section 34173(h) provides authorization for the City to loan funds to the Successor Agency to pay for administrative costs, enforceable obligations, or project-related expenses, at the discretion of the City, and that such a loan, upon approval by the Oversight Board (and subsequent approval or deemed approval by the State Department of Finance) shall be reflected on the recognized obligation payment schedule of the Successor Agency; and

WHEREAS, the City and the Successor Agency have both determined that it is necessary and appropriate to enter into the Loan Agreement, as herein provided below, in order that the the Successor Agency may pay administrative costs in fiscal year 2020-21.

NOW THEREFORE BE IT RESOLVED, by the Governing Board of the Successor Agency for the Former Wasco Redevelopment Agency as follows:

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

SECTION 2: Approval of Loan Agreement. The governing board of the Successor Agency hereby approves the Loan Agreement (No. 1: ROPS 20-21) between the City of Wasco and the Successor Agency to the former Wasco Community Redevelopment Agency, substantially in the form attached to this Resolution as Exhibit A. The City Manager is hereby authorized and directed to cause Loan Agreement No. 1: ROPS 20-21 to be included on the recognized payment obligation schedule of the Successor Agency as shall be submitted to the State Department of Finance at the earliest feasible time after the adoption of this Resolution.

SECTION 3: Execution of the Loan Agreement. The Executive Director is hereby authorized and directed to execute and deliver, for and in the name of the Successor Agency, the Loan Agreement (No. 1: ROPS 20-21) in substantially the form attached to this Resolution as Exhibit A, with such changes therein as the Executive Director may approve (such approval to be conclusively evidenced by the execution and delivery thereof) and to take such other and further action consistent with this Resolution and sign any documents, as necessary, in order to implement this Resolution on behalf of the Successor Agency. The Oversight Board is hereby requested to adopt a resolution to approve the Successor Agency's execution and delivery of the Loan Agreement (No. 1: ROPS 20-21) and the Secretary of the Successor Agency is hereby directed to transmit this Resolution to the Oversight Board upon execution.

SECTION 5: This Resolution shall take effect upon adoption.

I **HEREBY CERTIFY** that the foregoing Resolution was passed and adopted by the Board of Directors to the Successor Agency of the Former Wasco Redevelopment Agency at a regular meeting thereof held on January 7, 2020 by the following vote:

BOARD OF DIRECTORS: CORTEZ, ESPITIA, GARCIA PALLARES, REYNA

AYES:

NOES:

ABSTAIN:

ABSENT:

NONE

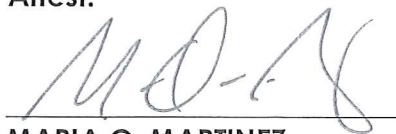
NONE

NONE



TEOFILO CORTEZ JR.,
CHAIRMAN of the Successor
Agency of the Former
Redevelopment Agency

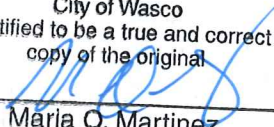
Attest:



MARIA O. MARTINEZ

City Clerk and Ex Officio Clerk of
the BOARD OF DIRECTORS of the City of Wasco

City of Wasco
Certified to be a true and correct
copy of the original



Maria O. Martinez
City Clerk of
The City of Wasco



CITY OF ARVIN
Agenda Report
Successor Agency and City Council
Meeting Date: June 25, 2019

TO: County of Kern Oversight Board

FROM: Pawan Gill, Administrative Services Director
Jerry Breckinridge, City Manager/Executive Director

SUBJECT: Joint Resolution of the Arvin Successor Agency and City Council Approving Sale and Request Kern County Oversight Board Affirm Sale of Property, APN 192-110-16, Consisting of 7,142 Square Feet, Subject to Vacant Land Purchase Agreement and Joint Escrow Instructions by and Between the Arvin Successor Agency and Oscar L. Rudnick and Authorize the Executive Director to Act on Behalf of the Successor Agency

RECOMMENDATION:

Adopt Joint Resolution of the Arvin Successor Agency and City Council Approving Sale and Request Kern County Oversight Board Affirm Sale of Property, APN 192-110-16, Consisting of 7,142 Square Feet, Subject to a Vacant Land Purchase Agreement and Joint Escrow Instructions by and Between the Successor Agency and Oscar L. Rudnick (BUYER) and Authorize the Executive Director to Act on Behalf of the Successor Agency.

BACKGROUND:

The City of Arvin Successor Agency adopted Resolution AOB2014-02 establishing a Long-Range Property Management Plan (LRMP), attached, and submitted the LRMP to the State of California's Department of Finance (DOF) on March 7, 2014, attached. The Plan was approved by DOF on March 7, 2014 and to implement the LRMP the Successor Agency must either sell the property or transfer the properties as listed in the plan. The Long-Range Property Management Plan lists some 32 properties that are to be either transferred or sold. The Long-Range Property Management Plan complies with the requirements of California Health and Safety Code (HSC) 34191.5.

The property is listed under Resolution No. AOB2014-02 as item number 32. Inasmuch, as the appraisal value established in 2014 and the May 16, 2019 appraisal value is equal to or greater than that established on the LRMP, the sale of the property and approval by the Kern County

Oversight Board is not required to be sent to the Department of Finance.

The Successor Agency to the Arvin Community Redevelopment Agency (Agency) currently own APN's 192-110-16 located at the northeast corner of Sycamore and Meyer. The vacant parcels total 7,142 square feet. The appraisal reflects a 5,144 square foot value based on the adjustment for the offer of public right of way along Sycamore Road.



On March 15, 2018, Mr. Oscar W. Rudnick (BUYER) submitted a letter stating interest in purchasing the site. To move forward with sale of the Site, staff ordered a real property appraisal and said appraisal was completed on May 16, 2019. The appraisal (Appraisal), attached, has determined the valuation for the SITE to be \$6.00 per square foot with a total appraised value of \$31,000.00. The appraisal reflects the established easement required for road right-of-way along Sycamore Road. Staff met with Mr. Rudnick and reviewed the Appraisal, Mr. Rudnick agreed with the appraised value of \$31,000.00 and on June 6, 2019 provided a Letter of Intent to purchase the property along with a Vacant Land Purchase Agreement and Joint Escrow Instructions with close of Escrow to be on or before March 9, 2020. This long escrow period is to allow for the processing of and upon obtaining certain development entitlements for the property.

On June 25th, 2019, the Arvin City Council and the Successor Agency adopted the joint resolution to request approval of the sale. Upon approval by the Oversight Board, the Executive Director is authorized to coordinate the close of escrow upon the applicant processing various land entitlements that include General Plan Land Use Amendment and Rezoning from Single Family Residential to R-3 Limited Multiple Family, Lot Line Adjustment, Conditional Use Permit for the

Expansion of an Existing Mobile Home Park, and a Site Development Permit as required by Arvin Municipal Code. The Developer is required to provide a \$1,000.00 deposit with the balance of \$30,000.00 due at close of escrow.

FINANCIAL IMPACT:

Net proceeds from the sale of the Site will be submitted to the DOF and will go towards paying debt accrued by the Agency. Development of the Project will result in (i) Building Permit Fee revenue to the City; and (ii) Development Impact Fee revenue to the City. Once completed, the proposed Project is also expected to generate a small increase in real property taxes.

ATTACHMENTS

Joint Resolution of the Arvin City Council and Successor Agency

Appraisal dated May 16, 2019

AOB2014-02 dated February 25, 2014 with Long-Range Property Management Plan

Department of Finance Approval dated March 7, 2014

Letter to Intent to Purchase dated June 7, 2019 and Vacant Land Purchase Agreement and Joint Escrow Instructions

BEFORE THE KERN COUNTYWIDE OVERSIGHT BOARD

In the matter of:

Resolution No. _____

RESOLUTION OF THE KERN COUNTYWIDE OVERSIGHT BOARD TO THE FORMER ARVIN REDEVELOPMENT AGENCY APPROVING THE SALE OF A CERTAIN REAL PROPERTY TO OSCAR L RUDNICK – APN 192-110-16

I, Amanda Ruiz, Secretary on behalf of the Oversight Board, do certify that the following resolution, on motion of Director _____, seconded by Director _____, was duly passed and adopted by the Board of Directors at an official meeting this _____ day of _____, 2018, by the following vote:

AYES:

NOES:

ABSENT:

Secretary on behalf of the Oversight Board
Kern Countywide Oversight Board

RESOLUTION

Section 1. WHEREAS

(a) The City of Arvin Successor Agency, as Successor Agency (“SA”) to the Arvin Redevelopment Agency, has been established to oversee the wind down of the affairs of the former Arvin Redevelopment Agency (“Agency”) in accordance with the California Health and Safety Code section 34173 and

(b) The SA prepared its LRPMP in accordance with Health and Safety Code section 34191.5, subdivision (c), and submitted it to the Oversight Board for approval and

(c) The SA was required to (i) prepare a “Long Range Property Management Plan” (“LRPMP”) meeting the requirements of Health and Safety Code section 34191.5, subdivision (c), and (ii) submit the LRPMP to the Oversight Board and the California Department of Finance (“DOF”) for approval; and

(d) The SA prepared its LRPMP in accordance with Health and Safety Code section 34191.5, subdivision (c), and submitted it to the Oversight Board for approval and

(e) The Arvin Oversight Board adopted AOB2014-01 on February 6, 2014 and subsequently adopted AOB2014-02 on February 25, 2014 approving the Long-Range Management Plan (RPMP), Exhibit A of the resolutions and directed that it be submitted to the Department of Finance (DOF) for approval in accordance Health and Safety Code section 34191.5, subdivision (b) and

(f) on Arvin Oversight Board adopted AOB2014-01 on February 6, 2014 and subsequently adopted AOB2014-02 on February 25, 2014 approving the Long-Range Management Plan (RPMP), Exhibit A of the resolutions and directed that it be submitted to the Department of Finance (DOF) for approval in accordance Health and Safety Code section 34191.5, subdivision (b) and

(g) The LRPMP lists thirty-two properties held by the SA as listed on Exhibit A of Resolution No. AOB 2014-02, Long-Range Management Plan (LRMP) whereby the transfer of and/or sale of former RDA properties are to be managed by the Arvin Successor Agency and

(h) The sale of any former RDA lands and any such proceeds from the City's disposition of the Property for Future Development will be remitted by the City to the Kern County Auditor-Controller for distribution to the affected taxing entities in accordance with their proportional shares of base property tax revenues and

(i) The SA received notice of DOF's approval of the LRPMP on March 7, 2014 which referenced both AOB2014-01 and AOB2014-02 with the Exhibit A listing of RDA properties to be sold and/or transferred and

(j) The Successor Agency to the Arvin Community Redevelopment Agency (Successor Agency) owns the property is listed under Resolution No. AOB2014-02 as item number 32 and

(k) on March 15, 2018, Mr. Oscar L. Rudnick (BUER) submitted a letter stating interest in purchasing the site and on June 6, 2019 provided a Letter of Intent to purchase the property along with a Vacant Land Purchase Agreement and Joint Escrow Instructions with close of Escrow to be on or before June 10th, 2020 and

(l) an appraisal (Appraisal) was obtained on May 16, 2019 with a valuation of \$6.00 per square foot with a total appraised value of \$31,000.00 reflecting the fair market value of the property and

(m) as the appraisal value established in 2014 and the May 16, 2019 appraisal value is equal to or greater than that established on the LRPMP, the sale of the property and approval by the Kern County Oversight Board is not required to be sent to the Department of Finance and

(n) The City Council and the Board of the Successor Agency desire to authorize the approval of agreement with Oscar W. Rudnick (BUER) to allow for the potential purchase of the property.

Section 2. THEREFORE IT IS RESOLVED by the Board of Directors of the Kern Countywide Oversight Board, as follows

1. That based upon staff reports, presentations, public testimony, and other matters presented during consideration of this matter, the Kern Countywide Oversight Board finds and declares the foregoing recitals to be true and correct, and are expressly incorporated as a material part of this Resolution.

2. As required by Health and Safety Code section 34191.4, subdivision (a) and section 34191.5, subdivision (c)(2), upon sale of the property, the SA is directed to deposit the Disposition Parcel into the Community Redevelopment Property Trust Fund created pursuant to Health and Safety Code section 34191.5, subdivision (a).

3. The City of Arvin Successor Agency hereby approves the Vacant Land Purchase Agreement and Joint Escrow Instructions for the sale of the Disposition Parcel substantially in the form attached hereto as Exhibit A, conditioned upon approval of the Oversight Board. The SA will utilize the proceeds of the sale of the Disposition Parcel to distribute to the taxing entities in accordance with Health and Safety Code section 34191.5, subdivision (c)(2).

4. The SA is authorized to sell and transfer the Disposition Parcel as soon as reasonably practical after Oversight Board approval of this Resolution.

5. The SA and its staff are authorized and directed to do any and all things, and to execute any and all documents, including, without limitation, a Vacant Land Purchase Agreement and Joint Escrow Instructions substantially in the form attached hereto, which they

may deem necessary or advisable to effectuate this Resolution. Any previously-taken acts or previously-executed documents in furtherance of the subject matter hereof are hereby ratified.

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

7. The City Council and Successor Agency to the Arvin Community Redevelopment Agency jointly find that the mere transfer of title to Oscar W. Rudnick (BUYER) is not a “project” for the purposes of the California Environmental Quality Act (CEQA). Additionally, even if this were more than a transfer and a “project” for the purposes of CEQA, the City Council and Governing Board further approve a finding of a categorical exemption under CEQA Guidelines section 15303 is warranted. Further, none of the exceptions to categorical exemptions set forth under CEQA Guidelines section 15300.2 apply to this project.

8. The City Manager/Executive Director, or his designee, is authorized to enter into a Vacant Land Purchase Agreement and Joint Escrow Instructions, Exhibit A, to buy with Oscar W. Rudnick (BUYER) at a cost of \$31,000.00 subject to legal form by the City Attorney/Successor Agency Counsel and deposit \$1,000.00 in escrow. Said agreements shall also ensure that the BUYER shall comply with any statutory requirements of the California Environmental Quality Act and applicable entitlements or other permits required by the municipal ordinances of the City of Arvin.

9. If any portion of the parcel to be purchased is affected by other obligation(s) that would affect the City’s ability to enter into a sales agreement with the BUYER, the City Manager/Executive Director, or designee, is authorized to take all steps, including modification of any existing agreements, subject to approval as to legal form by the City Attorney/Successor Agency Counsel.

RESOLUTION NO. 2019-66

A JOINT RESOLUTION OF THE SUCCESSOR AGENCY TO THE ARVIN COMMUNITY REDEVELOPMENT AGENCY AND THE CITY COUNCIL OF THE CITY OF ARVIN APPROVING SALE AND REQUEST TO KERN COUNTY OVERSIGHT BOARD TO AFFIRM SALE OF PROPERTY AT 816 SYCAMORE, APN 192-110-16, CONSISTING OF 7,142 SQUARE FEET, SUBJECT TO A VACANT LAND PURCHASE AGREEMENT AND JOINT ESCROW INSTRUCTIONS BY AND BETWEEN THE SUCCESSOR AGENCY AND OSCAR L. RUDNICK (BUYER) AND TO AUTHORIZE THE EXECUTIVE DIRECTOR TO ACT ON BEHALF OF THE SUCCESSOR AGENCY.

WHEREAS, the City of Arvin Successor Agency, as Successor Agency ("SA") to the Arvin Redevelopment Agency, has been established to oversee the wind down of the affairs of the former Arvin Redevelopment Agency ("Agency") in accordance with the California Health and Safety Code section 34173; and

WHEREAS, the SA was required to (i) prepare a "Long Range Property Management Plan" ("LRPMP") meeting the requirements of Health and Safety Code section 34191.5, subdivision (c), and (ii) submit the LRPMP to the Oversight Board and the California Department of Finance ("DOF") for approval; and

WHEREAS, the SA prepared its LRPMP in accordance with Health and Safety Code section 34191.5, subdivision (c), and submitted it to the Oversight Board for approval; and

WHEREAS, the Arvin Oversight Board adopted AOB2014-01 on February 6, 2014 and subsequently adopted AOB2014-02 on February 25, 2014 approving the Long-Range Management Plan (RPMP), Exhibit A of the resolutions and directed that it be submitted to the Department of Finance (DOF) for approval in accordance Health and Safety Code section 34191.5, subdivision (b); and

WHEREAS, the LRPMP lists thirty-two properties held by the SA as listed on Exhibit A of Resolution No. AOB 2014-02, Long-Range Management Plan (LRMP) whereby the transfer of and/or sale of former RDA properties are to be managed by the Arvin Successor Agency; and

WHEREAS, the proceeds of any sale of former RDA lands must be used to pay enforceable obligations of the former RDA or be remitted by the City to the Kern County Auditor-Controller for distribution to the affected taxing entities in accordance with their proportional shares of base property tax revenues; and

WHEREAS, the SA received notice of DOF's approval of the LRPMP on March 7, 2014 which referenced both AOB2014-01 and AOB2014-02 with the Exhibit A listing of RDA properties to be sold and/or transferred; and

WHEREAS, the Successor Agency to the Arvin Community Redevelopment Agency

(Successor Agency) owns the property located at 816 Sycamore, APN 192-110-16, the property listed under Resolution No. AOB2014-02 as item number 32 (the "Disposition Parcel"); and

WHEREAS, on March 15, 2018, Mr. Oscar L. Rudnick (BUYER) submitted a letter stating interest in purchasing the Disposition Parcel and on June 6, 2019 provided a Letter of Intent to purchase the Disposition Parcel along with a Vacant Land Purchase Agreement and Joint Escrow Instructions with close of Escrow to be on or before March 9, 2020; and.

WHEREAS, an appraisal of the Disposition Parcel (Appraisal) was obtained on May 16, 2019 with a valuation of \$6.00 per square foot with a total appraised value of \$31,000.00 reflecting the fair market value of the property; and

WHEREAS, as the May 16, 2019 appraisal value of the Disposition Parcel is greater than the value stated in the LRPMP, the Kern County Oversight Board resolution approving the sale will not be subject to review by the Department of Finance; and

WHEREAS, the City Council and the Board of the Successor Agency desire to authorize the approval of agreement with Oscar W. Rudnick (BUYER) to allow for the potential purchase of the Disposition Parcel.

NOW, THEREFORE, BE IT RESOLVED by the City Council of the City of Arvin, and the Governing Board of Directors of the Successor Agency to the Arvin Community Redevelopment Agency as follows:

1. The recitals and findings set forth above are true and correct and incorporated herein by this reference.
2. The City of Arvin Successor Agency hereby approves the Vacant Land Purchase Agreement and Joint Escrow Instructions for the sale of the Disposition Parcel substantially in the form attached hereto as Exhibit A, conditioned upon approval of the Oversight Board. The SA will utilize the proceeds of the sale of the Disposition Parcel to pay enforceable obligations of the former RDA or remit the proceeds to the Kern County Auditor-Controller for distribution to the taxing entities in accordance with Health and Safety Code section 34191.5, subdivision (c)(2).
3. The SA is authorized to sell and transfer the Disposition Parcel as soon as reasonably practical after Oversight Board approval of this Resolution and fulfillment of all condition to sale set forth in the Vacant Land Purchase Agreement and Joint Escrow Instructions.
4. The SA and its staff are authorized and directed to do any and all things, and to execute any and all documents, including, without limitation, a Vacant Land Purchase Agreement and Joint Escrow Instructions substantially in the form attached hereto, which they may deem necessary or advisable to effectuate this Resolution. Any previously-taken acts or previously-executed documents in furtherance of the subject matter hereof are hereby ratified.

5. If any provision of this Resolution or the application thereof to any person or circumstance is held invalid, such invalidity shall not affect other provisions or applications of this Resolution which can be given effect without the invalid provision or application, and to this end the provisions of this Resolution are severable. The City of Arvin Successor Agency hereby declares that it would have adopted this Resolution irrespective of the invalidity of any particular portion thereof.
6. The City Council and Successor Agency to the Arvin Community Redevelopment Agency jointly find that the mere transfer of title to Oscar W. Rudnick (BUYER) is not a "project" for the purposes of the California Environmental Quality Act (CEQA). Additionally, even if this were more than a transfer and a "project" for the purposes of CEQA, the City Council and Governing Board further approve a finding of a categorical exemption under CEQA Guidelines section 15303 is warranted. Further, none of the exceptions to categorical exemptions set forth under CEQA Guidelines section 15300.2 apply to this project.
7. The City Manager/Executive Director, or his designee, is authorized to enter into a Vacant Land Purchase Agreement and Joint Escrow Instructions, Exhibit A, to sell the Disposition Parcel to Oscar W. Rudnick (BUYER) at a cost of \$31,000.00 subject to approval as to form by the City Attorney/Successor Agency Counsel and deposit \$1,000.00 in escrow. Said agreements shall also ensure that the BUYER shall comply with any statutory requirements of the California Environmental Quality Act and applicable entitlements or other permits required by the municipal ordinances of the City of Arvin with respect to development of the Disposition Parcel.
8. If any portion of the parcel to be purchased is affected by other obligation(s) that would affect the City's ability to enter into a sales agreement with the BUYER, the City Manager/Executive Director, or designee, is authorized to take all steps, including modification of any existing agreements, subject to approval as to legal form by the City Attorney/Successor Agency Counsel.

