



TOWN OF APPLE VALLEY TOWN COUNCIL STAFF REPORT/ APPLE VALLEY SUCCESSOR AGENCY STAFF REPORT

To: Honorable Mayor and Town Council
And Honorable Chair and Members of
The Successor Agency

Date: February 10, 2015

Item No: 8

From: Marc Puckett, Assistant Town Manager

Subject: CONSIDERATION OF APPROVAL OF RATIFICATION AND
AMENDMENT OF LOANS, EVIDENCED BY PROMISSORY NOTES,
BETWEEN THE TOWN OF APPLE VALLEY AND THE APPLE VALLEY
REDEVELOPMENT AGENCY

T.M. Approval: _____ **Budgeted Item:** Yes No N/A

RECOMMENDED ACTION:

It is recommended that the Town Council and Successor Agency each adopt a respective Resolution approving the Ratification and Amendment of Loans, Evidenced by Promissory Notes, and to submit the Amended Loans to the Oversight Board for approval.

1. Town Council Resolution No. 2015-06, approving the Ratification and Amendment of Loans, Evidenced by Promissory Notes, between the Town and former Apple Valley Redevelopment Agency.

2. Successor Agency Resolution No. 2015-01, approving the Ratification and Amendment of Loans, Evidenced by Promissory Notes, between the Town and former Apple Valley Redevelopment Agency.

DISCUSSION:

Pursuant to the provisions of the California Community Redevelopment Law (Health and Safety Code Section 33000 et seq.), the Town Council of the Town of Apple Valley ("Town") activated the Apple Valley Redevelopment Agency ("Redevelopment Agency").

On June 24, 1997, the Town Council, by Resolution No. 97-24, and the Redevelopment Agency, by Resolution No. 97-02, approved a Loan from the Town to the Redevelopment Agency, in the amount of three hundred seven thousand three hundred dollars (\$307,300) ("Loan 97-02") to provide funding to Town's Redevelopment Agency for the Redevelopment Agency's Economic Development Fund, which was used by the Redevelopment Agency for redevelopment purposes and specifically costs associated with preparation and implementation of the Redevelopment Plan, and other administrative and operational expenses. The Redevelopment Agency executed a Promissory Note in favor of Town, dated June 24, 1997, in the principal amount of the Loan ("Note 97-02").

On June 24, 1997, the Town Council, by Resolution No. 97-25, and the Redevelopment Agency, by Resolution No. 97-04, approved a Loan from the Town to the Redevelopment Agency, in the amount of six hundred two thousand Dollars (\$602,000) ("Loan 97-04") to provide funding to Town's Redevelopment Agency for the Redevelopment Agency's Economic Development Fund, which was used by the Redevelopment Agency for redevelopment purposes and specifically costs associated with preparation and implementation of the Redevelopment Plan, and other administrative and operational expenses. The Redevelopment Agency executed a Promissory Note in favor of Town, dated June 24, 1997, in the principal amount of the Loan ("Note 97-04").

On September 9, 1997, the Town Council, by Resolution No. 97-42, and the Redevelopment Agency, by Resolution No. 97-05, approved a Loan from the Town to the Redevelopment Agency, in the amount of three hundred fifty thousand Dollars (\$350,000) ("Loan 97-05") to provide funding to Town's Redevelopment Agency for the Redevelopment Agency's Economic Development Fund, which was used by the Redevelopment Agency for redevelopment purposes and specifically costs associated with preparation and implementation of the Redevelopment Plan, and other administrative and operational expenses. The Redevelopment Agency executed a Promissory Note in favor of Town, dated September 9, 1997, in the principal amount of the Loan ("Note 97-05").

On June 9, 1998, the Town Council, by Resolution No. 98-40, and the Redevelopment Agency, by Resolution No. 98-02, approved a Loan from the Town to the Redevelopment Agency, in the amount of eight hundred thirty-three thousand six hundred Dollars (\$833,600) ("Loan 98-02") to provide funding to Town's Redevelopment Agency for the Redevelopment Agency's Economic Development Fund, which was used by the Redevelopment Agency for redevelopment purposes and specifically costs associated with preparation and implementation of the Redevelopment Plan, and other administrative and operational expenses. The Redevelopment Agency executed a Promissory Note in favor of Town, dated June 9, 1998, in the principal amount of the Loan ("Note 98-02").

On June 22, 1999, the Town Council, by Resolution No. 99-23, and the Redevelopment Agency, by Resolution No. 99-02, approved a Loan from the Town to the Redevelopment Agency, in the amount of seventy-six thousand four hundred ninety-eight Dollars (\$79,498) ("Loan 99-02") to provide funding to Town's Redevelopment Agency for the Redevelopment Agency's Economic Development Fund, which was used by the Redevelopment Agency for redevelopment purposes and specifically costs associated with preparation and implementation of the Redevelopment Plan, and other administrative and operational expenses. The Redevelopment Agency executed a Promissory Note in favor of Town, dated June 22, 1999, in the principal amount of the Loan ("Note 99-02").

On June 27, 2000, the Town Council, by Resolution No. 2000-23, and the Redevelopment Agency, by Resolution No. 2000-03, approved a Loan from the Town to the Redevelopment Agency, in the amount of eight hundred forty thousand Dollars (\$840,000) ("Loan 2000-03") to provide funding to Town's Redevelopment Agency for the Redevelopment Agency's Economic Development Fund, which was used by the Redevelopment Agency for redevelopment purposes and specifically costs associated with preparation and implementation of the Redevelopment Plan, and other administrative and operational expenses. The Redevelopment Agency executed a Promissory Note in favor of Town, dated June 27, 2000, in the principal amount of the Loan (the "Note 2000-03").

On June 26, 2001, the Town Council, by Resolution No. 2001-39, and the Redevelopment Agency, by Resolution No. 2001-03, approved a Loan from the Town to the Redevelopment Agency, in the amount of six hundred sixty-two thousand three hundred thirty Dollars (\$662,330) ("Loan 2001-03") to provide funding to Town's Redevelopment Agency for the Redevelopment Agency's Economic Development Fund, which was used by the Redevelopment Agency for redevelopment purposes and specifically costs associated with preparation and implementation of the Redevelopment Plan, and other administrative and operational expenses. The Redevelopment Agency executed a Promissory Note in favor of Town, dated June 26, 2001, in the principal amount of the Loan ("Note 2001-03").

On June 24, 2003, the Town Council, by Resolution No. 2003-33, and the Redevelopment Agency, by Resolution No. 2003-04, approved a Loan from the Town to the Redevelopment Agency, in the amount of two hundred sixteen thousand two hundred nineteen Dollars (\$216,219) ("Loan 2003-04") to provide funding to Town's Redevelopment Agency for the Redevelopment Agency's Economic Development Fund, which was used by the Redevelopment Agency for redevelopment purposes and specifically costs associated with preparation and implementation of the Redevelopment Plan, and other administrative and operational expenses. The Redevelopment Agency executed a Promissory Note in favor of Town, dated June 24, 2003, in the principal amount of the Loan ("Note 2003-04").

On June 22, 2004 the Town Council, by Resolution No. 2004-36, and the Redevelopment Agency, by Resolution No. 2004-02, approved a Loan from the Town to the Redevelopment Agency, in the amount of two hundred forty-seven thousand eight hundred thirteen Dollars (\$247,813) ("Loan 2004-02") to provide funding to Town's Redevelopment Agency for the Redevelopment Agency's Economic Development Fund, which was used by the Redevelopment Agency for redevelopment purposes and specifically costs associated with preparation and implementation of the Redevelopment Plan, and other administrative and operational expenses. The Redevelopment Agency executed a Promissory Note in favor of Town, dated June 22, 2004, in the principal amount of the Loan ("Note 2004-02").