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I HEREBY CERTIFY that the foregoing resolution was passed and adopted by the City Council of the City of Arvin and the Governing Board of the Successor Agency to the Arvin Community Redevelopment Agency at a regular meeting thereof held on the 23rd day of July 2019 by the following vote:

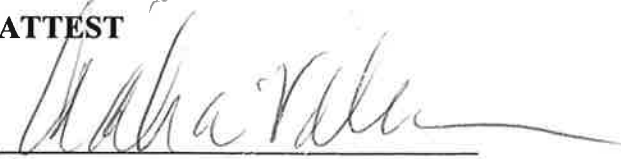
AYES: AM/CM Martinez, AM/CM Trujillo, AM/CM Franetovich, AM/MPT Robles, Chair/Mayor Gurrola

NOES: _____

ABSTAIN: _____

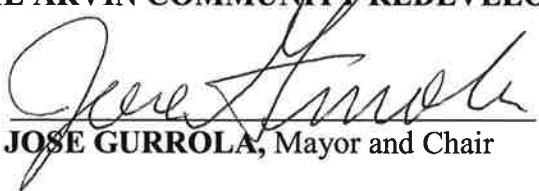
ABSENT: _____

ATTEST


CECILIA VELA, City Clerk and
Agency Secretary

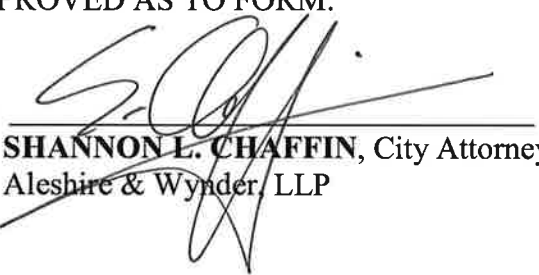
**CITY OF ARVIN/ SUCCESSOR AGENCY TO
THE ARVIN COMMUNITY REDEVELOPMENT AGENCY**

By: _____


JOSE GURROLA, Mayor and Chair

APPROVED AS TO FORM:

By: _____


SHANNON L. CHAFFIN, City Attorney and Successor Agency Counsel
Aleshire & Wynder, LLP

I, _____, City Clerk of the City of Arvin, California, and Agency Secretary of the Successor Agency to the Arvin Community Redevelopment Agency, California, **DO HEREBY CERTIFY** that the foregoing is a true and accurate copy of the Resolution passed and adopted by the City Council of the City of Arvin and by the Successor Agency to the Arvin Community Redevelopment Agency on the date and by the vote indicated herein.

Letter of Interest

6/7/19

I have enclosed an updated offer with the current terms outlined from our previous meeting. I would like to purchase 816 Sycamore drive from the city of Arvin. I agree to the price of \$31,000 from the recent appraisal.

I acknowledge that the buyer is responsible for payment of, and securing all land use entitlements.

I acknowledge that the buyer is aware that expanding of the existing mobile home park will require a conditional use permit.

Escrow will be held at Bakersfield Escrow, escrow officer Shelly Simpson.

My offer is subject to approvals from all regulatory agencies involved with the sale, and from all land use regulatory agencies.

I will be paying cash at the close of escrow.

Thank you for your time in this matter. If you have any questions, please call me at 661-472-2960

Sincerely,

A handwritten signature in black ink, appearing to read "Oscar Rudnick". The signature is fluid and cursive, with the first name "Oscar" written in a larger, more prominent script than the last name "Rudnick".

Oscar Rudnick



CALIFORNIA
ASSOCIATION
OF REALTORS®

Revised 1/19/14

VACANT LAND PURCHASE AGREEMENT AND JOINT ESCROW INSTRUCTIONS

(C.A.R. Form VLPA, Revised 12/15)

Date Prepared: October 19, 2018

1. OFFER:

- A. THIS IS AN OFFER FROM Oscar L Rudnick ("Buyer"),
B. THE REAL PROPERTY to be acquired is 816 Sycamore Dr., Arvin Ca, situated in
Arvin (City), Kern (County), California, 93203 (Zip Code), Assessor's Parcel No. 192-110-16 ("Property").
Further Described As Abbreviated Description: SUBD:FOOTHILLS CITRUS FARMS SUBDIVISION CITY FTLCF, BLOCK, LOT 32.
C. THE PURCHASE PRICE offered is Thirty-One Thousand Dollars \$ 31,000.00.
D. CLOSE OF ESCROW shall occur on ☒ March 9, 2020 (date) (or ☐ Days After Acceptance).
E. Buyer and Seller are referred to herein as the "Parties." Brokers are not Parties to this Agreement.

2. AGENCY:

- A. DISCLOSURE: The Parties each acknowledge receipt of a ☒ "Disclosure Regarding Real Estate Agency Relationships" (C.A.R. Form AD).
B. CONFIRMATION: The following agency relationships are hereby confirmed for this transaction:
Listing Agent NONE (Print Firm Name) is the agent of (check one):
☐ the Seller exclusively; or ☐ both the Buyer and Seller.
Selling Agent NONE (Print Firm Name) (if not the same as the Listing Agent) is the agent of (check one): ☐ the Buyer exclusively; or ☐ the Seller exclusively; or ☐ both the Buyer and Seller.
C. POTENTIALLY COMPETING BUYERS AND SELLERS: The Parties each acknowledge receipt of a ☒ "Possible Representation of More than One Buyer or Seller - Disclosure and Consent" (C.A.R. Form PRBS).

3. FINANCE TERMS: Buyer represents that funds will be good when deposited with Escrow Holder.

- A. INITIAL DEPOSIT: Deposit shall be in the amount of \$ 1,000.00

(1) Buyer Direct Deposit: Buyer shall deliver deposit directly to Escrow Holder by electronic funds transfer, ☐ cashier's check, ☐ personal check, ☐ other within 3 business days after Acceptance (or);

OR (2) ☐ Buyer Deposit with Agent: Buyer has given the deposit by personal check (or) to the agent submitting the offer (or to), made payable to

 . The deposit shall be held uncashed until Acceptance and then deposited with Escrow Holder within 3 business days after Acceptance (or).

Deposit checks given to agent shall be an original signed check and not a copy.

(Note: Initial and increased deposits checks received by agent shall be recorded in Broker's trust fund log.)

- B. INCREASED DEPOSIT: Buyer shall deposit with Escrow Holder an increased deposit in the amount of \$ within Days After Acceptance (or).

If the Parties agree to liquidated damages in this Agreement, they also agree to incorporate the increased deposit into the liquidated damages amount in a separate liquidated damages clause (C.A.R. Form RID) at the time the increased deposit is delivered to Escrow Holder.

- C. ☒ ALL CASH OFFER: No loan is needed to purchase the Property. This offer is NOT contingent on Buyer obtaining a loan. Written verification of sufficient funds to close this transaction IS ATTACHED to this offer or ☐ Buyer shall, within 3 (or) Days After Acceptance, Deliver to Seller such verification.

D. LOAN(S):

- (1) FIRST LOAN: in the amount of \$

This loan will be conventional financing or ☐ FHA, ☐ VA, ☐ Seller financing (C.A.R. Form SFA), ☐ assumed financing (C.A.R. Form AFA), ☐ subject to financing, ☐ Other . This loan shall be at a fixed rate not to exceed % or, ☐ an adjustable rate loan with initial rate not to exceed %. Regardless of the type of loan, Buyer shall pay points not to exceed % of the loan amount.

- (2) ☐ SECOND LOAN in the amount of \$

This loan will be conventional financing or ☐ Seller financing (C.A.R. Form SFA), ☐ assumed financing (C.A.R. Form AFA), ☐ subject to financing ☐ Other . This loan shall be at a fixed rate not to exceed % or, ☐ an adjustable rate loan with initial rate not to exceed %. Regardless of the type of loan, Buyer shall pay points not to exceed % of the loan amount.

- (3) FHA/VA: For any FHA or VA loan specified in 3D(1), Buyer has 17 (or) Days After Acceptance to Deliver to Seller written notice (C.A.R. Form FVA) of any lender-required repairs or costs that Buyer requests Seller to pay for or otherwise correct. Seller has no obligation to pay or satisfy lender requirements unless agreed in writing. A FHAVA amendment clause (C.A.R. Form FVAC) shall be a part of this transaction.

E. ADDITIONAL FINANCING TERMS:

Cash closing to be within 30 days of parcel approvals of all regulatory bodies.

Buyer's Initials (OR)
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VLPA REVISED 12/15 (PAGE 1 OF 11)

Seller's Initials () ()



VACANT LAND PURCHASE AGREEMENT (VLPA PAGE 1 OF 11)

Citywide Property Management, 1603 California Ave #122 Bakersfield CA 93304 Phone: 661.631.9970 Fax: 661.631.9972
Katherine Legault Produced with zipForm® by zipLogix 18070 Fifteen Mile Road, Fraser, Michigan 48026 www.zipLogix.com Oscar Rudnick

Property Address: 816 Sycamore Dr., Arvin Ca, Arvin, 93203

Date: October 19, 2018

F. BALANCE OF DOWN PAYMENT OR PURCHASE PRICE in the amount of \$ 30,000.00
to be deposited with Escrow Holder pursuant to Escrow Holder instructions.

G. PURCHASE PRICE (TOTAL): \$ 31,000.00

H. VERIFICATION OF DOWN PAYMENT AND CLOSING COSTS: Buyer (or Buyer's lender or loan broker pursuant to paragraph 3J(1)) shall, within 3 (or) Days After Acceptance, Deliver to Seller written verification of Buyer's down payment and closing costs. (☐ Verification attached.)

I. APPRAISAL CONTINGENCY AND REMOVAL: This Agreement is (or ☒ is NOT) contingent upon a written appraisal of the Property by a licensed or certified appraiser at no less than the purchase price. Buyer shall, as specified in paragraph 19B(3), in writing, remove the appraisal contingency or cancel this Agreement within 17 (or) Days After Acceptance.

J. LOAN TERMS:

(1) **LOAN APPLICATIONS:** Within 3 (or) Days After Acceptance, Buyer shall Deliver to Seller a letter from Buyer's lender or loan broker stating that, based on a review of Buyer's written application and credit report, Buyer is prequalified or preapproved for any NEW loan specified in paragraph 3D. If any loan specified in paragraph 3D is an adjustable rate loan, the prequalification or preapproval letter shall be based on the qualifying rate, not the initial loan rate. (☐ Letter attached.)

(2) **LOAN CONTINGENCY:** Buyer shall act diligently and in good faith to obtain the designated loan(s). Buyer's qualification for the loan(s) specified above is a contingency of this Agreement unless otherwise agreed in writing. If there is no appraisal contingency or the appraisal contingency has been waived or removed, then failure of the Property to appraise at the purchase price does not entitle Buyer to exercise the cancellation right pursuant to the loan contingency if Buyer is otherwise qualified for the specified loan. Buyer's contractual obligations regarding deposit, balance of down payment and closing costs are not contingencies of this Agreement.

(3) **LOAN CONTINGENCY REMOVAL:**

Within 21 (or) Days After Acceptance, Buyer shall, as specified in paragraph 19, in writing, remove the loan contingency or cancel this Agreement. If there is an appraisal contingency, removal of the loan contingency shall not be deemed removal of the appraisal contingency.

(4) ☐ **NO LOAN CONTINGENCY:** Obtaining any loan specified above is NOT a contingency of this Agreement. If Buyer does not obtain the loan and as a result Buyer does not purchase the Property, Seller may be entitled to Buyer's deposit or other legal remedies.

(5) **LENDER LIMITS ON BUYER CREDITS:** Any credit to Buyer, from any source, for closing or other costs that is agreed to by the Parties ("Contractual Credit") shall be disclosed to Buyer's lender. If the total credit allowed by Buyer's lender ("Lender Allowable Credit") is less than the Contractual Credit, then (i) the Contractual Credit shall be reduced to the Lender Allowable Credit, and (ii) in the absence of a separate written agreement between the Parties, there shall be no automatic adjustment to the purchase price to make up for the difference between the Contractual Credit and the Lender Allowable Credit.

K. BUYER STATED FINANCING: Seller is relying on Buyer's representation of the type of financing specified (including but not limited to, as applicable, all cash, amount of down payment, or contingent or non-contingent loan). Seller has agreed to a specific closing date, purchase price and to sell to Buyer in reliance on Buyer's covenant concerning financing. Buyer shall pursue the financing specified in this Agreement. Seller has no obligation to cooperate with Buyer's efforts to obtain any financing other than that specified in the Agreement and the availability of any such alternate financing does not excuse Buyer from the obligation to purchase the Property and close escrow as specified in this Agreement.

L. SELLER FINANCING: The following terms (or ☐ the terms specified in the attached Seller Financing Addendum) (C.A.R. Form SFA) apply ONLY to financing extended by Seller under this Agreement.

(1) **BUYER'S CREDIT-WORTHINESS:** Buyer authorizes Seller and/or Brokers to obtain, at Buyer's expense, a copy of Buyer's credit report. Within 7 (or) Days After Acceptance, Buyer shall provide any supporting documentation reasonably requested by Seller.

(2) **TERMS:** Buyer's promissory note, deed of trust and other documents as appropriate shall incorporate and implement the following additional terms: (i) the maximum interest rate specified in paragraph 3D shall be the actual fixed interest rate for Seller financing; (ii) deed of trust shall contain a REQUEST FOR NOTICE OF DEFAULT on senior loans; (iii) Buyer shall sign and pay for a REQUEST FOR NOTICE OF DELINQUENCY prior to Close Of Escrow and at any future time if requested by Seller; (iv) note and deed of trust shall contain an acceleration clause making the loan due, when permitted by law and at Seller's option, upon the sale or transfer of the Property or any interest in it; (v) note shall contain a late charge of 6% of the installment due (or) if the installment is not received within 10 days of the date due; (vi) title insurance coverage in the form of a joint protection policy shall be provided insuring Seller's deed of trust interest in the Property (any increased cost over owner's policy shall be paid by Buyer); and (vii) tax service shall be obtained and paid for by Buyer to notify Seller if property taxes have not been paid.

(3) **ADDED, DELETED OR SUBSTITUTED BUYERS:** The addition, deletion or substitution of any person or entity under this Agreement or to title prior to Close Of Escrow shall require Seller's written consent. Seller may grant or withhold consent in Seller's sole discretion. Any additional or substituted person or entity shall, if requested by Seller, submit to Seller the same documentation as required for the original named Buyer. Seller and/or Brokers may obtain a credit report, at Buyer's expense, on any such person or entity.

M. ASSUMED OR "SUBJECT TO" FINANCING: Seller represents that Seller is not delinquent on any payments due on any loans. Seller shall, within the time specified in paragraph 19, provide Copies of all applicable notes and deeds of trust, loan balances and current interest rates to Buyer. Buyer shall then, as specified in paragraph 19B(3), remove this contingency or cancel this Agreement. Differences between estimated and actual loan balances shall be adjusted at Close Of Escrow by cash down payment. Impound accounts, if any, shall be assigned and charged to Buyer and credited to Seller. Seller is advised that Buyer's assumption of an existing loan may not release Seller from liability on that loan. If this is an assumption of a VA Loan, the sale is contingent upon Seller being provided a release of liability and substitution of eligibility, unless otherwise agreed in writing. If the Property is acquired subject to an existing loan, Buyer and Seller are advised to consult with legal counsel regarding the ability of an existing lender to call the loan due, and the consequences thereof.

Buyer's Initials (OR) ()

Seller's Initials () ()

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VACANT LAND PURCHASE AGREEMENT (VLPA PAGE 2 OF 11)

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Oscar Rudnick



Property Address: **816 Sycamore Dr., Arvin Ca, Arvin, 93203**

Date: **October 19, 2018**

4. SALE OF BUYER'S PROPERTY:

- A. This Agreement and Buyer's ability to obtain financing are NOT contingent upon the sale of any property owned by Buyer.
OR B. ☐ This Agreement and Buyer's ability to obtain financing are contingent upon the sale of property owned by Buyer as specified in the attached addendum (C.A.R. Form COP).

5. ☐ **MANUFACTURED HOME PURCHASE:** The purchase of the Property is contingent upon Buyer acquiring a personal property manufactured home to be placed on the Property after Close Of Escrow. Buyer ☐ has ☐ has not entered into a contract for the purchase of a personal property manufactured home. Within the time specified in paragraph 19, Buyer shall remove this contingency or cancel this Agreement, (or ☐ this contingency shall remain in effect until the Close Of Escrow of the Property).

6. ☐ **CONSTRUCTION LOAN FINANCING:** The purchase of the Property is contingent upon Buyer obtaining a construction loan. A draw from the construction loan ☐ will ☐ will not be used to finance the Property. Within the time specified in paragraph 19, Buyer shall remove this contingency or cancel this Agreement (or ☐ this contingency shall remain in effect until Close Of Escrow of the Property).

7. ADDENDA AND ADVISORIES:

- A. ADDENDA:
- | | |
|---|--|
| ☐ Back Up Offer Addendum (C.A.R. Form BUO) | ☐ Addendum # _____ (C.A.R. Form ADM) |
| ☐ Septic, Well and Property Monument Addendum (C.A.R. Form SWPI) | ☐ Court Confirmation Addendum (C.A.R. Form CCA) |
| ☐ Short Sale Addendum (C.A.R. Form SSA) | ☐ Other _____ |

B. BUYER AND SELLER ADVISORIES:

- | | |
|---|---|
| ☐ Probate Advisory (C.A.R. Form PA) | ☒ Buyer's Inspection Advisory (C.A.R. Form BIA) |
| ☐ Trust Advisory (C.A.R. Form TA) | ☐ Statewide Buyer and Seller Advisory (C.A.R. Form SBSA) |
| ☐ Short Sale Information and Advisory (C.A.R. Form SSIA) | ☐ REO Advisory (C.A.R. Form REO) |
| | ☒ Other <u>Buyer to approve title report.</u> |

8. **OTHER TERMS:** Buyer is a licensed Real Estate Broker purchasing for his own portfolio. Buyer is not acting as a listing or sales broker. Purchase contingent upon re-zoning, general plan ammendment, conditional use permit, lot line adjustment. All land use entitlements, and environmental clearance/CEQA and for entitlements as well as costs associated with CUP application shall be at the sole expense of the buyer

9. ALLOCATION OF COSTS

- A. **INSPECTIONS, REPORTS AND CERTIFICATES:** Unless otherwise agreed, in writing, this paragraph only determines who is to pay for the inspection, test, certificate or service ("Report") mentioned; it **does not determine who is to pay for any work recommended or identified in the Report.**

- (1) ☐ Buyer ☐ Seller shall pay for a natural hazard zone disclosure report, including tax ☐ environmental ☐ Other: _____ prepared by _____
- (2) ☐ Buyer ☐ Seller shall pay for the following Report _____ prepared by _____
- (3) ☒ Buyer ☐ Seller shall pay for the following Report Faze 1 environmental prepared by Buyers choice

B. **ESCROW AND TITLE:**

- (1) (a) ☒ Buyer ☒ Seller shall pay escrow fee 50/50 Split
- (b) Escrow Holder shall be Bakersfield Escrow - Shelly Simpson
- (c) The Parties shall, within 5 (or 10) Days After receipt, sign and return Escrow Holder's general provisions.
- (2) (a) ☐ Buyer ☒ Seller shall pay for owner's title insurance policy specified in paragraph 18E _____
- (b) Owner's title policy to be issued by Ticor Title
- (Buyer shall pay for any title insurance policy insuring Buyer's lender, unless otherwise agreed in writing.)

C. **OTHER COSTS:**

- (1) ☐ Buyer ☒ Seller shall pay County transfer tax or fee _____
- (2) ☐ Buyer ☐ Seller shall pay City transfer tax or fee _____
- (3) ☐ Buyer ☐ Seller shall pay Homeowners' Association ("HOA") transfer fee _____
- (4) Seller shall pay HOA fees for preparing all documents required to be delivered by Civil Code §4525.
- (5) Buyer to pay for any HOA certification fee.
- (6) ☐ Buyer ☐ Seller shall pay HOA fees for preparing all documents other than those required by Civil Code §4525.
- (7) ☐ Buyer ☐ Seller shall pay for any private transfer fee _____
- (8) ☐ Buyer ☐ Seller shall pay for _____
- (9) ☐ Buyer ☐ Seller shall pay for _____

10. **CLOSING AND POSSESSION:** Possession shall be delivered to Buyer: (i) ☒ at 6 PM or (☐ AM/ ☐ PM) on the date of Close Of Escrow; (ii) ☐ no later than _____ calendar days after Close Of Escrow; or (iii) ☐ at ☐ AM/ ☐ PM on _____. The Property shall be unoccupied, unless otherwise agreed in writing. Seller shall provide keys and/or means to operate all Property locks. If Property is located in a common interest subdivision, Buyer may be required to pay a deposit to the Homeowners' Association ("HOA") to obtain keys to accessible HOA facilities.

11. ITEMS INCLUDED IN AND EXCLUDED FROM SALE:

- A. **NOTE TO BUYER AND SELLER:** Items listed as included or excluded in the MLS, flyers or marketing materials are **not** included in the purchase price or excluded from the sale unless specified in 11B or C.

Buyer's Initials (OR) (_____)

Seller's Initials (_____) (_____)

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VACANT LAND PURCHASE AGREEMENT (VLPA PAGE 3 OF 11)

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B. ITEMS INCLUDED IN SALE:

- (1) All EXISTING fixtures and fittings that are attached to the Property;
(2) The following items: _____

- (3) Seller represents that all items included in the purchase price, unless otherwise specified, are owned by Seller.
(4) All items included shall be transferred free of liens and without Seller warranty.

C. ITEMS EXCLUDED FROM SALE: _____**12. STATUTORY AND OTHER DISCLOSURES AND CANCELLATION RIGHTS:**

- A. NATURAL AND ENVIRONMENTAL HAZARD DISCLOSURES AND OTHER BOOKLETS:** Within the time specified in paragraph 19A, Seller shall, if required by Law: (i) Deliver to Buyer earthquake guide(s) (and questionnaire), environmental hazards booklet; (ii) disclose if the Property is located in a Special Flood Hazard Area; Potential Flooding (Inundation) Area; Very High Fire Hazard Zone; State Fire Responsibility Area; Earthquake Fault Zone; and Seismic Hazard Zone; and (iii) disclose any other zone as required by Law and provide any other information required for those zones.
- B. WITHHOLDING TAXES:** Within the time specified in paragraph 19A, to avoid required withholding, Seller shall Deliver to Buyer or qualified substitute, an affidavit sufficient to comply with federal (FIRPTA) and California withholding Law (C.A.R. Form AS or QS).
- C. MEGAN'S LAW DATABASE DISCLOSURE:** Notice: Pursuant to Section 290.46 of the Penal Code, information about specified registered sex offenders is made available to the public via an Internet Web site maintained by the Department of Justice at www.meganslaw.ca.gov. Depending on an offender's criminal history, this information will include either the address at which the offender resides or the community of residence and ZIP Code in which he or she resides. (Neither Seller nor Brokers are required to check this website. If Buyer wants further information, Broker recommends that Buyer obtain information from this website during Buyer's inspection contingency period. Brokers do not have expertise in this area.)
- D. NOTICE REGARDING GAS AND HAZARDOUS LIQUID TRANSMISSION PIPELINES:** This notice is being provided simply to inform you that information about the general location of gas and hazardous liquid transmission pipelines is available to the public via the National Pipeline Mapping System (NPMS) Internet Web site maintained by the United States Department of Transportation at <http://www.npms.phmsa.dot.gov/>. To seek further information about possible transmission pipelines near the Property, you may contact your local gas utility or other pipeline operators in the area. Contact information for pipeline operators is searchable by ZIP Code and county on the NPMS Internet Web site.
- E. CONDOMINIUM/PLANNED DEVELOPMENT DISCLOSURES:**
(1) **SELLER HAS: 7 (or ____) Days** After Acceptance to disclose to Buyer whether the Property is a condominium, or is located in a planned development or other common interest subdivision (C.A.R. Form VLQ).
(2) If the Property is a condominium or is located in a planned development or other common interest subdivision, Seller has **3 (or ____) Days** After Acceptance to request from the HOA (C.A.R. Form HOA1): (i) Copies of any documents required by Law; (ii) disclosure of any pending or anticipated claim or litigation by or against the HOA; (iii) a statement containing the location and number of designated parking and storage spaces; (iv) Copies of the most recent 12 months of HOA minutes for regular and special meetings; and (v) the names and contact information of all HOAs governing the Property (collectively, "CI Disclosures"). Seller shall itemize and Deliver to Buyer all CI Disclosures received from the HOA and any CI Disclosures in Seller's possession. Buyer's approval of CI Disclosures is a contingency of this Agreement as specified in paragraph 19B(3). The Party specified in paragraph 9, as directed by escrow, shall deposit funds into escrow or direct to HOA or management company to pay for any of the above.

13. SELLER DISCLOSURE AND ADDITIONAL DISCLOSURE:

- A. Within the time specified in paragraph 19, if Seller has actual knowledge, Seller shall provide to Buyer, in writing, the following information:**
(1) **LEGAL PROCEEDINGS:** Any lawsuits by or against Seller, threatening or affecting the Property, including any lawsuits alleging a defect or deficiency in the Property or common areas, or any known notices of abatement or citations filed or issued against the Property.
(2) **AGRICULTURAL USE:** Whether the Property is subject to restrictions for agricultural use pursuant to the Williamson Act (Government Code §§51200-51295).
(3) **DEED RESTRICTIONS:** Any deed restrictions or obligations.
(4) **FARM USE:** Whether the Property is in, or adjacent to, an area with Right to Farm rights (Civil Code §3482.5 and §3482.6).
(5) **ENDANGERED SPECIES:** Presence of endangered, threatened, 'candidate' species, or wetlands on the Property.
(6) **ENVIRONMENTAL HAZARDS:** Any substances, materials, or products that may be an environmental hazard including, but not limited to, asbestos, formaldehyde, radon gas, lead-based paint, fuel or chemical storage tanks, and contaminated soil or water on the Property.
(7) **COMMON WALLS:** Any features of the Property shared in common with adjoining landowners, such as walls, fences, roads, and driveways, and agriculture and domestic wells whose use or responsibility for maintenance may have an effect on the Property.
(8) **LANDLOCKED:** The absence of legal or physical access to the Property.
(9) **EASEMENTS/ENCROACHMENTS:** Any encroachments, easements or similar matters that may affect the Property.
(10) **SOIL FILL:** Any fill (compacted or otherwise), or abandoned mining operations on the Property.
(11) **SOIL PROBLEMS:** Any slippage, sliding, flooding, drainage, grading, or other soil problems.
(12) **EARTHQUAKE DAMAGE:** Major damage to the Property or any of the structures from fire, earthquake, floods, or landslides.
(13) **ZONING ISSUES:** Any zoning violations, non-conforming uses, or violations of "setback" requirements.
(14) **NEIGHBORHOOD PROBLEMS:** Any neighborhood noise problems, or other nuisances.
- B. RENTAL AND SERVICE AGREEMENTS:** Within the time specified in paragraph 19, Seller shall make available to Buyer for inspection and review, all current leases, rental agreements, service contracts and other related agreements, licenses, and permits pertaining to the operation or use of the Property.
- C. ☐ TENANT ESTOPPEL CERTIFICATES:** Within the time specified in paragraph 19, Seller shall deliver to Buyer tenant estoppel certificates (C.A.R. Form TEC) completed by Seller or Seller's agent, and signed by tenants, acknowledging: (i) that tenants' rental or lease agreements are unmodified and in full force and effect (or if modified, stating all such modifications); (ii) that no lessor defaults exist; and (iii) stating the amount of any prepaid rent or security deposit.

Buyer's Initials (JRC) (_____)

Seller's Initials (_____) (_____)



Property Address: **816 Sycamore Dr., Arvin Ca, Arvin, 93203**

Date: **October 19, 2018**

- D. MELLO-ROOS TAX; 1915 BOND ACT:** Within the time specified in paragraph 19, Seller shall: (i) make a good faith effort to obtain a notice from any local agencies that levy a special tax or assessment on the Property (or, if allowed, substantially equivalent notice), pursuant to the Mello-Roos Community Facilities Act, and Improvement Bond Act of 1915, and (ii) promptly deliver to Buyer any such notice obtained.
- E. SELLER VACANT LAND QUESTIONNAIRE:** Seller shall, within the time specified in paragraph 19, complete and provide Buyer with a Seller Vacant Land Questionnaire (C.A.R. Form VLQ).
- 14. SUBSEQUENT DISCLOSURES:** In the event Seller, prior to Close Of Escrow, becomes aware of adverse conditions materially affecting the Property, or any material inaccuracy in disclosures, information or representations previously provided to Buyer of which Buyer is otherwise unaware, Seller shall promptly provide a subsequent or amended disclosure or notice, in writing, covering those items. **However, a subsequent or amended disclosure shall not be required for conditions and material inaccuracies disclosed in reports ordered and paid for by Buyer.**
- 15. CHANGES DURING ESCROW:**
- A. Prior to Close Of Escrow, Seller may engage in the following acts, ("Proposed Changes"), subject to Buyer's rights in paragraph 15B: (i) rent or lease any part of the premises; (ii) alter, modify or extend any existing rental or lease agreement; (iii) enter into, alter, modify or extend any service contract(s); or (iv) change the status of the condition of the Property.
- B. At least 7 (or ____) Days prior to any Proposed Changes, Seller shall give written notice to Buyer of such Proposed Changes. Within 5 (or ____) Days After receipt of such notice, Buyer, in writing, may give Seller notice of Buyer's objection to the Proposed Changes, in which case Seller shall not make the Proposed Changes.
- 16. CONDITION OF PROPERTY:** Unless otherwise agreed in writing: (i) the Property is sold (a) "AS-IS" in its PRESENT physical condition as of the date of Acceptance and (b) subject to Buyer's Investigation rights; (ii) the Property, including pool, spa, landscaping and grounds, is to be maintained in substantially the same condition as on the date of Acceptance; and (iii) all debris and personal property not included in the sale shall be removed by Close Of Escrow.
- A. Seller shall, within the time specified in paragraph 19A, DISCLOSE KNOWN MATERIAL FACTS AND DEFECTS affecting the Property, including known insurance claims within the past five years, and make any and all other disclosures required by law.
- B. Buyer has the right to conduct Buyer Investigations of the property and, as specified in paragraph 19B, based upon information discovered in those investigations: (i) cancel this Agreement; or (ii) request that Seller make Repairs or take other action.
- C. **Buyer is strongly advised to conduct investigations of the entire Property in order to determine its present condition. Seller may not be aware of all defects affecting the Property or other factors that Buyer considers important. Property improvements may not be built according to code, in compliance with current Law, or have had permits issued.**
- 17. BUYER'S INVESTIGATION OF PROPERTY AND MATTERS AFFECTING PROPERTY:**
- A. Buyer's acceptance of the condition of, and any other matter affecting the Property, is a contingency of this Agreement as specified in this paragraph and paragraph 19B. Within the time specified in paragraph 19B(1), Buyer shall have the right, at Buyer's expense unless otherwise agreed, to conduct inspections, investigations, tests, surveys and other studies ("Buyer Investigations"), including, but not limited to, the right to: (i) inspect for lead-based paint and other lead-based paint hazards; (ii) inspect for wood destroying pests and organisms; (iii) review the registered sex offender database; (iv) confirm the insurability of Buyer and the Property; and (v) satisfy Buyer as to any matter specified in the attached Buyer's Inspection Advisory (C.A.R. Form BIA). Without Seller's prior written consent, Buyer shall neither make nor cause to be made: (i) invasive or destructive Buyer Investigations except for minimally invasive testing; or (ii) inspections by any governmental building or zoning inspector or government employee, unless required by Law.
- B. Seller shall make the Property available for all Buyer Investigations. Buyer shall (i) as specified in paragraph 19B, complete Buyer Investigations and, either remove the contingency or cancel this Agreement, and (ii) give Seller, at no cost, complete Copies of all Investigation reports obtained by Buyer, which obligation shall survive the termination of this Agreement.
- C. **Buyer Indemnity and Seller protection for entry upon property:** Buyer shall: (i) keep the Property free and clear of liens; (ii) repair all damage arising from Buyer Investigations; and (iii) indemnify and hold Seller harmless from all resulting liability, claims, demands, damages and costs of Buyer's Investigations. Buyer shall carry, or Buyer shall require anyone acting on Buyer's behalf to carry, policies of liability, workers' compensation and other applicable insurance, defending and protecting Seller from liability for any injuries to persons or property occurring during any Buyer Investigations or work done on the Property at Buyer's direction prior to Close Of Escrow. Seller is advised that certain protections may be afforded Seller by recording a "Notice of Non-responsibility" (C.A.R. Form NNR) for Buyer Investigations and work done on the Property at Buyer's direction. Buyer's obligations under this paragraph shall survive the termination or cancellation of this Agreement and Close Of Escrow.
- D. BUYER IS STRONGLY ADVISED TO INVESTIGATE THE CONDITION AND SUITABILITY OF ALL ASPECTS OF THE PROPERTY AND ALL MATTERS AFFECTING THE VALUE OR DESIRABILITY OF THE PROPERTY, INCLUDING BUT NOT LIMITED TO, THE ITEMS SPECIFIED BELOW. IF BUYER DOES NOT EXERCISE THESE RIGHTS, BUYER IS ACTING AGAINST THE ADVICE OF BROKERS. BUYER UNDERSTANDS THAT ALTHOUGH CONDITIONS ARE OFTEN DIFFICULT TO LOCATE AND DISCOVER, ALL REAL PROPERTY CONTAINS CONDITIONS THAT ARE NOT READILY APPARENT AND THAT MAY AFFECT THE VALUE OR DESIRABILITY OF THE PROPERTY. BUYER AND SELLER ARE AWARE THAT BROKERS DO NOT GUARANTEE, AND IN NO WAY ASSUME RESPONSIBILITY FOR, THE CONDITION OF THE PROPERTY. BROKERS HAVE NOT AND WILL NOT VERIFY ANY OF THE ITEMS IN THIS PARAGRAPH 17, UNLESS OTHERWISE AGREED IN WRITING.**
- E. SIZE, LINES, ACCESS AND BOUNDARIES:** Lot size, property lines, legal or physical access and boundaries including features of the Property shared in common with adjoining landowners, such as walls, fences, roads and driveways, whose use or responsibility for maintenance may have an effect on the Property and any encroachments, easements or similar matters that may affect the Property. (Fences, hedges, walls and other natural or constructed barriers or markers do not necessarily identify true Property boundaries. Property lines may be verified by survey.) (Unless otherwise specified in writing, any numerical statements by Brokers regarding lot size are APPROXIMATIONS ONLY, which have not been and will not be verified, and should not be relied upon by Buyer.)
- F. ZONING AND LAND USE:** Past, present, or proposed laws, ordinances, referendums, initiatives, votes, applications and permits affecting the current use of the Property, future development, zoning, building, size, governmental permits and inspections. Any zoning violations, non-conforming uses, or violations of "setback" requirements. (Buyer should also investigate whether these matters affect Buyer's intended use of the Property.)
- G. UTILITIES AND SERVICES:** Availability, costs, restrictions and location of utilities and services, including but not limited to, sewerage, sanitation, septic and leach lines, water, electricity, gas, telephone, cable TV and drainage.

Buyer's Initials (JR) ()

Seller's Initials () ()

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Property Address: **816 Sycamore Dr., Arvin Ca, Arvin, 93203**

Date: **October 19, 2018**

- H. ENVIRONMENTAL HAZARDS:** Potential environmental hazards, including, but not limited to, asbestos, lead-based paint and other lead contamination, radon, methane, other gases, fuel, oil or chemical storage tanks, contaminated soil or water, hazardous waste, waste disposal sites, electromagnetic fields, nuclear sources, and other substances, including mold (airborne, toxic or otherwise), fungus or similar contaminant, materials, products or conditions.
- I. GEOLOGIC CONDITIONS:** Geologic/seismic conditions, soil and terrain stability, suitability and drainage including any slippage, sliding, flooding, drainage, grading, fill (compacted or otherwise), or other soil problems.
- J. NATURAL HAZARD ZONE:** Special Flood Hazard Areas, Potential Flooding (Inundation) Areas, Very High Fire Hazard Zones, State Fire Responsibility Areas, Earthquake Fault Zones, Seismic Hazard Zones, or any other zone for which disclosure is required by Law.
- K. PROPERTY DAMAGE:** Major damage to the Property or any of the structures or non-structural systems and components and any personal property included in the sale from fire, earthquake, floods, landslides or other causes.
- L. NEIGHBORHOOD, AREA AND PROPERTY CONDITIONS:** Neighborhood or area conditions, including Agricultural Use Restrictions pursuant to the Williamson Act (Government Code §§51200-51295), Right To Farm Laws (Civil Code §3482.5 and §3482.6), schools, proximity and adequacy of law enforcement, crime statistics, the proximity of registered felons or offenders, fire protection, other government services, availability, adequacy and cost of any speed-wired, wireless internet connections or other telecommunications or other technology services and installations, proximity to commercial, industrial or agricultural activities, existing and proposed transportation, construction and development that may affect noise, view, or traffic, airport noise, noise or odor from any source, abandoned mining operations on the Property, wild and domestic animals, other nuisances, hazards, or circumstances, protected species, wetland properties, botanical diseases, historic or other governmentally protected sites or improvements, cemeteries, facilities and condition of common areas of common interest subdivisions, and possible lack of compliance with any governing documents or Homeowners' Association requirements, conditions and influences of significance to certain cultures and/or religions, and personal needs, requirements and preferences of Buyer.
- M. COMMON INTEREST SUBDIVISIONS: OWNER ASSOCIATIONS:** Facilities and condition of common areas (facilities such as pools, tennis courts, walkways, or other areas co-owned in undivided interest with others), Owners' Association that has any authority over the subject property, CC&Rs, or other deed restrictions or obligations, and possible lack of compliance with any Owners' Association requirements.
- N. SPECIAL TAX:** Any local agencies that levy a special tax on the Property pursuant to the Mello-Roos Community Facilities Act or Improvement Bond Act of 1915.
- O. RENTAL PROPERTY RESTRICTIONS:** Some cities and counties impose restrictions that limit the amount of rent that can be charged, the maximum number of occupants and the right of a landlord to terminate a tenancy.
- P. MANUFACTURED HOME PLACEMENT:** Conditions that may affect the ability to place and use a manufactured home on the Property.

18. TITLE AND VESTING:

- A.** Within the time specified in paragraph 19, Buyer shall be provided a current preliminary title report ("Preliminary Report"). The Preliminary Report is only an offer by the title insurer to issue a policy of title insurance and may not contain every item affecting title. Buyer's review of the Preliminary Report and any other matters which may affect title are a contingency of this Agreement as specified in paragraph 19B. The company providing the Preliminary Report shall, prior to issuing a Preliminary Report, conduct a search of the General Index for all Sellers except banks or other institutional lenders selling properties they acquired through foreclosure (REOs), corporations, and government entities. Seller shall within **7 Days After Acceptance**, give Escrow Holder a completed Statement of Information.
- B.** Title is taken in its present condition subject to all encumbrances, easements, covenants, conditions, restrictions, rights and other matters, whether of record or not, as of the date of Acceptance except for: (i) monetary liens of record (which Seller is obligated to pay off) unless Buyer is assuming those obligations or taking the Property subject to those obligations; and (ii) those matters which Seller has agreed to remove in writing.
- C.** Within the time specified in paragraph 19A, Seller has a duty to disclose to Buyer all matters known to Seller affecting title, whether of record or not.
- D.** At Close Of Escrow, Buyer shall receive a grant deed conveying title (or, for stock cooperative or long-term lease, an assignment of stock certificate or of Seller's leasehold interest), including oil, mineral and water rights if currently owned by Seller. Title shall vest as designated in Buyer's supplemental escrow instructions. **THE MANNER OF TAKING TITLE MAY HAVE SIGNIFICANT LEGAL AND TAX CONSEQUENCES. CONSULT AN APPROPRIATE PROFESSIONAL.**
- E.** Buyer shall receive a "CLTA/ALTA Homeowner's Policy of Title Insurance", if applicable to the type of property and buyer. A title company, at Buyer's request, can provide information about the availability, desirability, coverage, and cost of various title insurance coverages and endorsements. If Buyer desires title coverage other than that required by this paragraph, Buyer shall instruct Escrow Holder in writing and shall pay any increase in cost.