On September 26, 2006, the Town Council, by Resolution No. 2006-79, and the Redevelopment Agency, by Resolution No. 2006-03, approved a Loan from the Town to the Redevelopment Agency, in the amount of nine million eight hundred twenty-two thousand eight hundred forty-three Dollars (\$9,822,843) ("Loan 2006-03") to provide funding to Town's Redevelopment Agency for the Redevelopment Agency's Economic Development Fund, which was used by the Redevelopment Agency for redevelopment purposes and specifically costs associated with preparation and implementation of the Redevelopment Plan, and other administrative and operational expenses. The Redevelopment Agency executed a Promissory Note in favor of Town, dated September 26, 2006, in the principal amount of the Loan ("Note 2006-03").

Loan 97-02, Loan 97-04, Loan 97-05, Loan 98-02, Loan 99-02, Loan 2000-03, Loan 2001-03, Loan 2003-04, Loan 2004-02, and Loan 2006-02 are collectively referred to herein as the "Loans" and Note 97-02, Note 97-04, Note 97-05, Note 98-02, Note 99-02, Note 2000-03, Note 2001-03, Note 2003-04, Note 2004-02, and Note 2006-02 are collectively referred to herein as the "Notes".

Assembly Bill 1X 26 ("AB 26"), enacted as part of the 2011-2012 State of California budget bill, and as modified by the Supreme Court of the State of California in the matter of *California Redevelopment Association, et al. v. Ana Matosantos, et al.*, Case No. S194861, and further modified by Assembly Bill 1484 (collective with AB 26, and "Dissolution Act"), dissolved and set out procedures for the wind-down of all redevelopment agencies throughout the State effective February 1, 2012.

The Successor Agency is the successor entity to the former Redevelopment Agency and, pursuant to the Dissolution Act, is responsible for the wind-down of the former Redevelopment Agency, including without limitation the performance and repayment of all enforceable obligations of the former Redevelopment Agency.

Health and Safety Code Section 34171(d)(2) provides, with a few exceptions, that "enforceable obligation" does not include any agreements, contracts, or arrangements between the city, county, or city and county that created the redevelopment agency and the former redevelopment agency.

Health and Safety Code Section 34179.7 provides that upon completion of certain requirements and payment of certain amounts as required by Sections 34179.6 and 34183.5, the Department of Finance (“DOF”) shall issue, within five business days, a finding of completion of the requirements of Section 34179.6 to the successor agency. The Successor Agency received a Finding of Completion on October 10, 2013. Health and Safety Code Section 34191.4 provides in part that, following issuance of a finding of completion by DOF, and upon application by the successor agency and approval by the oversight board, loan agreements entered into between the redevelopment agency and the city, county or city and county that created the redevelopment agency shall be deemed to be enforceable obligations provided that the oversight board makes a finding that the loan was for legitimate redevelopment purposes.

Town and Successor Agency staff have provided the following facts to support a finding that the Loan was for legitimate redevelopment purposes:

a. Amounts due and owing to Town to reimburse Town for costs incurred by Town to provide staff assistance, supplies, technical services and other services and facilities to the Economic Development Fund of the Redevelopment Agency to be used to draft and implement the Redevelopment Plan. Health and Safety Code Section 33127 provides a redevelopment agency with the power to obtain, hire, purchase or rent office space, equipment, supplies, insurance or services in order to carry out its redevelopment activities. Health and Safety Code Section 33133 authorizes a redevelopment agency to accept assistance from any public or private source for the agency’s activities, powers and duties. The Redevelopment Agency was established for the purpose of improving, rehabilitating and redeveloping the blighted areas constituting the Redevelopment Project Area pursuant to the adopted Redevelopment Plan, and the Redevelopment Agency entered into the Loan with Town in order to obtain the staffing services, equipment and facilities required to carry out its duties under the Community Redevelopment Law and the Redevelopment Plan.

b. Repayment to Town of amounts loaned to or advanced on behalf of the Redevelopment Agency to further the Redevelopment Agency’s redevelopment activities.