19. TIME PERIODS; REMOVAL OF CONTINGENCIES; CANCELLATION RIGHTS: The following time periods may only be extended, altered, modified or changed by mutual written agreement. Any removal of contingencies or cancellation under this paragraph by either Buyer or Seller must be exercised in good faith and in writing (C.A.R. Form CR or CC).

- A. SELLER HAS: 7 (or NA) Days** After Acceptance to Deliver to Buyer all Reports, disclosures and information for which Seller is responsible under paragraphs 3M, 7A, 8, 9, 12A, B, and E, 13, 16A and 18A. Buyer after first Delivering to Seller a Notice to Seller to Perform (C.A.R. Form NSP) may cancel this Agreement if Seller has not Delivered the items within the time specified.
- B. (1) BUYER HAS: 17 (or NA) Days** After Acceptance, unless otherwise agreed in writing, to:
- (i) complete all Buyer Investigations; review all disclosures, reports, and other applicable information, which Buyer receives from Seller; and approve all matters affecting the Property; and (ii) Deliver to Seller Signed Copies of Statutory Disclosures and other disclosures Delivered by Seller in accordance with paragraph 12A.
- (2) Within the time specified in paragraph 19B(1), Buyer may request that Seller make repairs or take any other action regarding the Property (C.A.R. Form RR). Seller has no obligation to agree to or respond to (C.A.R. Form RRRR) Buyer's requests.
- (3) By the end of the time specified in paragraph 19B(1) (or as otherwise specified in this Agreement), Buyer shall Deliver to Seller a removal of the applicable contingency or cancellation (C.A.R. Form CR or CC) of this Agreement. However, if any report, disclosure or information for which Seller is responsible is not Delivered within the time specified in paragraph 19A, then Buyer has **5 (or) Days** After Delivery of any such items, or the time specified in paragraph 19B(1), whichever is later, to Deliver to Seller a removal of the applicable contingency or cancellation of this Agreement.

Buyer's Initials () ()

Seller's Initials () ()

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- (4) **Continuation of Contingency:** Even after the end of the time specified in paragraph 19B(1) and before Seller cancels, if at all, pursuant to paragraph 19C, Buyer retains the right, in writing, to either (i) remove remaining contingencies, or (ii) cancel this Agreement based on a remaining contingency. Once Buyer's written removal of all contingencies is Delivered to Seller, Seller may not cancel this Agreement pursuant to paragraph 19C(1).

C. SELLER RIGHT TO CANCEL:

- (1) **Seller right to Cancel; Buyer Contingencies:** If, by the time specified in this Agreement, Buyer does not Deliver to Seller a removal of the applicable contingency or cancellation of this Agreement, then Seller, after first Delivering to Buyer a Notice to Buyer to Perform (C.A.R. Form NBP), may cancel this Agreement. In such event, Seller shall authorize the return of Buyer's deposit, except for fees incurred by Buyer.

- (2) **Seller right to Cancel; Buyer Contract Obligations:** Seller, after first delivering to Buyer a NBP, may cancel this Agreement if, by the time specified in this Agreement, Buyer does not take the following action(s): (i) Deposit funds as required by paragraph 3A or 3B or if the funds deposited pursuant to paragraph 3A or 3B are not good when deposited; (ii) Deliver a notice of FHA or VA costs or terms as required by paragraph 3D(3) (C.A.R. Form FVA); (iii) Deliver a letter as required by paragraph 3J(1); (iv) Deliver verification as required by paragraph 3C or 3H or if Seller reasonably disapproves of the verification provided by paragraph 3C or 3H; (v) Return Statutory Disclosures as required by paragraph 12A; or (vi) Sign or initial a separate liquidated damages form for an increased deposit as required by paragraphs 3B and 27B; or (vii) Provide evidence of authority to sign in a representative capacity as specified in paragraph 19. In such event, Seller shall authorize the return of Buyer's deposit, except for fees incurred by Buyer.

- D. NOTICE TO BUYER OR SELLER TO PERFORM:** The NBP or NSP shall: (i) be in writing; (ii) be signed by the applicable Buyer or Seller; and (iii) give the other Party at least 2 (or ____) Days After Delivery (or until the time specified in the applicable paragraph, whichever occurs last) to take the applicable action. A NBP or NSP may not be Delivered any earlier than 2 Days Prior to the expiration of the applicable time for the other Party to remove a contingency or cancel this Agreement or meet an obligation specified in paragraph 19.

- E. EFFECT OF BUYER'S REMOVAL OF CONTINGENCIES:** If Buyer removes, in writing, any contingency or cancellation rights, unless otherwise specified in writing, Buyer shall conclusively be deemed to have: (i) completed all Buyer Investigations, and review of reports and other applicable information and disclosures pertaining to that contingency or cancellation right; (ii) elected to proceed with the transaction; and (iii) assumed all liability, responsibility and expense for Repairs or corrections pertaining to that contingency or cancellation right, or for the inability to obtain financing.

- F. CLOSE OF ESCROW:** Before Buyer or Seller may cancel this Agreement for failure of the other Party to close escrow pursuant to this Agreement, Buyer or Seller must first Deliver to the other Party a demand to close escrow (C.A.R. Form DCE). The DCE shall: (i) be signed by the applicable Buyer or Seller; and (ii) give the other Party at least 3 (or ____) Days After Delivery to close escrow. A DCE may not be Delivered any earlier than 3 Days Prior to the scheduled close of escrow.

- G. EFFECT OF CANCELLATION ON DEPOSITS:** If Buyer or Seller gives written notice of cancellation pursuant to rights duly exercised under the terms of this Agreement, the Parties agree to Sign mutual instructions to cancel the sale and escrow and release deposits, if any, to the party entitled to the funds, less fees and costs incurred by that party. Fees and costs may be payable to service providers and vendors for services and products provided during escrow. Except as specified below, **release of funds will require mutual Signed release instructions from the Parties, judicial decision or arbitration award.** If either Party fails to execute mutual instructions to cancel escrow, one Party may make a written demand to Escrow Holder for the deposit (C.A.R. Form BDRD or SDRD). Escrow Holder, upon receipt, shall promptly deliver notice of the demand to the other Party. If, within 10 Days After Escrow Holder's notice, the other Party does not object to the demand, Escrow Holder shall disburse the deposit to the Party making the demand. If Escrow Holder complies with the preceding process, each Party shall be deemed to have released Escrow Holder from any and all claims or liability related to the disbursement of the deposit. Escrow Holder, at its discretion, may nonetheless require mutual cancellation instructions. **A Party may be subject to a civil penalty of up to \$1,000 for refusal to sign cancellation instructions if no good faith dispute exists as to who is entitled to the deposited funds (Civil Code §1057.3).**

- 20. REPAIRS:** Repairs shall be completed prior to final verification of condition unless otherwise agreed in writing. Repairs to be performed at Seller's expense may be performed by Seller or through others, provided that the work complies with applicable Law, including governmental permit, inspection and approval requirements. Repairs shall be performed in a good, skillful manner with materials of quality and appearance comparable to existing materials. It is understood that exact restoration of appearance or cosmetic items following all Repairs may not be possible. Seller shall: (i) obtain invoices and paid receipts for Repairs performed by others; (ii) prepare a written statement indicating the Repairs performed by Seller and the date of such Repairs; and (iii) provide Copies of invoices and paid receipts and statements to Buyer prior to final verification of condition.

- 21. FINAL VERIFICATION OF CONDITION:** Buyer shall have the right to make a final verification of the Property within 5 (or NA) Days Prior to Close Of Escrow, NOT AS A CONTINGENCY OF THE SALE, but solely to confirm: (i) the Property is maintained pursuant to paragraph 16; (ii) Repairs have been completed as agreed; and (iii) Seller has complied with Seller's other obligations under this Agreement (C.A.R. Form VP).

- 22. ENVIRONMENTAL HAZARD CONSULTATION:** Buyer and Seller acknowledge: (i) Federal, state, and local legislation impose liability upon existing and former owners and users of real property, in applicable situations, for certain legislatively defined, environmentally hazardous substances; (ii) Broker(s) has/have made no representation concerning the applicability of any such Law to this transaction or to Buyer or to Seller, except as otherwise indicated in this Agreement; (iii) Broker(s) has/have made no representation concerning the existence, testing, discovery, location and evaluation of/for, and risks posed by, environmentally hazardous substances, if any, located on or potentially affecting the Property; and (iv) Buyer and Seller are each advised to consult with technical and legal experts concerning the existence, testing, discovery, location and evaluation of/for, and risks posed by, environmentally hazardous substances, if any, located on or potentially affecting the Property.

- 23. PRORATIONS OF PROPERTY TAXES AND OTHER ITEMS:** Unless otherwise agreed in writing, the following items shall be PAID CURRENT and prorated between Buyer and Seller as of Close Of Escrow: real property taxes and assessments, interest, rents, HOA regular, special, and emergency dues and assessments imposed prior to Close Of Escrow, premiums on insurance assumed by Buyer, payments on bonds and assessments assumed by Buyer, and payments on Mello-Roos and other Special Assessment

Buyer's Initials (GR) (_____)

Seller's Initials (_____) (_____)

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Property Address: **816 Sycamore Dr., Arvin Ca, Arvin, 93203**

Date: **October 19, 2018**

District bonds and assessments that are now a lien. The following items shall be assumed by Buyer WITHOUT CREDIT toward the purchase price: prorated payments on Mello-Roos and other Special Assessment District bonds and assessments and HOA special assessments that are now a lien but not yet due. Property will be reassessed upon change of ownership. Any supplemental tax bills shall be paid as follows: (i) for periods after Close Of Escrow, by Buyer; and (ii) for periods prior to Close Of Escrow, by Seller (see C.A.R. Form SPT or SBSA for further information). TAX BILLS ISSUED AFTER CLOSE OF ESCROW SHALL BE HANDLED DIRECTLY BETWEEN BUYER AND SELLER. Prorations shall be made based on a 30-day month.

24. BROKERS:

A. COMPENSATION: Seller or Buyer, or both, as applicable, agrees to pay compensation to Broker as specified in a separate written agreement between Broker and that Seller or Buyer. Compensation is payable upon Close Of Escrow, or if escrow does not close, as otherwise specified in the agreement between Broker and that Seller or Buyer.

B. SCOPE OF DUTY: Buyer and Seller acknowledge and agree that Broker: (i) Does not decide what price Buyer should pay or Seller should accept; (ii) Does not guarantee the condition of the Property; (iii) Does not guarantee the performance, adequacy or completeness of inspections, services, products or repairs provided or made by Seller or others; (iv) Does not have an obligation to conduct an inspection of common areas or areas off the site of the Property; (v) Shall not be responsible for identifying defects on the Property, in common areas, or offsite unless such defects are visually observable by an inspection of reasonably accessible areas of the Property or are known to Broker; (vi) Shall not be responsible for inspecting public records or permits concerning the title or use of Property; (vii) Shall not be responsible for identifying the location of boundary lines or other items affecting title; (viii) Shall not be responsible for verifying square footage, representations of others or information contained in Investigation reports, Multiple Listing Service, advertisements, flyers or other promotional material; (ix) Shall not be responsible for determining the fair market value of the Property or any personal property included in the sale; (x) Shall not be responsible for providing legal or tax advice regarding any aspect of a transaction entered into by Buyer or Seller; and (xi) Shall not be responsible for providing other advice or information that exceeds the knowledge, education and experience required to perform real estate licensed activity. Buyer and Seller agree to seek legal, tax, insurance, title and other desired assistance from appropriate professionals.

25. REPRESENTATIVE CAPACITY: If one or more Parties is signing the Agreement in a representative capacity and not for him/herself as an individual then that Party shall so indicate in paragraph 37 or 38 and attach a Representative Capacity Signature Disclosure (C.A.R. Form RCSD). Wherever the signature or initials of the representative identified in the RCSD appear on the Agreement or any related documents, it shall be deemed to be in a representative capacity for the entity described and not in an individual capacity, unless otherwise indicated. The Party acting in a representative capacity (i) represents that the entity for which that party is acting already exists and (ii) shall Deliver to the other Party and Escrow Holder, within **3 Days After Acceptance**, evidence of authority to act in that capacity (such as but not limited to: applicable portion of the trust or Certification Of Trust (Probate Code §18100.5), letters testamentary, court order, power of attorney, corporate resolution, or formation documents of the business entity).

26. JOINT ESCROW INSTRUCTIONS TO ESCROW HOLDER:

- A. The following paragraphs, or applicable portions thereof, of this Agreement constitute the joint escrow instructions of Buyer and Seller to Escrow Holder, which Escrow Holder is to use along with any related counter offers and addenda, and any additional mutual instructions to close the escrow: paragraphs 1, 3, 4B, 5, 6, 7A, 8, 9, 12B, 18, 19G, 23, 24A, 25, 26, 32, 35, 36, 37, 38 and paragraph D of the section titled Real Estate Brokers on page 11. If a Copy of the separate compensation agreement(s) provided for in paragraph 24A, or paragraph D of the section titled Real Estate Brokers on page 10 is deposited with Escrow Holder by Broker, Escrow Holder shall accept such agreement(s) and pay out from Buyer's or Seller's funds, or both, as applicable, the Broker's compensation provided for in such agreement(s). The terms and conditions of this Agreement not set forth in the specified paragraphs are additional matters for the information of Escrow Holder, but about which Escrow Holder need not be concerned. Buyer and Seller will receive Escrow Holder's general provisions, if any, directly from Escrow Holder and will execute such provisions within the time specified in paragraph 9B(1)(c). To the extent the general provisions are inconsistent or conflict with this Agreement, the general provisions will control as to the duties and obligations of Escrow Holder only. Buyer and Seller will execute additional instructions, documents and forms provided by Escrow Holder that are reasonably necessary to close the escrow and, as directed by Escrow Holder, within **3 (or 5) Days**, shall pay to Escrow Holder or HOA or HOA management company or others any fee required by paragraphs 9, 12 or elsewhere in this Agreement.**
- B. A Copy of this Agreement including any counter offer(s) and addenda shall be delivered to Escrow Holder within 3 Days After Acceptance (or 5 days after acceptance). Buyer and Seller authorize Escrow Holder to accept and rely on Copies and Signatures as defined in this Agreement as originals, to open escrow and for other purposes of escrow. The validity of this Agreement as between Buyer and Seller is not affected by whether or when Escrow Holder Signs this Agreement. Escrow Holder shall provide Seller's Statement of Information to Title company when received from Seller. If Seller delivers an affidavit to Escrow Holder to satisfy Seller's FIRPTA obligation under paragraph 12B, Escrow Holder shall deliver to Buyer a Qualified Substitute statement that complies with federal Law.**
- C. Brokers are a party to the escrow for the sole purpose of compensation pursuant to paragraph 24A and paragraph D of the section titled Real Estate Brokers on page 11. Buyer and Seller Irrevocably assign to Brokers compensation specified in paragraph 24A, and irrevocably instruct Escrow Holder to disburse those funds to Brokers at Close Of Escrow or pursuant to any other mutually executed cancellation agreement. Compensation instructions can be amended or revoked only with the written consent of Brokers. Buyer and Seller shall release and hold harmless Escrow Holder from any liability resulting from Escrow Holder's payment to Broker(s) of compensation pursuant to this Agreement.**
- D. Upon receipt, Escrow Holder shall provide Seller and Seller's Broker verification of Buyer's deposit of funds pursuant to paragraph 3A and 3B. Once Escrow Holder becomes aware of any of the following, Escrow Holder shall immediately notify all Brokers: (i) if Buyer's initial or any additional deposit is not made pursuant to this Agreement, or is not good at time of deposit with Escrow Holder; or (ii) if Buyer and Seller instruct Escrow Holder to cancel escrow.**
- E. A Copy of any amendment that affects any paragraph of this Agreement for which Escrow Holder is responsible shall be delivered to Escrow Holder within 3 Days after mutual execution of the amendment.**

Buyer's Initials (OR) (_____)

Seller's Initials (_____) (_____)

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27. REMEDIES FOR BUYER'S BREACH OF CONTRACT:

- A. Any clause added by the Parties specifying a remedy (such as release or forfeiture of deposit or making a deposit non-refundable) for failure of Buyer to complete the purchase in violation of this Agreement shall be deemed invalid unless the clause independently satisfies the statutory liquidated damages requirements set forth in the Civil Code.
- B. **LIQUIDATED DAMAGES:** If Buyer fails to complete this purchase because of Buyer's default, Seller shall retain, as liquidated damages, the deposit actually paid. Buyer and Seller agree that this amount is a reasonable sum given that it is impractical or extremely difficult to establish the amount of damages that would actually be suffered by Seller in the event Buyer were to breach this Agreement. Release of funds will require mutual, Signed release instructions from both Buyer and Seller, judicial decision or arbitration award. **AT TIME OF ANY INCREASED DEPOSIT BUYER AND SELLER SHALL SIGN A SEPARATE LIQUIDATED DAMAGES PROVISION INCORPORATING THE INCREASED DEPOSIT AS LIQUIDATED DAMAGES (C.A.R. FORM RID).**

Buyer's Initials _____ / _____

Seller's Initials _____ / _____

28. DISPUTE RESOLUTION:

- A. **MEDIATION:** The Parties agree to mediate any dispute or claim arising between them out of this Agreement, or any resulting transaction, before resorting to arbitration or court action through the C.A.R. Consumer Mediation Center (www.consumermediation.org) or through any other mediation provider or service mutually agreed to by the Parties. The Parties also agree to mediate any disputes or claims with Broker(s), who, in writing, agree to such mediation prior to, or within a reasonable time after, the dispute or claim is presented to the Broker. Mediation fees, if any, shall be divided equally among the Parties involved. If, for any dispute or claim to which this paragraph applies, any Party (i) commences an action without first attempting to resolve the matter through mediation, or (ii) before commencement of an action, refuses to mediate after a request has been made, then that Party shall not be entitled to recover attorney fees, even if they would otherwise be available to that Party in any such action. **THIS MEDIATION PROVISION APPLIES WHETHER OR NOT THE ARBITRATION PROVISION IS INITIALED. Exclusions from this mediation agreement are specified in paragraph 28C.**
- B. **ARBITRATION OF DISPUTES:** The Parties agree that any dispute or claim in Law or equity arising between them out of this Agreement or any resulting transaction, which is not settled through mediation, shall be decided by neutral, binding arbitration. The Parties also agree to arbitrate any disputes or claims with Broker(s), who, in writing, agree to such arbitration prior to, or within a reasonable time after, the dispute or claim is presented to the Broker. The arbitrator shall be a retired judge or justice, or an attorney with at least 5 years of transactional real estate Law experience, unless the parties mutually agree to a different arbitrator. The Parties shall have the right to discovery in accordance with Code of Civil Procedure §1283.05. In all other respects, the arbitration shall be conducted in accordance with Title 9 of Part 3 of the Code of Civil Procedure. Judgment upon the award of the arbitrator(s) may be entered into any court having jurisdiction. Enforcement of this agreement to arbitrate shall be governed by the Federal Arbitration Act. Exclusions from this arbitration agreement are specified in paragraph 28C.

"NOTICE: BY INITIALING IN THE SPACE BELOW YOU ARE AGREEING TO HAVE ANY DISPUTE ARISING OUT OF THE MATTERS INCLUDED IN THE 'ARBITRATION OF DISPUTES' PROVISION DECIDED BY NEUTRAL ARBITRATION AS PROVIDED BY CALIFORNIA LAW AND YOU ARE GIVING UP ANY RIGHTS YOU MIGHT POSSESS TO HAVE THE DISPUTE LITIGATED IN A COURT OR JURY TRIAL. BY INITIALING IN THE SPACE BELOW YOU ARE GIVING UP YOUR JUDICIAL RIGHTS TO DISCOVERY AND APPEAL, UNLESS THOSE RIGHTS ARE SPECIFICALLY INCLUDED IN THE 'ARBITRATION OF DISPUTES' PROVISION. IF YOU REFUSE TO SUBMIT TO ARBITRATION AFTER AGREEING TO THIS PROVISION, YOU MAY BE COMPELLED TO ARBITRATE UNDER THE AUTHORITY OF THE CALIFORNIA CODE OF CIVIL PROCEDURE. YOUR AGREEMENT TO THIS ARBITRATION PROVISION IS VOLUNTARY."

"WE HAVE READ AND UNDERSTAND THE FOREGOING AND AGREE TO SUBMIT DISPUTES ARISING OUT OF THE MATTERS INCLUDED IN THE 'ARBITRATION OF DISPUTES' PROVISION TO NEUTRAL ARBITRATION."

Buyer's Initials _____ / _____

Seller's Initials _____ / _____

C. ADDITIONAL MEDIATION AND ARBITRATION TERMS:

- (1) **EXCLUSIONS:** The following matters are excluded from mediation and arbitration: (i) a judicial or non-judicial foreclosure or other action or proceeding to enforce a deed of trust, mortgage or installment land sale contract as defined in Civil Code §2985; (ii) an unlawful detainer action; and (iii) any matter that is within the jurisdiction of a probate, small claims or bankruptcy court.
- (2) **PRESERVATION OF ACTIONS:** The following shall not constitute a waiver nor violation of the mediation and arbitration provisions: (i) the filing of a court action to preserve a statute of limitations; (ii) the filing of a court action to enable the recording of a notice of pending action, for order of attachment, receivership, injunction, or other provisional remedies; or (iii) the filing of a mechanic's lien.
- (3) **BROKERS:** Brokers shall not be obligated nor compelled to mediate or arbitrate unless they agree to do so in writing. Any Broker(s) participating in mediation or arbitration shall not be deemed a party to the Agreement.

29. SELECTION OF SERVICE PROVIDERS: Brokers do not guarantee the performance of any vendors, service or product providers ("Providers"), whether referred by Broker or selected by Buyer, Seller or other person. Buyer and Seller may select ANY Providers of their own choosing.

30. MULTIPLE LISTING SERVICE ("MLS"): Brokers are authorized to report to the MLS a pending sale and, upon Close Of Escrow, the sales price and other terms of this transaction shall be provided to the MLS to be published and disseminated to persons and entities authorized to use the information on terms approved by the MLS.

Buyer's Initials () ()Seller's Initials () ()

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Property Address: **816 Sycamore Dr., Arvin Ca, Arvin, 93203**

Date: **October 19, 2018**

31. ATTORNEY FEES: In any action, proceeding, or arbitration between Buyer and Seller arising out of this Agreement, the prevailing Buyer or Seller shall be entitled to reasonable attorneys fees and costs from the non-prevailing Buyer or Seller, except as provided in paragraph 28A.

32. ASSIGNMENT: Buyer shall not assign all or any part of Buyer's interest in this Agreement without first having obtained the written consent of Seller. Such consent shall not be unreasonably withheld unless otherwise agreed in writing. Any total or partial assignment shall not relieve Buyer of Buyer's obligations pursuant to this Agreement unless otherwise agreed in writing by Seller (C.A.R. Form AOA).

33. EQUAL HOUSING OPPORTUNITY: The Property is sold in compliance with federal, state and local anti-discrimination Laws.

34. TERMS AND CONDITIONS OF OFFER: This is an offer to purchase the Property on the above terms and conditions. The liquidated damages paragraph or the arbitration of disputes paragraph is incorporated in this Agreement if initialed by all Parties or if incorporated by mutual agreement in a counteroffer or addendum. If at least one but not all Parties initial, a counter offer is required until agreement is reached. Seller has the right to continue to offer the Property for sale and to accept any other offer at any time prior to notification of Acceptance. Buyer has read and acknowledges receipt of a Copy of the offer and agrees to the confirmation of agency relationships. If this offer is accepted and Buyer subsequently defaults, Buyer may be responsible for payment of Brokers' compensation. This Agreement and any supplement, addendum or modification, including any Copy, may be Signed in two or more counterparts, all of which shall constitute one and the same writing.

35. TIME OF ESSENCE; ENTIRE CONTRACT; CHANGES: Time is of the essence. All understandings between the Parties are incorporated in this Agreement. Its terms are intended by the Parties as a final, complete and exclusive expression of their Agreement with respect to its subject matter, and may not be contradicted by evidence of any prior agreement or contemporaneous oral agreement. If any provision of this Agreement is held to be ineffective or invalid, the remaining provisions will nevertheless be given full force and effect. Except as otherwise specified, this Agreement shall be interpreted and disputes shall be resolved in accordance with the Laws of the State of California. **Neither this Agreement nor any provision in it may be extended, amended, modified, altered or changed, except in writing Signed by Buyer and Seller.**

36. DEFINITIONS: As used in this Agreement:

A. "Acceptance" means the time the offer or final counter offer is accepted in writing by a Party and is delivered to and personally received by the other Party or that Party's authorized agent in accordance with the terms of this offer or a final counter offer.

B. "Agreement" means this document and any counter offers and any incorporated addenda, collectively forming the binding agreement between the Parties. Addenda are incorporated only when Signed by all Parties.

C. "C.A.R. Form" means the most current version of the specific form referenced or another comparable form agreed to by the parties.

D. "Close Of Escrow" means the date the grant deed, or other evidence of transfer of title, is recorded.

E. "Copy" means copy by any means including photocopy, NCR, facsimile and electronic.

F. "Days" means calendar days. However, after Acceptance, the last Day for performance of any act required by this Agreement (including Close Of Escrow) shall not include any Saturday, Sunday, or legal holiday and shall instead be the next Day.

G. "Days After" means the specified number of calendar days after the occurrence of the event specified, not counting the calendar date on which the specified event occurs, and ending at 11:59 PM on the final day.

H. "Days Prior" means the specified number of calendar days before the occurrence of the event specified, not counting the calendar date on which the specified event is scheduled to occur.

I. "Deliver", "Delivered" or "Delivery", unless otherwise specified in writing, means and shall be effective upon: personal receipt by Buyer or Seller or the individual Real Estate Licensee for that principal as specified in the section titled Real Estate Brokers on page 11, regardless of the method used (i.e., messenger, mail, email, fax, other).

J. "Electronic Copy" or "Electronic Signature" means, as applicable, an electronic copy or signature complying with California Law. Buyer and Seller agree that electronic means will not be used by either Party to modify or alter the content or integrity of this Agreement without the knowledge and consent of the other Party.

K. "Law" means any law, code, statute, ordinance, regulation, rule or order, which is adopted by a controlling city, county, state or federal legislative, judicial or executive body or agency.

L. "Repairs" means any repairs (including pest control), alterations, replacements, modifications or retrofitting of the Property provided for under this Agreement.

M. "Signed" means either a handwritten or electronic signature on an original document, Copy or any counterpart.

37. EXPIRATION OF OFFER: This offer shall be deemed revoked and the deposit, if any, shall be returned to Buyer unless the offer is Signed by Seller and a Copy of the Signed offer is personally received by Buyer, or by _____, who is authorized to receive it, by 5:00 PM on the third Day after this offer is signed by Buyer (or by _____ ☐ AM/ ☐ PM, on _____ (date)).

☐ One or more Buyers is signing the Agreement in a representative capacity and not for him/herself as an individual. See attached Representative Capacity Signature Disclosure (C.A.R. Form RCD-B) for additional terms.

Date 6/17/19 BUYER

(Print name) Oscar L Rudnick

Date _____ BUYER

(Print name) _____

☐ Additional Signature Addendum attached (C.A.R. Form ASA).

Buyer's Initials (_____) (_____)

Seller's Initials (_____) (_____)

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Oscar Rudnick



Property Address: **816 Sycamore Dr., Arvin Ca, Arvin, 93203**

Date: **October 19, 2018**

38. ACCEPTANCE OF OFFER: Seller warrants that Seller is the owner of the Property, or has the authority to execute this Agreement. Seller accepts the above offer and agrees to sell the Property on the above terms and conditions, and agrees to the above confirmation of agency relationships. Seller has read and acknowledges receipt of a Copy of this Agreement, and authorizes Broker to Deliver a Signed Copy to Buyer.

☐ (If checked) SELLER'S ACCEPTANCE IS SUBJECT TO ATTACHED COUNTER OFFER (C.A.R. Form SCO or SMCO) DATED: _____

☐ One or more Sellers is signing the Agreement in a representative capacity and not for him/herself as an individual. See attached Representative Capacity Signature Disclosure (C.A.R. Form RCSD-S) for additional terms.

Date _____ SELLER _____
(Print name) _____

Date _____ SELLER _____
(Print name) _____

☐ Additional Signature Addendum attached (C.A.R. Form ASA).

(_____/_____) (Do not initial if making a counter offer.) **CONFIRMATION OF ACCEPTANCE:** A Copy of Signed Acceptance was personally received by Buyer or Buyer's authorized agent on (date) _____ at _____
(Initials) ☐ AM/ ☐ PM. A binding Agreement is created when a Copy of Signed Acceptance is personally received by Buyer or Buyer's authorized agent whether or not confirmed in this document. Completion of this confirmation is not legally required in order to create a binding Agreement; it is solely intended to evidence the date that Confirmation of Acceptance has occurred.

REAL ESTATE BROKERS:

A. Real Estate Brokers are not parties to the Agreement between Buyer and Seller.

B. Agency relationships are confirmed as stated in paragraph 2.

C. If specified in paragraph 3A(2), Agent who submitted the offer for Buyer acknowledges receipt of deposit.

D. COOPERATING BROKER COMPENSATION: Listing Broker agrees to pay Cooperating Broker (**Selling Firm**) and Cooperating Broker agrees to accept, out of Listing Broker's proceeds in escrow, the amount specified in the MLS, provided Cooperating Broker is a Participant of the MLS in which the Property is offered for sale or a reciprocal MLS. If Listing Broker and Cooperating Broker are not both Participants of the MLS, or a reciprocal MLS, in which the Property is offered for sale, then compensation must be specified in a separate written agreement (C.A.R. Form CBC). Declaration of License and Tax (C.A.R. Form DLT) may be used to document that tax reporting will be required or that an exemption exists.

Real Estate Broker (Selling Firm) **NONE** DRE Lic. # _____
By _____ DRE Lic. # _____ Date _____
By _____ DRE Lic. # _____ Date _____
Address _____ City _____ State _____ Zip _____
Telephone _____ Fax _____ E-mail _____
Real Estate Broker (Listing Firm) **NONE** DRE Lic. # _____
By _____ DRE Lic. # _____ Date _____
By _____ DRE Lic. # _____ Date _____
Address _____ City _____ State _____ Zip _____
Telephone _____ Fax _____ E-mail _____

ESCROW HOLDER ACKNOWLEDGMENT:

Escrow Holder acknowledges receipt of a Copy of this Agreement, (if checked, ☐ a deposit in the amount of \$ _____), counter offer numbers _____ ☐ Seller's Statement of Information and _____, and agrees to act as Escrow Holder subject to paragraph 26 of this Agreement, any supplemental escrow instructions and the terms of Escrow Holder's general provisions.

Escrow Holder is advised that the date of Confirmation of Acceptance of the Agreement as between Buyer and Seller is _____

Escrow Holder _____ Escrow # _____
By _____ Date _____

Address _____
Phone/Fax/E-mail _____

Escrow Holder has the following license number # _____

☐ Department of Business Oversight, ☐ Department of Insurance, ☐ Department of Real Estate.

PRESENTATION OF OFFER: (_____) Listing Broker presented this offer to Seller on _____ (date).
Broker or Designee Initials

REJECTION OF OFFER: (_____) (_____) No counter offer is being made. This offer was rejected by Seller on _____ (date).
Seller's Initials

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REAL ESTATE BUSINESS SERVICES, INC.
a subsidiary of the CALIFORNIA ASSOCIATION OF REALTORS®
525 South Virgil Avenue, Los Angeles, California 90020

VLPA REVISED 12/15 (PAGE 11 OF 11)

Buyer's Acknowledgment that page 11 is part of
this Agreement (_____) (_____)



VACANT LAND PURCHASE AGREEMENT (VLPA PAGE 11 OF 11)

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Oscar Rudnick

KERN COUNTYWIDE OVERSIGHT BOARD AGENDA ITEM

SUBJECT

Review and Approve Recognized Obligation Payment Schedule (ROPS) 2020-21 And Administrative Budget For Fiscal Year 2020-21 Of The Successor Agency to the Ridgecrest Redevelopment Agency And Approval of Resolution.

PRESENTED BY

Cheri Freese, Finance Director

SUMMARY

The City Council at their regular meeting of January 11, 2012 adopted Resolution No 12-02, electing to serve as the Successor Agency to the Ridgecrest Redevelopment Agency ("Successor Agency") and making certain findings in connection therewith.

The Successor Agency is required to prepare a Recognized Obligation Payment Schedule ("ROPS") prior to each 12-month fiscal period, in a manner prescribed by the California Department of Finance ("DOF"), and submit the ROPS to the oversight board, the Kern County Auditor-Controller, the State Controller's Office, and DOF for review and approval. ROPS for July 1, 2020 through June 30, 2021 ("20-21") is due to DOF by February 1, 2020 and the City of Ridgecrest ("City") is subject to a civil penalty equal to \$10,000 per day for every day the ROPS is not submitted to DOF.

On July 1, 2018, local oversight boards established by Health & Safety Code ("HSC") Sections 34179 to 34181 to oversee successor agencies' actions were replaced by countywide oversight boards. All local oversight boards for Kern County successor agencies were consolidated into the Kern Countywide Oversight Board ("Oversight Board").

Oversight boards have broad authority to determine meeting dates at which successor agencies must submit items, to set administrative budgets, to approve enforceable obligations, and otherwise to direct the successor agency to perform activities to wind down the former redevelopment agencies. Therefore, after the ROPS 20-21 and the Administrative Budget have been approved by the Successor Agency, both will be sent to the Oversight Board for approval.

The Successor Agency's 20-21 enforceable obligations include Bond Debt Service Payments, Wastewater Loans, Fiscal Agent Fees, Continuing Disclosure Reporting Fees, and Administrative Cost Allowance. Total requested Redevelopment Property Tax Trust Funds ("RPTTF") for ROPS 2020-21 is \$7,784,491, including \$250,000 for Administrative Allowance Costs as allowed by DOF. The repayment of Senior Housing Loans following the Matosantos court case for an amount of \$3,290,403 (\$3,000,000 loan plus \$290,403 in attorney fees), Bond Debt Service Payments are the second largest enforceable obligation totaling \$2,936,069. The Successor Agency is requesting \$1,300,000 in RPTTF for Wastewater Loan repayment. Fiscal Agent Fees and Continuing Disclosure combine for the remaining \$8,020 in RPTTF requested on ROPS 2020-21.

Line Items # 39 & 40 on ROPS 2020-21 "Wastewater Loan" are outstanding loans approved by DOF to be repaid to the Ridgecrest Wastewater Fund/City totaling \$3,155,129. By law, these Wastewater Loan payments are subordinate to other enforceable obligations. DOF has a specific formula to calculate the maximum allowable payment per fiscal year for loans to be repaid to a city. Payments on loans made are limited in each fiscal year to one half of the difference between the previous fiscal year's residual revenue and the fiscal year 2012-13 residual revenue. Based on the DOF formula and a cash flow analysis, the Successor Agency can expect that approximately \$815,440 will be approved in payments on the Wastewater Loans on ROPS 2020-21. In case actual revenues are higher than estimated, the Successor Agency is requesting \$1,300,000 in RPTTF on ROPS 2020-21. DOF will deny any amount above the maximum allowable payment based on the formula.

Line Item # 38 on ROPS 2020-21 "Senior Housing Loan" for the amount of \$3,290,403 has been updated following a court ruling stating that a loan approved by the former Redevelopment Agency of the City of Ridgecrest is an enforceable obligation. The amount includes \$3,000,000 for the loan itself and \$290,403 for attorney fees.

The Successor Agency approved Resolution **No. 20-** at its meeting on December 18, 2019, approving the ROPS 20-21 along with the Administrative Budget for 20-21, and is recommending approval by the Oversight Board and then submission to DOF.

FISCAL IMPACT

Upon approval by the Oversight Board and DOF, ROPS 20-21 would request RPTTF funding needed for the Successor Agency to timely remit payments on enforceable obligations due during Fiscal Year 2020-21. The City and other affected taxing agencies are entitled to receive the balance ("residual") of any RPTTF available after each of the two RPTTF distribution periods based on their respective shares.

Reviewed by Finance Director

ACTION REQUESTED

Review and approval of ROPS 2020-21 and Fiscal Year 2020-21 Successor Agency Administrative Budget and corresponding resolution.

CITY MANAGER / EXECUTIVE DIRECTOR RECOMMENDATION

Action as requested.

Submitted by Cheri Freese

Action Date January 14, 2020

(Rev. 6/12/09)

BEFORE THE KERN COUNTYWIDE OVERSIGHT BOARD

In the matter of:

Resolution No. _____

RESOLUTION OF THE KERN COUNTYWIDE OVERSIGHT BOARD TO THE FORMER CITY OF RIDGECREST REDEVELOPMENT AGENCY APPROVING THE RECOGNIZED OBLIGATION PAYMENT SCHEDULE 20-21 FOR THE PERIOD OF JULY 2020 THROUGH JUNE 2021

I, Amanda Ruiz, Secretary on behalf of the Oversight Board, do certify that the following resolution, on motion of Director _____, seconded by Director _____, was duly passed and adopted by the Board of Directors at an official meeting this _____ day of _____, 2020, by the following vote:

AYES:

NOES:

ABSENT:

Secretary on behalf of the Oversight Board
Kern Countywide Oversight Board

RESOLUTION

Section 1. WHEREAS ☐

(a) Pursuant to Health and Safety Code Section 34173(d), the City of Ridgecrest became the successor agency to the Ridgecrest Redevelopment Agency ("Successor Agency"); and

(b) Pursuant to Health and Safety Code Section 34173(g), the Successor Agency is now a separate legal entity from the City ☐ and

(c) Pursuant to Health and Safety Code Section 34179(j), on July 1, 2018 a single oversight board, staffed by the county auditor-controller, was created to oversee the actions of all successor agencies within Kern County, including the Successor Agency to the Ridgecrest Redevelopment Agency, and

(d) Health and Safety Code Section 34177(l) requires the Successor Agency to prepare a recognized obligation payment schedule ("ROPS"), by February 1st of each year, forward looking to the next fiscal year and

(e) Health and Safety Code Section 34177(l)(2) requires the Successor Agency to submit the ROPS to the Successor Agency's oversight board for its approval, and upon such approval, the Successor Agency is required to submit a copy of the approved ROPS ("Approved ROPS") to the Kern County Auditor-Controller, the California State Controller, and the State of California Department of Finance, and post the Approved ROPS on the Successor Agency's website; and

(f) Health and Safety Code Section 34177(o) requires that the Approved ROPS for the period July 1, 2020 through June 30, 2021 ("ROPS 20-21") is required to be submitted to the Department of Finance, California State Controller and the County Auditor-Controller by February 1, 2020 and

(g) All other legal prerequisites to the adoption of this Resolution have occurred.

Section 2. THEREFORE IT IS RESOLVED by the Board of Directors of the Kern Countywide Oversight Board, as follows:

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

2. The Kern Countywide Oversight Board of the Successor Agency hereby approves and adopts the ROPS 20-21, covering the period July 1, 2020 through June 30, 2021, in substantially the form attached to this Resolution as Exhibit A, as required by Health and Safety Code Section 34177.

3. The Secretary is hereby authorized and directed to take any action necessary to carry out the purposes of this Resolution and comply with applicable law regarding the ROPS 20-21, including submitting the approved ROPS 20-21 to the Kern County Auditor-Controller, the California State Controller, and the State of California Department of Finance, and posting the Approved ROPS on the Successor Agency's website.