In addition to establishing when a loan agreement will be deemed to be an enforceable obligation, Section 34191.4 further establishes certain restrictions and limitations on, among other things, the calculation of interest on the remaining principal amount of the loan, the amounts that can be repaid from time to time under the loan agreement, and requires that twenty percent of any loan repayment shall be deducted from the loan repayment amount and shall be transferred to a Low and Moderate Income Housing Asset Fund.

The Town and Successor Agency staff have prepared a Ratification and Amendment of Loan, Evidenced by Promissory Note for each of the Loans (collectively, the “Amendments”) in order to ratify the existence and validity of the Loans, and to acknowledge the limitations and restrictions that will apply to the repayment to the Town

of all amounts due and owing the Town by the former Redevelopment Agency under the Notes pursuant to the Dissolution Act.

FISCAL IMPACT:

Following approval of the Loans by the Oversight Board, with a finding that the Loans were for legitimate purposes, the Loans, as evidenced by the Notes, will be deemed an enforceable obligation and can be placed on the Recognized Obligation Payment Schedule by the Successor Agency, in order to allow for repayment to the Town of the amounts owed under the Notes, subject to the limitations and restrictions set forth in Health and Safety Code Section 34191.4(b).

ATTACHMENT:

1. Town Council Resolution No. 2015-06 approving the Ratification and Amendment of Loans, Evidenced by Promissory Notes, between the Town and former Apple Valley Redevelopment Agency
2. Successor Agency Resolution No. 2015-01 approving the Ratification and Amendment of Loans, Evidenced by Promissory Notes, between the Town and former Apple Valley Redevelopment Agency
3. Ratification and Amendment of Loan 97-02, Evidenced by Promissory Note, between the Town and former Apple Valley Redevelopment Agency
4. Ratification and Amendment of Loan 97-04, Evidenced by Promissory Note, between the Town and former Apple Valley Redevelopment Agency
5. Ratification and Amendment of Loan 97-05, Evidenced by Promissory Note, between the Town and former Apple Valley Redevelopment Agency
6. Ratification and Amendment of Loan 98-02, Evidenced by Promissory Note, between the Town and former Apple Valley Redevelopment Agency
7. Ratification and Amendment of Loan 99-02, Evidenced by Promissory Note, between the Town and former Apple Valley Redevelopment Agency
8. Ratification and Amendment of Loan 2000-03, Evidenced by Promissory Note, between the Town and former Apple Valley Redevelopment Agency
9. Ratification and Amendment of Loan 2001-03, Evidenced by Promissory Note, between the Town and former Apple Valley Redevelopment Agency
10. Ratification and Amendment of Loan 2003-33, Evidenced by Promissory Note, between the Town and former Apple Valley Redevelopment Agency

11. Ratification and Amendment of Loan 2004-02, Evidenced by Promissory Note, between the Town and former Apple Valley Redevelopment Agency

12. Ratification and Amendment of Loan 2006-03, Evidenced by Promissory Note, between the Town and former Apple Valley Redevelopment Agency

RESOLUTION NO. 2015-06

A RESOLUTION OF THE TOWN COUNCIL OF THE TOWN OF APPLE VALLEY APPROVING THE RATIFICATION AND AMENDMENT OF LOANS, EVIDENCED BY PROMISSORY NOTES, BETWEEN THE TOWN AND THE FORMER APPLE VALLEY REDEVELOPMENT AGENCY

WHEREAS, pursuant to the provisions of the California Community Redevelopment Law (Health and Safety Code Section 33000 et seq.), the Town Council of the Town of Apple Valley ("Town") activated the Redevelopment Agency of the Town of Apple Valley ("Redevelopment Agency") and subsequently adopted the Redevelopment Plan for Redevelopment Project Area No. 2 ("Redevelopment Plan"); and