4. This Resolution shall be effective in accordance with California Health and Safety Code Section 34179(h).

EXHIBIT A

Recognized Obligation Payment Schedule (ROPS 20-21) - Summary
Filed for the July 1, 2020 through June 30, 2021 Period

Successor Agency: Ridgecrest

County: Kern

Current Period Requested Funding for Enforceable Obligations (ROPS Detail)	20-21A Total (July - December)	20-21B Total (January - June)	ROPS 20-21 Total
A Enforceable Obligations Funded as Follows (B+C+D)	\$ -	\$ -	\$ -
B Bond Proceeds	-	-	-
C Reserve Balance	-	-	-
D Other Funds	-	-	-
E Redevelopment Property Tax Trust Fund (RPTTF) (F+G)	\$ 6,196,156	\$ 1,588,335	\$ 7,784,491
F RPTTF	6,071,156	1,463,335	7,534,491
G Administrative RPTTF	125,000	125,000	250,000
H Current Period Enforceable Obligations (A+E)	\$ 6,196,156	\$ 1,588,335	\$ 7,784,491

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

Ridgecrest
Recognized Obligation Payment Schedule (ROPS 20-21) - ROPS Detail
July 1, 2020 through June 30, 2021

A	B	C	D	E	F	G	H	I	J	K	L	M	N	O	P	Q	R	S	T	U	V	W
Item #	Project Name	Obligation Type	Agreement Execution Date	Agreement Termination Date	Payee	Description	Project Area	Total Outstanding Obligation	Retired	ROPS 20-21 Total	ROPS 20-21A (Jul - Dec)					20-21A Total	ROPS 20-21B (Jan - Jun)					20-21B Total
											Fund Sources						Fund Sources					
											Bond Proceeds	Reserve Balance	Other Funds	RPTTF	Admin RPTTF		Bond Proceeds	Reserve Balance	Other Funds	RPTTF	Admin RPTTF	
								\$41,208,757		\$7,784,491	\$-	\$-	\$-	\$6,071,156	\$125,000	\$6,196,156	\$-	\$-	\$-	\$1,463,335	\$125,000	\$1,588,335
9	Continuing Disclosure Reporting	Fees	11/01/2005	06/30/2037	Rosenow Spevacek Group	Annual Bond Reporting Requirement	Ridgecrest RDA	95,200	N	\$5,600	-	-	-	2,100	-	\$2,100	-	-	-	3,500	-	\$3,500
12	Legal Cost	Legal	01/01/2014	06/30/2019	Stradling Yocca, Carlson	Attorney Bond Assistance	Ridgecrest RDA	-	N	\$-	-	-	-	-	-	\$-	-	-	-	-	-	\$-
13	Employee Costs	Admin Costs	01/01/2014	06/30/2019	Various City Employees	Successor Agency & Debt Administration Costs	Ridgecrest RDA	250,000	N	\$250,000	-	-	-	-	125,000	\$125,000	-	-	-	-	125,000	\$125,000
18	Wastewater Loan	City/County Loan (Prior 06/28/11), 3rd party agmt-infrastructure	11/03/2010	11/03/2047	Ridgecrest WasteWater Fund / City of Ridgecrest	Loan to Finance Solar Park - Loan balance net of DOF first approval (see item #39 and notes on item 18)	Ridgecrest RDA	-	N	\$-	-	-	-	-	-	\$-	-	-	-	-	-	\$-
38	Senior Housing Loan	Third-Party Loans	12/12/2011	01/24/2047	City of Ridgecrest/ AMG	Loan to Senior Housing Developer		3,290,403	N	\$3,290,403	-	-	-	3,290,403	-	\$3,290,403	-	-	-	-	-	\$-
39	Wastewater Loan	City/County Loan (Prior 06/28/11), 3rd party agmt-infrastructure	11/03/2010	11/03/2047	Ridgecrest WasteWater Fund / City of Ridgecrest	Loan to Finance Solar Park - As approved by DOF		2,504,615	N	\$650,000	-	-	-	650,000	-	\$650,000	-	-	-	-	-	\$-
40	Wastewater Loan	City/County Loan (Prior 06/28/11), 3rd party agmt-infrastructure	11/03/2010	11/03/2047	Ridgecrest WasteWater Fund / City of Ridgecrest	Interest earned on Line#39 from 11/3/2010 to 06/30/2019 at 3%		650,514	N	\$650,000	-	-	-	650,000	-	\$650,000	-	-	-	-	-	\$-
42	2018 TARB Bonds-Series A	Refunding Bonds Issued After 6/27/12	05/31/2018	03/01/2026	U.S. Bank	Refunded Bond Debt Service		3,611,099	N	\$603,051	-	-	-	303,212	-	\$303,212	-	-	-	299,839	-	\$299,839

A	B	C	D	E	F	G	H	I	J	K	L	M	N	O	P	Q	R	S	T	U	V	W
Item #	Project Name	Obligation Type	Agreement Execution Date	Agreement Termination Date	Payee	Description	Project Area	Total Outstanding Obligation	Retired	ROPS 20-21 Total	ROPS 20-21A (Jul - Dec)					20-21A Total	ROPS 20-21B (Jan - Jun)					20-21B Total
											Fund Sources						Fund Sources					
											Bond Proceeds	Reserve Balance	Other Funds	RPTTF	Admin RPTTF		Bond Proceeds	Reserve Balance	Other Funds	RPTTF	Admin RPTTF	
43	2018 TARB Bonds-Series B	Refunding Bonds Issued After 6/27/12	05/31/2018	03/01/2037	U.S. Bank	Refunded Bond Debt Service		30,757,596	N	\$2,333,017	-	-	-	1,173,021	-	\$1,173,021	-	-	-	1,159,996	-	\$1,159,996
44	2018 TARB Bonds-Arbitrage Report	Fees	05/31/2018	03/01/2037	BLX Group LLC	Arbitrage Analysis Report		8,100	N	\$-	-	-	-	-	-	\$-	-	-	-	-	-	\$-
45	2018 TARB Bonds-Fiscal Agent Fees	Fees	05/31/2018	03/01/2037	U.S. Bank	Fiscal Agent Fees		41,230	N	\$2,420	-	-	-	2,420	-	\$2,420	-	-	-	-	-	\$-

Ridgecrest
Recognized Obligation Payment Schedule (ROPS 20-21) - Report of Cash Balances
July 1, 2017 through June 30, 2018
(Report Amounts in Whole Dollars)

Pursuant to Health and Safety Code section 34177 (l), Redevelopment Property Tax Trust Fund (RPTTF) may be listed as a source of payment on the ROPS, but only to the extent no other funding source is available or when payment from property tax revenues is required by an enforceable obligation.							
A	B	C	D	E	F	G	H
	ROPS 17-18 Cash Balances (07/01/17 - 06/30/18)	Fund Sources					Comments
		Bond Proceeds		Reserve Balance	Other Funds	RPTTF	
		Bonds issued on or before 12/31/10	Bonds issued on or after 01/01/11	Prior ROPS RPTTF and Reserve Balances retained for future period(s)	Rent, grants, interest, etc.	Non-Admin and Admin	
1	Beginning Available Cash Balance (Actual 07/01/17) RPTTF amount should exclude "A" period distribution amount.	6,025,512			249,733	299,750	
2	Revenue/Income (Actual 06/30/18) RPTTF amount should tie to the ROPS 17-18 total distribution from the County Auditor-Controller	26,228			77,660	3,883,448	
3	Expenditures for ROPS 17-18 Enforceable Obligations (Actual 06/30/18)	3,977,320				3,612,058	
4	Retention of Available Cash Balance (Actual 06/30/18) RPTTF amount retained should only include the amounts distributed as reserve for future period(s)				249,733	299,720	
5	ROPS 17-18 RPTTF Prior Period Adjustment RPTTF amount should tie to the Agency's ROPS 17-18 PPA form submitted to the CAC		No entry required			271,390	
6	Ending Actual Available Cash Balance (06/30/18) C to F = (1 + 2 - 3 - 4), G = (1 + 2 - 3 - 4 - 5)	\$2,074,420	\$-	\$-	\$77,660	\$30	

Ridgecrest
Recognized Obligation Payment Schedule (ROPS 20-21) - Notes
July 1, 2020 through June 30, 2021

Item #	Notes/Comments
9	
12	
13	
18	
38	
39	
40	
42	
43	
44	
45	

RESOLUTION NO. 19-75

A RESOLUTION OF THE SUCCESSOR AGENCY TO THE RIDGECREST REDEVELOPMENT AGENCY APPROVING THE RECOGNIZED OBLIGATION PAYMENT SCHEDULE (ROPS) FOR JULY 1, 2020 THROUGH JUNE 30, 2021 (2020-21) AND APPROVING THE ADMINISTRATIVE BUDGET FOR FISCAL YEAR 2020-21

WHEREAS, pursuant to the dissolution of redevelopment agencies per Assembly Bill ("AB") ABX1 26 (Chapter 5, Statutes of 2011) and ABX1 27 (Chapter 6, Statutes of 2011), and subsequent legislation, AB 1484 (Chapter 26, Statutes of 2012) (altogether, "Dissolution Act"), the City of Ridgecrest ("City") adopted Resolution No. 12-02 on January 11, 2012, electing to serve as Successor Agency to the Ridgecrest Redevelopment Agency ("Successor Agency"); and,

WHEREAS, pursuant to Health & Safety Code ("HSC") Section 34177(m), the Successor Agency is required to prepare a Recognized Obligation Payment Schedule ("ROPS") prior to each 12-month fiscal period, in a manner prescribed by the California Department of Finance ("DOF"), and submit the ROPS to the oversight board, the Kern County Auditor-Controller, the State Controller's Office, and DOF for review and approval; and,

WHEREAS, pursuant to Section 34179(j) of the Dissolution Act, in every California county there shall be only one oversight board that is staffed by the county's auditor-controller; and,

WHEREAS, the applicable consolidated oversight board overseeing this Successor Agency is called the Kern Countywide Oversight Board ("Oversight Board"); and,

WHEREAS, pursuant to HSC Section 34177(m), the ROPS for the period beginning July 1, 2020 and ending June 30, 2021 ("20-21") shall be submitted to the Oversight Board and DOF no later than February 1, 2020; and,

WHEREAS, pursuant to HSC Section 34177(m)(2), if a successor agency does not submit a ROPS by the aforementioned deadline, the city, county, or city and county that created the redevelopment agency shall be subject to a civil penalty equal to ten thousand dollars (\$10,000) per day for every day the schedule is not submitted to DOF; and,

WHEREAS, Section 34177(j) of the Dissolution Act requires the Successor Agency to prepare a proposed administrative budget and submit it to the Oversight Board for approval; and,

WHEREAS, pursuant to Section 34177(j), the Successor Agency's "Administrative Budget" is to include all of the following: (a) estimated amounts of the Successor Agency's administrative costs for the upcoming twelve-month fiscal period; (b) the proposed sources of payment for the costs identified in (a); and (c)

proposals for arrangements for administrative and operations services provided by the city serving as Successor Agency; and,

WHEREAS, Exhibit "A" to this Resolution establishes the ROPS 20-21 and Exhibit "B" to this Resolution establishes the Administrative Budget for 20-21 in a manner consistent with that prescribed by DOF; and,

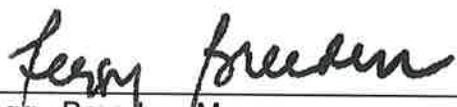
WHEREAS, the Successor Agency desires to approve the ROPS 20-21 along with the Administrative Budget for 20-21 and transmit it to the Oversight Board, the Kern County Auditor-Controller, the State Controller's Office, and DOF as required by HSC Section 34172, et seq.

NOW, THEREFORE, BE IT RESOLVED by the Successor Agency to the Ridgecrest Redevelopment Agency, as follows:

1. The Successor Agency to the Ridgecrest Redevelopment Agency finds and determines that the foregoing recitals are true and correct.
2. The Successor Agency approves as the Recognized Obligation Payment Schedule for the period July 1, 2020 to June 30, 2021, attached hereto as Exhibit A, subject to the approval of the Kern Countywide Oversight Board and the California Department of Finance.
3. The Successor Agency approves the Administrative Budget, attached hereto as Exhibit B, that is included in the ROPS 20-21.
4. Successor Agency staff is directed to transmit the ROPS 20-21 to the Oversight Board and upon the Oversight Board's approval, post the ROPS 20-21 on the City of Ridgecrest's website and submit the ROPS 20-21 to DOF, the California State Controller's Office, and the Kern County Auditor-Controller prior to February 1, 2020 as required by law.

PASSED, APPROVED, AND ADOPTED this 18th day of December 2019 by the following vote:

AYES: Breeden, Hayman, Mower, Stephens
NOES: None
ABSTAIN: None
ABSENT: None



Peggy Breeden, Mayor

ATTEST:



Ricca Charlon, City Clerk

EXHIBIT A

RECOGNIZED OBLIGATION PAYMENT SCHEDULE FOR THE PERIOD OF
JULY 1, 2020 TO JUNE 30, 2021

EXHIBIT B

SUCCESSOR AGENCY ADMINISTRATIVE BUDGET FOR THE PERIOD JULY
1, 2020 TO JUNE 30, 2021



17872 GILLETTE AVE.
SUITE 350
IRVINE, CA 92614

714 5414585
INFO@WEBRSG.COM
WEBRSG.COM

Via Electronic Mail

September 7, 2018

Tess Sloan, Assistant Finance Director
CITY OF RIDGECREST
RIDGECREST SUCCESSOR AGENCY
100 W California Avenue
Ridgecrest, CA 93555

PROPOSAL FOR CONTINUING DISCLOSURE AND DISSEMINATION AGENT SERVICES

Dear Ms. Sloan:

RSG, Inc. ("RSG") is pleased to present this proposal to the Successor Agency to the Ridgecrest Redevelopment Agency ("Successor Agency") to continue to implement the requirements of the Form of Continuing Disclosure Certificate ("Disclosure Certificate") for the 2018 Tax Allocation Refunding Bonds ("2018 TARB").

RSG's primary role would be to prepare the Annual Continuing Disclosure Report and assist the Successor Agency with reporting significant events relating to the bonds. RSG would also act as Dissemination Agent and post the Annual Report and significant event notices, as required by the Disclosure Certificate.

SCOPE OF SERVICES

Annual Continuing Disclosure Report

RSG will prepare an Annual Report that meets the requirements of the Disclosure Certificate approved with the 2018 TARB closing. Since a Fiscal Consultant Report ("FCR") was recently submitted by RSG to the Successor Agency in May 2018 to substantiate the proposed Tax Allocation Refunding Bonds, aspects such as assessed values of taxable property in the project area, top ten taxpayers and gross increment tax revenues have already been analyzed and reported. The first report will submit all required information but only analysis and data collection that is not covered in the FCR will be charged. These analyses include:

- The ratio of tax revenues to scheduled debt service, outstanding parity bonds and subordinate obligations
- The status of assessment appeals through March 28, 2018 (270 days after the fiscal year).

- Remaining Tax Increment Distributions to Taxing Entities

The Annual Report thereafter will include, or incorporate by reference:

- Comprehensive Annual Financial Report of the City and Successor Agency for each Fiscal Year
- Updated financial and operating data substantially in the format presented in the Official Statement for the 2018 TARB relating to:
 - Project Area Land Use
 - Top Ten Taxpayers
 - Five-Year Historical Assessed Valuation and Property Tax / RPTTF Revenues, including details on pass-throughs
 - Status of Assessed Value Appeals
- A debt service coverage table updated with the most recent fiscal year
- Redevelopment Property Tax Trust Fund ("RPTTF") distributions received by the Successor Agency and the remaining tax increment distributed to public agencies for each ROPS period in the most recent fiscal year

As Dissemination Agent, RSG will post the Annual Report to the Electronic Municipal Market Access ("EMMA") database or distribute the Annual Report directly to the bondholder by the due date in the spring of each year. RSG will send the Successor Agency proof of the submission, including the submission date.

The next Annual Report will report on Fiscal Year 2017-18 activities and will be posted on EMMA or submitted directly to the bondholder in spring of 2019. RSG will prepare subsequent Annual Reports upon mutual agreement by RSG and the Successor Agency to continue having RSG serve in the same capacity.

Reporting of Significant Events

RSG will assist the Successor Agency with reporting the following significant events as identified in the Disclosure Certificate:

1. Principal and interest payment delinquencies;
2. Non-payment related defaults, if material;
3. Unscheduled draws on debt service reserves reflecting financial difficulties;
4. Unscheduled draws on credit enhancements reflecting financial difficulties;
5. Substitution of credit or liquidity providers, or their failure to perform;
6. Adverse tax opinions, the issuance by the Internal Revenue Service of proposed or final determinations of taxability, Notices of Proposed Issue (IRS Form 5701-TEB) or other material notices or determinations with respect to the tax status of the Bonds, or other material events affecting the tax status of the Bonds;

7. Modifications to rights of Bond owners, if material;
8. Bond calls, if material, and tender offers;
9. Defeasances;
10. Release, substitution, or sale of property securing repayment of the Bonds, if material
11. Rating changes;
12. Bankruptcy, insolvency, receivership or similar event of the Obligated Person;
13. The consummation of a merger, consolidation, or acquisition involving the Agency or the sale of all or substantially all of the assets of the Agency, other than in the ordinary course of business, the entry into a definitive agreement to undertake such an action or the termination of a definitive agreement relating to any such actions, other than pursuant to its terms, if material; and
14. Appointment of a successor or additional trustee or the change of name of a trustee, if material.

By execution of this letter, RSG hereby requests Successor Agency staff to notify us of Significant Events in a timely manner as identified in the final Disclosure Certificate (within one business day of the event, if possible). We are available to advise on identifying whether a Significant Event has occurred, such as if there is an unscheduled draw on debt service. As Dissemination Agent, RSG will file a notice of significant events on EMMA within ten business days after the occurrence of the event, to the extent possible. RSG shall not be liable for failing to file notices of significant events that it was not informed of by the Successor Agency. The Disclosure Certificate describes additional "Duties, Immunities and Liabilities of the Dissemination Agent".

FEE QUOTE & STAFFING

RSG is proposing a five-year commitment to the Successor Agency so that we may have the ability to revisit our total budget periodically to ensure that it is fair and reasonable. At this time, RSG estimates a budget of \$2,800 for the first fiscal year report (2017-18) to discount the analysis that was already accomplished for the 2018 FCR, and an annual budget of \$5,500 per Annual Report starting with fiscal year 2018-19, with a slight increase for inflation of \$100 every two years, to be billed on a time and materials basis **for a total budget of \$25,000.**

- FY 2017-18: \$2,800
- FY 2018-19 and 2019-20: \$5,500 each year
- FY 2020-21 and 2021-22: \$5,600 each year

This includes reimbursable fees for third party data, including the equalized assessment roll, up to the contract amount. If the cost of third party data plus RSG's fees billed on a time and materials basis causes RSG to exceed the contract amount upon project completion, the City will be charged for third party data. We will bill only those hours actually worked and will not undertake any work outside the scope without a direct request

and authorization from City staff. Invoices will be billed at the following hourly rates, subject to inflation:

Principal/Director	\$210
Senior Associate	\$165
Associate	\$150
Senior Analyst	\$125
Analyst	\$115
Research Assistant	\$100
Technician	\$ 75
Clerical	\$ 60

Reimbursable Expenses

Cost plus 10%

RSG does not charge clients for travel or mileage (except direct costs related to field work/surveys), parking, standard telephone/fax expenses, general postage or incidental copies. However, we do charge for messenger services, overnight shipping/express mail costs and teleconferencing services. Any third-party data required in excess of RSG's annual contract amount may also be charged to the client, such as the equalized assessment roll and other County data fees. We also charge for copies of reports, documents, notices, and support material in excess of five (5) copies. These costs are charged back at the actual expense plus a 10% surcharge.

This engagement will be completed by Jim Simon, Principal and Ya-yin Isle, Associate. Other staff may be assigned as needed.

RSG's continuing disclosure fees should be listed on the Successor Agency's Recognized Obligation Payment Schedule ("ROPS") to be paid as a separate enforceable obligation (not as an administrative cost). RSG's fees for preparing the Annual Reports are to be paid in the ROPS B periods covering January through June. As noted in the Disclosure Certificate, the Successor Agency may replace the Dissemination Agent with or without cause, and RSG may resign as Dissemination Agent by providing 30 days written notice to the Successor Agency and the Trustee.

Should you have any questions or concerns please do not hesitate to contact Ya-yin Isle at 916-284-6275. A signature line is included to sign and return via email (yisle@webrsg.com). RSG can also execute a contract in a format provided by the City if desired.

Sincerely,
ROSENOW SPEVACEK GROUP, INC.



Jim Simon
Principal

Authorized to Proceed by:



Signature

9/10/18
Date

Cheri Freese – Finance Director
Name & Title

EXHIBIT B

**RIDGECREST SUCCESSOR AGENCY
ADMINISTRATIVE BUDGET FY 2020-21
FOR JULY 1, 2020 to JUNE 30, 2021**

Expense Category	Responsibilities	FY 2020-21 Proposed Budget
Salaries and Wages		
Staff salaries, benefits, and payroll taxes	• Process payment of enforceable obligations • Maintain documentation of Agency records • Coordinate with consultant to answer questions and provide documentation as requested by Oversight Board, County Auditor-Controller, and Department of Finance	\$190,000
TOTAL		\$190,000
Maintenance and Operations		
Contract services	• Prepare ROPS, PPA, staff reports, and resolutions • Coordinate with and answer questions for Oversight Board, County Auditor-Controller, and Department of Finance • Monitor and project cash flow to ensure sufficient revenues for obligations and to inform Agency staff of expected revenues	\$10,000
Insurance and legal services	• Review staff reports and resolutions • Provide legal services as needed	\$50,000
TOTAL		\$60,000
TOTAL BUDGET		\$250,000

January 17, 2020

James C. Simon
Kyle Westra
RSG, Inc.
17872 Gillette Ave., Suite 350
Irvine, CA 92614

**Re: Ridgecrest Successor Agency
Recognized Obligation Payment Schedule (ROPS)
Ridgecrest Successor Agency v. Bosler, State of California (Matosantos)
California Court of Appeal, Third Appellate District, Case No. C084574**

Dear Messrs. Simon and Westra:

This law firm serves as City Attorney for the City of Ridgecrest, California, and counsel to the Successor Agency to the Ridgecrest Redevelopment Agency. This responds to your firm's request for an explanation of items included in the Successor Agency's ROPS, related to the above-referenced case recently decided by the California Court of Appeal.

In this litigation, the City judicially challenged a determination by the State Department of Finance that a loan approved by the former redevelopment agency of the City of Ridgecrest was not an enforceable obligation.

The trial court ruled in favor of the Department of Finance and denied the City's petition for writ of mandate. However, on December 10, 2019, the Court of Appeal reversed. The Court held that the material terms of the loan were approved as a binding agreement *before* the statutory Redevelopment Dissolution Law took effect and thus was an enforceable obligation under the law.

Enclosed is a copy of the Court's ruling in this case. We've been informed that the State will not further appeal this decision.

The total amount the City is owed for the senior housing loan is as follows:

Loan:	\$3 million
Attorney Fees:	\$290,403

If you have any questions, please contact Keith Lemieux or me.

Sincerely,


Lloyd Pilchen

cc: Ron Strand, City Manager

NOT TO BE PUBLISHED

California Rules of Court, rule 8.1115(a), prohibits courts and parties from citing or relying on opinions not certified for publication or ordered published, except as specified by rule 8.1115(b). This opinion has not been certified for publication or ordered published for purposes of rule 8.1115.

IN THE COURT OF APPEAL OF THE STATE OF CALIFORNIA
THIRD APPELLATE DISTRICT
(Sacramento)

CITY OF RIDGECREST,

Plaintiff and Appellant,

v.

KEELY BOSLER, as Director, etc.,

Defendant and Respondent;

COUNTY OF KERN, et al.,

Real Parties in Interest and Respondents.

C084574

(Super. Ct. No.
34201380001438CUWMGDS)

As is well known, the Legislature dissolved redevelopment agencies in 2011. (Health & Saf. Code, §§ 34161-34176, the “Dissolution Law”.) It tasked defendant Department of Finance to ensure that local agencies who succeeded to the redevelopment

agencies' obligations remitted their unencumbered funds for redistribution to other taxing entities.

The Department determined that a loan the former redevelopment agency of the City of Ridgecrest approved before the Dissolution Law became effective and eventually made to a private developer was not an enforceable obligation, and it directed plaintiff City of Ridgecrest to remit the amount of the loan.

The City challenged the Department's action by a petition for writ of mandate under Code of Civil Procedure section 1085 and complaint for declaratory and injunctive relief and damages. The trial court denied the petition. Relying on California contract law, we reverse.

FACTS AND PROCEEDINGS

At a hearing on March 16, 2011, the City's redevelopment agency approved a \$3 million loan commitment for a developer. The developer proposed using the funds to build a senior housing project. The commitment was necessary to enable the developer to apply for tax credits from the state Tax Credit Allocation Committee to be used with the project.

The agency's executive director issued a loan commitment letter dated March 23, 2011. The letter was addressed to Alexis Gevorgian of Ridgecrest Pacific Associates, a California L.P. (the developer). It stated: "We are pleased to inform you that the City of Ridgecrest Redevelopment Agency . . . has approved your request for financing in the amount of \$3,000,000. Loan terms will include a simple interest rate of 4 [percent] with an amortization term consistent with a regulatory agreement, to be executed. Payments shall be based on 60 [percent] of residual receipts until paid in full with a maturity date of not less than sixteen years. The loan is subject to the final execution of a promissory note, deed of trust, regulatory agreement and an Owner Participation Agreement (OPA). After the loan is paid off in full, the Agency, or successor entity[] to the extent that the

Agency exists at the time, shall receive twenty percent (20%) of the cash flow from the property in perpetuity. The remaining loan terms will be in accordance with the Agency's 'or successor entity' standard [of] affordable housing lending policies which will be codified in loan documents including a promissory note, deed of trust and regulatory agreement."

The commitment letter included two preconditions. It stated: "Please be advised that this loan commitment is expressly conditioned upon your successful application for housing tax credits and the production of a final sources and uses confirming that the project is feasible."

The developer set out to fulfill the preconditions. On March 21, 2011, the developer secured a loan commitment from a private lender to complete funding for the project. On June 22, 2011, the Tax Credit Allocation Committee approved the developer's application for tax credits. The private financial commitment and the reservation of tax credits constituted the final sources and uses confirming that the project was feasible. The developer informed the agency that it had fulfilled the commitment letter's preconditions.

The Dissolution Law took effect on June 29, 2011, seven days after the Tax Credit Allocation Committee approved the developer's application for tax credits. (Health & Saf. Code, §§ 34161-34191.6, statutory section references that follow are to the Health and Safety Code.) The law prevented the redevelopment agency from entering into contracts or incurring obligations, but it authorized the agency to continue meeting "enforceable obligations." (§§ 34163, subd. (b), 34166, 34169.) An "enforceable obligation" included "[a]ny legally binding and enforceable . . . contract that is not otherwise void as violating the debt limit or public policy." (§ 34171, subd. (d)(1)(E).)

On December 15, 2011, approximately six months after the Dissolution Law froze the redevelopment agency's authority to enter contracts, the agency and the developer signed the owner participation agreement. In the agreement, the agency agreed to

disburse the loan subject to the developer satisfying 18 conditions precedent set forth in the agreement. The conditions required the developer, among other things, to submit evidence of financing, insurance and title, to submit a final project budget, standard form lease agreement, a management plan and a partnership agreement, to have obtained all building permits, to comply with all relevant laws, and not to have defaulted.

The owner participation agreement also provided further detail about the loan's terms. The obligation to repay was to be set forth in a promissory note with a term of 55 years at an interest rate of 4 percent per annum. The developer was to pay annually an amount equal to 60 percent of its residual receipts from operating the project until the note was paid in full. The term "residual receipts" was defined, roughly, as an amount equal to annual revenue less expenses. Because the amount of the annual payment would fluctuate based on the amount of residual receipts each year, the promissory note clarified that the developer would make the annual payment until the note had been paid in full, but in no event later than the earlier of 55 years or December 31, 2075.

On or about the same day, December 15, 2011, the agency funded the loan. Construction soon began, and the project was completed in November 2012.

Meanwhile, the Dissolution Law dissolved the redevelopment agency on February 1, 2012. (*California Redevelopment Assn. v. Matosantos* (2011) 53 Cal.4th 231, 275.) The agency's assets and enforceable obligations were transferred to the City acting as the successor agency.

The Dissolution Law required successor agencies to remit any of the former redevelopment agency's unencumbered balances to the county auditor-controller for eventual distribution to other local taxing agencies. (§§ 34177, subd. (d), 34183, subd. (a)(4), 34188.) The law included provisions to enforce this duty. One provision required successor agencies to list their enforceable obligations on a schedule, known as the recognized obligation payment schedule or ROPS, and submit the schedule to the Department for approval and payment. (Former §§ 34171, subd. (h), 34177, subds. (a),

(l)(1).) Another provision required successor agencies to hire an accountant to review their balances in a due diligence review. (§ 34179.5.) Due diligence reviews were also subject to the Department's approval. (§§ 34177, subd. (m); 34179.6, subds. (a)-(e).)

The City identified the \$3 million loan in its ROPS and due diligence review as one of its enforceable obligations. The Department determined the loan did not qualify as an enforceable obligation because the commitment letter was not a binding agreement and the actual loan agreements were entered after the Dissolution Law froze the agency's authority to enter contracts.

The City initiated this action, petitioning the superior court for a writ of mandate and declaratory and injunctive relief to reverse the Department's decision. It also paid the county auditor-controller \$2,992,887 under protest to remit the loan funds.

At the hearing on the petition, the City presented new evidence. The trial court remanded the matter to the Department to consider the evidence. After doing so, the Department issued its revised final determination on December 14, 2015, finding the commitment letter was not an enforceable obligation.

The trial court denied the City's petition and entered judgment in favor of the Department. It ruled the Department did not abuse its discretion when it determined the commitment letter was not an enforceable obligation. The redevelopment agency approved the commitment only on condition that a binding agreement would be approved later in the form of the owner participation agreement. That agreement was not approved before the Dissolution Law became effective. The court relied upon comments made by Alexis Gevorgian, agency staff, and agency members at the approval hearing to reach its conclusion.

The trial court also found the public had no knowledge at the hearing that the borrower was the developer, Ridgecrest Pacific Associates. At the hearing, Gevorgian stated he was with another entity, AMG and Associates. The court stated there was no evidence the public knew the borrower would be the developer, and it intimated this lack

of notice violated requirements of the Ralph M. Brown Act, the state's open meetings law. (Gov. Code, §§ 54950 et seq., 54954.2.)

DISCUSSION

The City contends the trial court erred. It argues the commitment letter was an enforceable obligation because it was a binding contract. It contained all material terms needed to be an enforceable contract. The agency and the developer intended to be bound by the letter, and the developer satisfied all the letter's preconditions.

The City also claims the court erred when it found no evidence that the public knew the developer was the borrower. Gevorgian disclosed his relationship to the developer with enough specificity at the agency hearing and in other documents that the agency and the public knew the developer was the borrower.

The City raises additional arguments. It claims the Department's decision was arbitrary and capricious, the Department is estopped from denying that the commitment letter is an enforceable obligation, the letter was validated by operation of law, and it was an enforceable obligation as a matter of law.

I

Standard of Review

Code of Civil Procedure section 1085 authorizes a court to issue a writ of mandate "to compel the performance of an act which the law specially enjoins, as a duty resulting from an office, trust, or station" (Code Civ. Proc., § 1085, subd. (a).)

"In reviewing a judgment granting or denying a writ of mandate petition [under Code of Civil Procedure section 1085], 'we apply the substantial evidence standard of review to the court's factual findings' " (*James [v. State of California]* (2014)] 229 Cal.App.4th [130,] 136; accord, *Cox v. Los Angeles Unified School Dist.* (2013) 218 Cal.App.4th 1441, 1444-1445.) We are governed by this review standard even "when the matter is heard only on written evidence" (*Agosto [v. Board of*

Trustees (2010)] 189 Cal.App.4th [330,] 336.) ‘ “[A]ll conflicts in the written evidence are resolved in favor of the *prevailing* party, and factual findings are examined for substantial evidence.” ’ (*Ibid.*) On questions of law, including statutory interpretation, the appellate court applies a de novo review and makes its own independent determination. (*Ibid.*)” (*Hayes v. Temecula Valley Unified School Dist.* (2018) 21 Cal.App.5th 735, 746.)

II

Commitment Letter as Binding Contract

The City contends the commitment letter was an enforceable obligation for purposes of the Dissolution Law because under California contract law, it was a binding agreement. It contained all the material terms needed to be an enforceable contract. The agency and the developer intended to be bound by the letter, and the developer satisfied the letter’s preconditions before the Dissolution Law took effect. We agree with the City. As a result, we do not address the parties’ other arguments.

“It is well established that ‘ . . . separate written instruments between the same parties and relating to the same subject matter . . . are to be construed together as one transaction’ [Citations.]” (*Chern v. Bank of America* (1976) 15 Cal.3d 866, 874.) Thus, if the commitment letter is a binding contract, all of the agreements executed by the parties to implement the loan would be considered one agreement, and that agreement would be an enforceable obligation under the Dissolution Law because the parties entered into the contract before the Dissolution Law took effect. We, therefore, must decide whether the commitment letter is an enforceable contract.

Where the evidence is not in conflict, the court decides as a question of law whether a writing is sufficiently definite to be enforced as a binding contract. (*Bustamante v. Intuit, Inc.* (2006) 141 Cal.App.4th 199, 208-209.) “The interpretation of a written instrument, even though it involves what might properly be called questions of

fact (see Thayer, Preliminary Treatise on Evidence, pp. 202-204), is essentially a judicial function to be exercised according to the generally accepted canons of interpretation so that the purposes of the instrument may be given effect. (See Civ. Code, §§ 1635-1661; Code Civ. Proc., §§ 1856-1866.) Extrinsic evidence is ‘admissible to interpret the instrument, but not to give it a meaning to which it is not reasonably susceptible’ [citations], and it is the instrument itself that must be given effect. (Civ. Code, §§ 1638, 1639; Code Civ. Proc., § 1856.) It is therefore solely a judicial function to interpret a written instrument unless the interpretation turns upon the credibility of extrinsic evidence. Accordingly, ‘An appellate court is not bound by a construction of the contract based solely upon the terms of the written instrument without the aid of evidence [citations], where there is no conflict in the evidence [citations], or a determination has been made upon incompetent evidence [citation].’ [Citations.]” (*Parsons v. Bristol Development Co.* (1965) 62 Cal.2d 861, 865-866, fn. omitted.)

A trial court’s interpretation of a written instrument is binding “only when conflicting inferences arise from conflicting evidence, not from uncontroverted evidence ‘The very possibility of . . . conflicting inferences, actually conflicting interpretations, far from relieving the appellate court of the responsibility of interpretation, signalizes the necessity of its assuming that responsibility.’ [Citations.]” (*Parsons v. Bristol Development Co., supra*, 62 Cal.2d at p. 866, fn. 2.)

Here, conflicting inferences arise from uncontroverted evidence. We thus determine the enforceability of the commitment letter de novo.

“Whether a writing constitutes a final agreement or merely an agreement to make an agreement depends primarily upon the intention of the parties. . . . Where all of the essential terms of an agreement are definitely agreed upon in the writing there is a binding contract even though there is an intention that a formal writing will be executed later. [Citations.] The intent of the parties is to be determined by an objective standard and not by the unexpressed state of mind of the parties. (*King v. Stanley* (1948)

32 Cal.2d 584, 591.) Where any of the terms are left for future determination or there is a manifest intention that the formal agreement is not to be complete until reduced to a formal writing to be executed, there is no binding contract until this is done. (*Store Properties, Inc. v. Neal* (1945) 72 Cal.App.2d 112, 116.)” (*Smissaert v. Chiodo* (1958) 163 Cal.App.2d 827, 830-831.)

“ ‘To be enforceable, a promise must be definite enough that a court can determine the scope of the duty[,] and the limits of performance must be sufficiently defined to provide a rational basis for the assessment of damages.’ (*Ladas v. California State Auto. Assn.* (1993) 19 Cal.App.4th 761, 770; see also *Robinson & Wilson, Inc. v. Stone* [(1973)] 35 Cal.App.3d [396,] 407.) ‘Where a contract is so uncertain and indefinite that the intention of the parties in material particulars cannot be ascertained, the contract is void and unenforceable.’ (*Cal. Lettuce Growers v. Union Sugar Co.* (1955) 45 Cal.2d 474, 481; see also Civ. Code, § 1598; *Ladas v. California State Auto. Assn.*, *supra*, 19 Cal.App.4th at p. 770.) ‘The terms of a contract are reasonably certain if they provide a basis for determining the existence of a breach and for giving an appropriate remedy.’ (Rest.2d Contracts, § 33, subd. (2); accord, *Weddington Productions, Inc. v. Flick* [(1998)] 60 Cal.App.4th [793,] 811.) But ‘[i]f . . . a supposed “contract” does not provide a basis for determining what obligations the parties have agreed to, and hence does not make possible a determination of whether those agreed obligations have been breached, there is no contract.’ (*Weddington Productions, Inc. v. Flick*, *supra*, 60 Cal.App.4th at p. 811.)” (*Bustamante v. Intuit, Inc.*, *supra*, 141 Cal.App.4th at p. 209.)

As we apply these tests, we acknowledge that “ ‘ “[t]he law does not favor but leans against the destruction of contracts because of uncertainty; and it will, if feasible, so construe agreements as to carry into effect the reasonable intentions of the parties if [they] can be ascertained’ ” ’ [Citations.]” (*Patel v. Liebermensch* (2008) 45 Cal.4th 344, 349.)

“Under the usual principles of lender liability, ‘[a] loan commitment is not binding on the lender unless it contains all of the material terms of the loan, and either the lender’s obligation is unconditional or the stated conditions have been satisfied. When the commitment does not contain all of the essential terms . . . the prospective borrower cannot rely reasonably on the commitment, and the lender is not liable for either a breach of the contract or promissory estoppel.’ (9 Miller & Starr, [Cal. Real Estate (3d ed.)] § 28.4, at p. 8, fn. omitted [see now 11 Miller & Starr, Cal. Real Estate (4th ed.) § 35.9, fn. omitted].) The material terms of a loan include the identity of the lender and borrower, the amount of the loan, and the terms for repayment. ([*Ibid.*]; see *Laks v. Coast Fed. Sav. & Loan Assn.* (1976) 60 Cal.App.3d 885, 891, 893.)” (*Peterson Development Co. v. Torrey Pines Bank* (1991) 233 Cal.App.3d 103, 115.)

“Other essentials are . . . payment schedules for each loan, identification of the security, prepayment conditions, terms for interest calculations, loan disbursement procedures, and rights and remedies of the parties in case of default. None of these, standing alone, would necessarily make the offer conditional if missing. However, the fact that so many important conditions [may be] absent, further emphasizes the conditional nature of the letter and strengthens the argument that the parties were still in the negotiation stage.” (*Laks v. Coast Fed. Sav. & Loan Assn.*, *supra*, 60 Cal.App.3d at p. 891.)

The City claims the commitment letter is an enforceable contract because it includes the material terms of the loan and its preconditions were fulfilled. It identifies the lender as the redevelopment agency. It identifies the borrower as Ridgecrest Pacific Associates. It identifies the amount of the loan as \$3 million. It identifies the interest rate as 4 percent. It states payments are based on 60 percent of residual receipts until the loan is paid in full with a maturity date of not less than 16 years. Remaining terms were to be consistent with the agency’s standard affordable housing lending policies and would

be codified in loan documents including a promissory note, deed of trust, and a regulatory agreement.

Also, the City contends the commitment letter became effective because the preconditions were fulfilled before the Dissolution Law froze the redevelopment agency's authority to enter contracts. The developer timely obtained tax credits and it demonstrated the project was financially feasible. The commitment letter was a binding contract and thus an enforceable obligation under the Dissolution Law.

The City argues that the loan being subject to final execution of an owner participation agreement, promissory note, deed of trust, and a regulatory agreement did not render the commitment letter unenforceable. The parties did not intend to construe those obligations in the same manner as the conditions requiring the developer to obtain tax credits and prove the project's feasibility. Both parties intended to perform, and did perform, the terms of the commitment letter before the owner participation agreement was executed. In addition, executing a binding loan commitment before executing an owner participation agreement and related implementing agreements was standard practice. Indeed, state regulations required the loan commitment to be final and enforceable for the developer to receive tax credits. (4 Cal. Code Regs., § 10325, subds. (e), (f)(3), (f)(8)(B).)

The Department contends the commitment letter is not a binding loan agreement. It does not include all of the material terms; specifically, an amortization schedule or a maturity date. The borrower named in the commitment letter is not the borrower the agency approved at its March 16 hearing to receive the loan. And the agency could not rely on customs and practices to supply the missing material terms.

The Department also argues the evidence shows the agency and the developer did not intend for the commitment letter to be binding. The letter itself indicates it is not a binding agreement. It was conditional and subject to further negotiation in the form of the owner participation agreement. That agreement supplied the missing material terms,

and it imposed new conditions on the developer before the agency would make the loan. The parties could not have intended the commitment letter to be binding absent execution of the owner participation agreement and fulfillment of its preliminary conditions. Extrinsic evidence in the form of comments at the March 16 hearing also show the parties did not intend for the commitment letter to be binding.

The Department further argues that the commitment letter's conditions were not satisfied by the time the Dissolution Law froze the agency's ability to enter contracts. Specifically, the condition that the owner participation agreement be executed was not timely satisfied.

We conclude the commitment letter states all the material terms of the loan transaction. We address the City's and the Department's arguments on this issue.

A. *Material terms*

The letter names the parties, the loan amount, and the terms of payment such that a court could objectively determine damages or specific performance should a party breach. Although a payment of 60 percent of "residual receipts" seems vague, the agency staff defined the term at the hearing. Staff stated the loan was a residual loan because "every year, an audit would be performed and based on the profits generated by the management company for the project, revenues above expenditures for that year would be shared . . . part going to deferred profit of the developer and part going to the retirement of the loan" Gevorgian, to whom the commitment letter was addressed at Ridgecrest Pacific Associates, clarified at the agency's hearing that payment on the loan is based on a percentage of cash flow. This was a sufficiently objective definition to be enforceable.