WHEREAS, on June 24, 1997, the Town Council, by Resolution No. 97-24, and the Redevelopment Agency, by Resolution No. 97-02, approved a Loan from the Town to the Redevelopment Agency, in the amount of three hundred seven thousand three hundred dollars (\$307,300) ("Loan 97-02") to provide funding to Town's Redevelopment Agency for the Redevelopment Agency's Economic Development Fund, which was used by the Redevelopment Agency for redevelopment purposes and specifically costs associated with preparation and implementation of the Redevelopment Plan, and other administrative and operational expenses. The Redevelopment Agency executed a Promissory Note in favor of Town, dated June 24, 1997, in the principal amount of the Loan ("Note 97-02"); and

WHEREAS, on June 24, 1997, the Town Council to Town's Redevelopment Agency, by Resolution No. 97-25, and the Redevelopment Agency, by Resolution No. 97-04, approved a Loan from the Town to the Redevelopment Agency, in the amount of six hundred two thousand Dollars (\$602,000) ("Loan 97-04") to provide funding to Town's Redevelopment Agency for the Redevelopment Agency's Economic Development Fund, which was used by the Redevelopment Agency for redevelopment purposes and specifically costs associated with preparation and implementation of the Redevelopment Plan, and other administrative and operational expenses. The Redevelopment Agency executed a Promissory Note in favor of Town, dated June 24, 1997, in the principal amount of the Loan ("Note 97-04"); and

WHEREAS, on September 9, 1997, the Town Council, by Resolution No. 97-42, and the Redevelopment Agency, by Resolution No. 97-05, approved a Loan from the Town to the Redevelopment Agency, in the amount of three hundred fifty thousand Dollars (\$350,000) ("Loan 97-05") to provide funding to Town's Redevelopment Agency for the Redevelopment Agency's Economic Development Fund, which was used by the Redevelopment Agency for redevelopment purposes and specifically costs associated with preparation and implementation of the Redevelopment Plan, and other administrative and operational expenses. The Redevelopment Agency executed a Promissory Note in favor of Town, dated September 9, 1997, in the principal amount of

the Loan (“Note 97-05”); and

WHEREAS, on June 9, 1998, the Town Council, by Resolution No. 98-40, and the Redevelopment Agency, by Resolution No. 98-02, approved a Loan from the Town to the Redevelopment Agency, in the amount of eight hundred thirty-three thousand six hundred Dollars (\$833,600) (“Loan 98-02”) to provide funding to Town’s Redevelopment Agency for the Redevelopment Agency’s Economic Development Fund, which was used by the Redevelopment Agency for redevelopment purposes and specifically costs associated with preparation and implementation of the Redevelopment Plan, and other administrative and operational expenses. The Redevelopment Agency executed a Promissory Note in favor of Town, dated June 9, 1998, in the principal amount of the Loan (“Note 98-02”); and

WHEREAS, on June 22, 1999, the Town Council, by Resolution No. 99-23, and the Redevelopment Agency, by Resolution No. 99-02, approved a Loan from the Town to the Redevelopment Agency, in the amount of seventy-six thousand four hundred ninety-eight Dollars (\$79,498) (“Loan 99-02”) to provide funding to Town’s Redevelopment Agency for the Redevelopment Agency’s Economic Development Fund, which was used by the Redevelopment Agency for redevelopment purposes and specifically costs associated with preparation and implementation of the Redevelopment Plan, and other administrative and operational expenses. The Redevelopment Agency executed a Promissory Note in favor of Town, dated June 22, 1999, in the principal amount of the Loan (“Note 99-02”); and

WHEREAS, on June 27, 2000, the Town Council, by Resolution No. 2000-23, and the Redevelopment Agency, by Resolution No. 2000-03, approved a Loan from the Town to the Redevelopment Agency, in the amount of eight hundred forty thousand Dollars (\$840,000) (“Loan 2000-03”) to provide funding to Town’s Redevelopment Agency for the Redevelopment Agency’s Economic Development Fund, which was used by the Redevelopment Agency for redevelopment purposes and specifically costs associated with preparation and implementation of the Redevelopment Plan, and other administrative and operational expenses. The Redevelopment Agency executed a Promissory Note in favor of Town, dated June 27, 2000, in the principal amount of the Loan (the “Note 2000-03”); and