Because the agreement was a "residual" type of agreement, it was not important for the commitment letter to include an amortization schedule and a maturity date. In fact, it would be impossible for such an agreement at its inception to include an accurate

amortization schedule, as the amount of the payment on the loan changes each year based on profit, not on a predetermined price. In this instance, the lack of an amortization schedule does not prevent the borrower from knowing how much it owes or a court from determining damages should the borrower breach. “The law in California is clear that so long as the price may be objectively determined, a contract in which the price is not expressed may nonetheless be enforced.” (*Carver v. Teitsworth* (1991) 1 Cal.App.4th 845, 853.)

An omission of a contract term or duration also did not render the commitment letter fatally uncertain and indefinite. (*Consolidated Theatres, Inc. v. Theatrical Stage Employees Union* (1968) 69 Cal.2d 713, 724.) “However, such omission does require that the duration of the contract be judicially determined in accordance with established rules of construction. [Citations.] [¶] In construing contracts which call for continuing performance or forbearance but which contain no *express* term of duration, it is first necessary to determine whether the intention of the parties as to duration can be *implied* from the nature of the contract and the circumstances surrounding it. [Citations.] Thus, in some cases the court by referring to the nature of the contract and the totality of circumstances is able to determine that the obligations of the contract were impliedly conditioned as to duration upon the occurrence or non-occurrence of some event or situation.” (*Id.* at pp. 724-725.)

“California courts have not hesitated to imply a term of duration when the nature of the contract and surrounding circumstances afford a reasonable ground for such implication. Thus, in *Haggerty v. Warner* [(1953)] 115 Cal.App.2d 468, it was held that a contract which provided that plaintiff was to receive ‘Five Per Cent (5%) of all our billings’ on certain units, but which contained no express term of duration, was subject to the construction that its obligations were to continue as long as ‘billings’ were made by defendants. (115 Cal.App.2d at p. 473; [citations].” (*Consolidated Theatres, Inc. v. Theatrical Stage Employees Union, supra*, 69 Cal.2d at p. 727.)

Such is the case here. Under the commitment letter, the developer's obligation to pay 60 percent of its annual profit toward the loan continues until the loan is paid in full. Because the commitment letter required the developer to make payments that were to be determined annually until the loan was paid off, no specific term of duration was required to make it enforceable.

B. *Approval of the borrower*

As to the identification of the parties, there is no doubt the commitment letter identified the borrower. The Department, however, contends the agency never approved making the loan to the borrower; it approved making the loan to another entity named AMG. We disagree.

The developer's name was not mentioned at the hearing. The hearing's agenda called for authorizing a letter of commitment "for AMG and Associates LLC Low Income Set-Aside Housing Project." The staff report for the hearing referred to the matter as a letter of commitment for "AMG Senior and Market Rate Housing" and the "pending AMG project." A chart summarizing the development named it the "Ridgecrest Senior Apartments by AMG." Other pages in the staff report said the development was "by AMG/Pacific West Communities," and referred to the project as "Proposed AGM [*sic*] Apartments" and "Proposed AGM [*sic*] Senior Apartments." The financial pro forma for the project stated it was prepared by "AMG/Pacific West Communities, Inc." Gevorgian's resume was included in the staff report. It stated he "is the Managing Member of AMG & Associates, LLC." At the agency hearing, staff introduced the matter as "a letter of commitment for AMG for senior and market rate housing."

Gevorgian, however, appeared at the hearing as an agent. He introduced himself at the hearing as follows: "[I] am with AMG and Associates. I represent the partnership that has proposed the project in conjunction with Pacific West Communities. Combined, we've developed approximately 150 of these projects throughout California. . . . In fact,

in the City of Ridgecrest, we've already developed one project, which has been very successful. We are not newcomers to Ridgecrest. We've been here for approximately 6 years."

Other evidence confirmed that Gevorgian was the developer's agent. In declarations submitted to the trial court in support of the City's petition, Caleb Roope stated AMG was the developer's authorized agent. Roope said he was a member of "Roope LLC, an Idaho limited liability company of Ridgecrest Pacific Associates, L.P. ('Ridgecrest Pacific'), a California limited partnership." His company was the administrative general partner of the project. Ridgecrest Pacific owned the land on which the project was built and was the entity that applied to the redevelopment agency for the loan. Ridgecrest Pacific hired AMG Associates to represent it before the City and the redevelopment agency. Gevorgian of AMG & Associates appeared at the agency hearing as Ridgecrest Pacific's authorized agent.

The City submitted evidence showing that Gevorgian had acted as the developer's agent on this project. On March 8, 2011, eight days before the agency hearing, Gevorgian signed a land purchase contract as the manager of the general partner of the developer, Ridgecrest Pacific Associates. By this contract, the developer purchased the land on which the project was built. Although there is no evidence the redevelopment agency was provided with a copy of this agreement before the hearing, it nonetheless supports Roope's testimony that Gevorgian was the developer's agent on the project.

"The rule is well established that the contract of an agent who deals in his own name without disclosing that of his principal, is the contract of the principal."

(Hollywood Holding & Development Corp. v. Oswald (1931) 119 Cal.App. 21, 25.)

Thus, although the project bore AMG's name and Gevorgian did not disclose the developer's name at the hearing, his acknowledged appearance as an agent and his principal's obvious ratification of his actions demonstrate the City entered into an enforceable agreement with the proper party.

“There is an important distinction to be drawn between a description [of a contractual party] which is inherently uncertain and indeterminate and one which is merely imperfect and capable of different applications. ‘To correct the one is, in effect, to add new terms to the instrument; while to complete the other is only to ascertain and fix the application of terms already contained in it. . . . In all these cases a resort to extraneous facts and circumstances may become necessary, in order to ascertain the individual to whom the description was intended to apply; but it is not perceived that the greater or less probability of this should, in either case, affect the validity of the deed.’ [Citation.]” (*Woodward v. McAdam* (1894) 101 Cal. 438, 440.)

The Department complains that the public was not informed of the developer’s identity. That fact does not render the letter unenforceable. There is no dispute that the agency approved a loan with the developer’s agent. There also is no evidence that once the developer’s name was known, any of the public objected.

Indeed, even the Brown Act allows for such contracts to remain enforceable. That law requires a public agency to include in its posted agenda a “brief general description” of each item to be discussed. (Gov. Code, § 54954.2, subd. (a)(1).) But if a public agency enters into a contract in violation of this or other provisions of the Brown Act, as the Department suggests the agency did, the agency’s action “shall not be determined to be null and void” (Gov. Code, § 54960.1, subd. (d)(2), (3).)

The agency’s approval of the loan at the hearing was not rendered unenforceable because it publicly negotiated the terms of the loan with the borrower’s agent.

C. *Conditional terms*

Although the commitment letter contained all of the material terms of a loan transaction to be enforceable, the Department argues the parties could not have intended the letter to be an enforceable contract because of its conditional nature. The letter stated the loan was subject to final execution of other agreements such as the owner

participation agreement. It further stated the remaining terms would be in accordance with standard policies that would be codified in subsequent loan documents.

The Department also references comments made at the agency's hearing by board members, staff, and Gevorgian that the approval was conditional. Staff stated, "Once, if they're awarded, uh, tax allocations and tax credits, then we would come back and develop the specific agreement, loan documents, and all of that. So this is part of a competitive application to receive uh the State tax revenue." Gevorgian stated, "This is a conditional commitment in which we would have to bring back to you all of the documents. Some cities like a DDA, others like an OPA. . . . [S]o ultimately, um, we would come back to the [agency board] and the documents would still have to be approved. So it's a conditional commitment" Board members also expressed concern about how binding the commitment would be.

The evidence, however, shows that the condition on which the effectiveness of the commitment letter depended was whether the state would grant tax credits to the developer. All of the parties intended to agree to the loan if the developer obtained tax credits.

Staff indicated the issue before the board at the hearing was to provide a letter of commitment that the agency would fund the project in part. The development proposal would move forward only if the developer could win the tax credits, and the project had to be leveraged within the community it was servicing to win them. Indeed, by law, the commitment letter had to be binding in order for the state to award tax credits. (4 Cal. Code Regs. § 10325(e), (f)(3), (f)(8).)

Gevorgian stated the loan commitment was a conditional commitment because the developer would receive the agency's money only when it was awarded the tax credits. Later in the hearing, staff confirmed with the mayor that he wanted the letter of intent conditioned on the successful award of tax credits and that the developer would not

compel the City to make the loan from its general fund should the state take action detrimental to redevelopment agencies.

After a break to allow staff and Gevorgian to negotiate, the parties came back into open hearing and proposed the loan terms that were eventually offered in the commitment letter. Staff informed the board that the developer was willing to agree to the new terms “now.” Gevorgian confirmed that he was ready to agree to them “right now.” Staff stated the motion to approve the loan as follows: “[T]he motion as I understand it is to move forward with the agreement with 2.5 [million] from the Housing set-aside, \$500,000 from the RDA, uh, 60/40 split until the pay down of the agreement, followed by a 20/80 split uh in perpetuity, um moving the number of residential units for this portion from 40 down to 32?”

Staff stated the city attorney wanted to remind the board that the motion was to condition the letter, and that the letter was not the actual agreement, which would come back to the board again. The board then approved the motion unanimously.

This evidence shows the agency intended to enter into a binding agreement to make the loan to the developer on condition the developer obtained the tax credits. Subsequent agreements necessary to implement the loan would not affect the material terms of agreement. “ ‘ “When parties orally agree upon all the terms and conditions of an agreement with the mutual intention that it shall thereupon become binding, the mere fact that a formal written agreement to the same effect is to be prepared and signed does not alter the binding validity of the oral agreement. [Citation.]” [Citation.]’ [Citations.]” (*Kohn v. Jaymar-Ruby, Inc.* (1994) 23 Cal.App.4th 1530, 1534.)

The parties’ subsequent conduct also indicates the parties intended the commitment letter to be a binding agreement. “When the parties to a contract perform under it and demonstrate by their conduct that they knew what they were talking about the courts should enforce that intent.” (*Crestview Cemetery Assn. v. Dieden* (1960) 54 Cal.2d 744, 754.) The parties fulfilled each of the conditions expressed in the

commitment letter. The developer obtained financing and the tax credits, and the parties executed the other implementing agreements. Significantly, in none of these actions did the parties alter the material terms to which they had agreed in the commitment letter.

The commitment letter's reference to standard conditions also did not make the agreement unenforceable or show the parties did not intend to be bound by it. “ ‘Equity does not require that all the terms and conditions of the proposed agreement be set forth in the contract. The usual and reasonable conditions of such a contract are, in the contemplation of the parties, a part of their agreement. In the absence of express conditions [in a real property purchase agreement], custom determines incidental matters relating to the opening of an escrow, furnishing deeds, title insurance policies, prorating of taxes, and the like. [Citations.] The material factors to be ascertained from the written contract are the seller, the buyer, the price to be paid, the time and manner of payment, and the property to be transferred, describing it so it may be identified [citations.]’ [Citation.]” (*Patel v. Liebermensch, supra*, 45 Cal.4th at p. 349.)

Here, where the material terms of the loan were stated in the commitment letter, it was appropriate for the parties to agree that the other terms would be consistent with standard policies for financing senior housing. That agreement did not render the material terms unenforceable.

The Department also contends the commitment letter was not an enforceable agreement by the time the Dissolution Law took effect because the condition that the parties enter into the owner participation agreement had not been fulfilled. This contention brings us back to where we began. “It is well established that ‘ . . . separate written instruments between the same parties and relating to the same subject matter . . . are to be construed together as one transaction’ [Citations.]” (*Chern v. Bank of America, supra*, 15 Cal.3d at p. 874.) Because the commitment letter is a binding contract, all of the agreements executed by the parties to implement the loan are considered to be one agreement, and that agreement is an enforceable obligation under

the Dissolution Law because the parties entered into the contract before the Dissolution Law took effect.

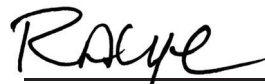
DISPOSITION

The judgment is reversed, and the matter is remanded with directions for the trial court to grant the petition for writ of mandate. Costs on appeal are awarded to the City. (Cal. Rules of Court, rule 8.278(a).)



HULL, J.

We concur:



RAYE, P. J.



ROBIE, J.

IN THE
Court of Appeal of the State of California
IN AND FOR THE
THIRD APPELLATE DISTRICT

MAILING LIST

Re: City of Ridgecrest v. Bosler
C084574
Sacramento County
No. 34201380001438CUWMGDS

Copies of this document have been sent by mail to the parties checked below unless they were noticed electronically. If a party does not appear on the TrueFiling Servicing Notification and is not checked below, service was not required.

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Honorable Shelleyanne Wai Ling Chang
Judge of the Sacramento County Superior Court
720 Ninth Street
Sacramento, CA 95814

RECOGNIZED OBLIGATION DEBT SERVICE PAYMENT SCHEDULE

Exhibit D

3/1/36	—	—	—	—	52,678.50	738,678.50	686,000	38,164.00	724,164.00
9/1/36	—	—	—	—	34,876.80	706,876.80	672,000	25,267.20	697,267.20
3/1/37	—	—	—	—	17,438.40	689,438.40	672,000	12,633.60	684,633.60

Tess Sloan

From: Axt, John W <john.axt@usbank.com>
Sent: Monday, June 04, 2018 11:50 AM
To: Tess Sloan
Subject: Ridgecrest 2018 Tax Allocation Refunding Bonds
Attachments: Ltr_FeeSchedules.pdf

Tess,

The attached PDF File contains letter and Fee Schedules for the services.

The annual Trustee Fee amount to be added to the ROP is \$2,420 and will be billed each March, commencing 2019.

Should you have any questions, please do not hesitate to send me an email. Thanks

John W Axt
Vice President – Relationship Manager
p. 213.615.6005 | c. 213.247.1069
john.axt@usbank.com

U.S. Bank
US Bank Tower, Los Angeles
633 W 5th St, Los Angeles, CA 90071

U.S. BANCORP made the following annotations

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Corporate Trust Services
633 W. Fifth Street, 24th Floor
Los Angeles, CA 90071

usbank.com

Via Email

June 4, 2018

Tess Sloan
Finance Director
City of Ridgecrest
100 West California Avenue
Ridgecrest, CA 93555

Re: Successor Agency to the Ridgecrest Redevelopment Agency
Tax Allocation Refunding Bonds, Series 2018A and 2018B Taxable

Dear Ms. Sloan:

U.S. Bank pleased to provide Trustee, Registrar, Paying Agent and Refunding Escrow Agent Services for the above referenced issues. Enclosed are the Fee Schedules for the Services.

The Series 2018 Fee Schedule is for bonds issued at a fixed rate, paying interest and principal semi-annual.

The amount of fees and expenses paid at closing May 31, 2018 is \$10,951.51. This amount is comprised of the Acceptance Fee, Legal Expense of Trustee's Counsel, First Year Trustee Fee billed from the closing date to March 1, 2019 and a one-time charge for -Refunding Escrow, -Paying Agent Services 2010 Bonds.

There are no escrow, redemption charges for the 2005 Certificates of Participation as the annual trustee fee billed in advance from the defeasance escrow date to March 1, 2019 compensates U.S. Bank for the services.

The City will be billed fees and expenses of \$2,420 annually each March, commencing March 2019.

The consolidation of the two financings to a single financing has multiple benefits and savings to the City one of which is lower trustee fees as the current annual trustee fees and expenses are \$3,200 and refinancing under a single indenture results in a savings of \$1,000.

We appreciate being of service to the City. Should you have any questions, please do not hesitate to contact me via email at john.axt@usbank.com or phone at (213) 615-6005. Thank you.

Very truly yours,

A handwritten signature in black ink, appearing to read "John Axt", written over a horizontal line.

John Axt
Vice President

Encl.

Schedule of Fees for Services as Trustee, Registrar and Paying Agent

For Successor Agency to the Ridgecrest Redevelopment Agency Tax Allocation Refunding Bonds, Series 2018A and Taxable Tax Allocation Refunding Bonds, Series 2018B

CTS01010A	Acceptance Fee The acceptance fee includes the administrative review of documents, initial set-up of the account, and other reasonably required services up to and including the closing. This is a one-time, non-refundable fee, payable at closing.	\$1,200.00
CTS16156B	Legal Expenses Includes fees and expenses of legal counsel as well as the rendering of a standard legal opinion if required.	\$2,500.00
CTS04121	Cost of Issuance , Onetime fee for the set-up of the account and payment of issuance costs. This is a one-time fee payable at closing.	\$300.00
CTS04200	Trustee Annual fee for the standard trustee services associated with the administration of the account. Administration fees are payable in advance.	\$2,200.00
Out of Pocket	Incidental Expense Charge for miscellaneous expenses such as fax, messenger service, overnight mail, telephone, stationery and postage. This charge is a percent of total Administration Fees, charged in advance.	10%
	Direct Out of Pocket Expenses Reimbursement of expenses associated with the performance of our duties, including but not limited to publications, legal counsel after the initial close, travel expenses and filing fees.	At Cost
	Extraordinary Services Extraordinary Services are duties or responsibilities of an unusual nature, including termination, but not provided for in the governing documents or otherwise set forth in this schedule. A reasonable charge will be assessed based on the nature of the services and the responsibility involved. At our option, these charges will be billed at a flat fee or at our hourly rate then in effect.	

Account approval is subject to review and qualification. Fees are subject to change at our discretion and upon written notice. Fees paid in advance will not be prorated. The fees set forth above and any subsequent modifications thereof are part of your agreement. Finalization of the transaction constitutes agreement to the above fee schedule, including agreement to any subsequent changes upon proper written notice. In the event your transaction is not finalized, any related out-of-pocket expenses will be billed to you directly. Absent your written instructions to sweep or otherwise invest, all sums in your account will remain uninvested and no accrued interest or other compensation will be credited to the account. Payment of fees constitutes acceptance of the terms and conditions set forth.

IMPORTANT INFORMATION ABOUT PROCEDURES FOR OPENING A NEW ACCOUNT

To help the government fight the funding of terrorism and money laundering activities, Federal law requires all financial institutions to obtain, verify and record information that identifies each person who opens an account. For a non-individual person such as a business entity, a charity, a Trust or other legal entity we will ask for documentation to verify its formation and existence as a legal entity. We may also ask to see financial statements, licenses, identification and authorization documents from individuals claiming authority to represent the entity or other relevant documentation.

**Schedule of Fees for Services as
Refunding Escrow and Paying Agent

For
Ridgecrest Redevelopment Agency
Ridgecrest Redevelopment Project
Tax Allocation Refunding Bonds, Series 2010**

CTS01010A	Acceptance Fee The acceptance fee includes the administrative review of documents, initial set-up of the account, and other reasonably required services up to and including the closing. This is a one-time, non-refundable fee, payable at closing.	\$600.00
CTS04160	Refunding Escrow Agent , Onetime fee for the standard agent services in administration of the defeasance escrow. Administration fees are payable in advance	\$2,500.00
CTS04125	Paying Agent Onetime fee for the standard paying agent services associated with the administration of the account. Administration fees are payable in advance.	\$1,400.00
CTS19189	Redemptions Fee charged for mandatory and optional redemptions.	\$300.00
CTS19190	Other Fee for updating systems, holders including EMMA of defeasance.	\$200.00
CTS04290	Administration , Onetime fee for subscription, settlement of SLGS. Administration fees are payable in advance.	\$300.00
	Direct Out of Pocket Expenses Reimbursement of expenses associated with the performance of our duties, including but not limited to publications, legal counsel after the initial close, travel expenses and filing fees.	At Cost
	Extraordinary Services Extraordinary Services are duties or responsibilities of an unusual nature, including termination, but not provided for in the governing documents or otherwise set forth in this schedule. A reasonable charge will be assessed based on the nature of the services and the responsibility involved. At our option, these charges will be billed at a flat fee or at our hourly rate then in effect.	

Account approval is subject to review and qualification. Fees are subject to change at our discretion and upon written notice. Fees paid in advance will not be prorated. The fees set forth above and any subsequent modifications thereof are part of your agreement. Finalization of the transaction constitutes agreement to the above fee schedule, including agreement to any subsequent changes upon proper written notice. In the event your transaction is not finalized, any related out-of-pocket expenses will be billed to you directly. Absent your written instructions to sweep or otherwise invest, all sums in your account will remain uninvested and no accrued interest or other compensation will be credited to the account. Payment of fees constitutes acceptance of the terms and conditions set forth.

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For a non-individual person such as a business entity, a charity, a Trust or other legal entity we will ask for documentation to verify its formation and existence as a legal entity. We may also ask to see financial statements, licenses, identification and authorization documents from individuals claiming authority to represent the entity or other relevant documentation.