WHEREAS, on June 26, 2001, the Town Council, by Resolution No. 2001-39, and the Redevelopment Agency, by Resolution No. 2001-03, approved a Loan from the Town to the Redevelopment Agency, in the amount of six hundred sixty-two thousand three hundred thirty Dollars (\$662,330) (“Loan 2001-03”) to provide funding to Town’s Redevelopment Agency for the Redevelopment Agency’s Economic Development Fund, which was used by the Redevelopment Agency for redevelopment purposes and specifically costs associated with preparation and implementation of the Redevelopment Plan, and other administrative and operational expenses. The Redevelopment Agency executed a Promissory Note in favor of Town, dated June 26, 2001, in the principal amount of the Loan (“Note 2001-03”); and

WHEREAS, on June 24, 2003, the Town Council, by Resolution No. 2003-33, and the Redevelopment Agency, by Resolution No. 2003-04, approved a Loan from the Town to the Redevelopment Agency, in the amount of two hundred sixteen thousand two hundred nineteen Dollars (\$216,219) (“Loan 2003-04”) to provide funding to Town’s Redevelopment Agency for the Redevelopment Agency’s Economic Development Fund, which was used by the Redevelopment Agency for redevelopment purposes and specifically costs associated with preparation and implementation of the Redevelopment Plan, and other administrative and operational expenses. The Redevelopment Agency executed a Promissory Note in favor of Town, dated June 24, 2003, in the principal amount of the Loan (“Note 2003-04”); and

WHEREAS, on June 22, 2004 the Town Council, by Resolution No. 2004-36, and the Redevelopment Agency, by Resolution No. 2004-02, approved a Loan from the Town to the Redevelopment Agency, in the amount of two hundred forty-seven thousand eight hundred thirteen Dollars (\$247,813) (“Loan 2004-02”) to provide funding to Town’s Redevelopment Agency for the Redevelopment Agency’s Economic Development Fund, which was used by the Redevelopment Agency for redevelopment purposes and specifically costs associated with preparation and implementation of the Redevelopment Plan, and other administrative and operational expenses. The Redevelopment Agency executed a Promissory Note in favor of Town, dated June 22, 2004, in the principal amount of the Loan (“Note 2004-02”); and

WHEREAS, on September 26, 2006, the Town Council, by Resolution No. 2006-79, and the Redevelopment Agency, by Resolution No. 2006-03, approved a Loan from the Town to the Redevelopment Agency, in the amount of nine million eight hundred twenty-two thousand eight hundred forty-three Dollars (\$9,822,843) (“Loan 2006-03”) to provide funding to Town’s Redevelopment Agency for the Redevelopment Agency’s Economic Development Fund, which was used by the Redevelopment Agency for redevelopment purposes and specifically costs associated with preparation and implementation of the Redevelopment Plan, and other administrative and operational expenses. The Redevelopment Agency executed a Promissory Note in favor of Town, dated September 26, 2006, in the principal amount of the Loan (“Note 2006-03”); and

WHEREAS, Loan 97-02, Loan 97-04, Loan 97-05, Loan 98-02, Loan 99-02, Loan 2000-03, Loan 2001-03, Loan 2003-04, Loan 2004-02, and Loan 2006-02 are collectively referred to herein as the “Loans” and Note 97-02, Note 97-04, Note 97-05, Note 98-02, Note 99-02, Note 2000-03, Note 2001-03, Note 2003-04, Note 2004-02, and Note 2006-02 are collectively referred to herein as the “Notes”; and

WHEREAS, Assembly Bill 1X 26 (“AB 26”), enacted as part of the 2011-2012 State of California budget bill, and as modified by the Supreme Court of the State of California in the matter of *California Redevelopment Association, et al. v. Ana Matosantos, et al.*, Case No. S194861, and further modified by Assembly Bill 1484 (collectively with AB 26, the “Dissolution Act”), dissolved and set out procedures for the wind-down of all redevelopment agencies throughout the State effective February 1, 2012; and

WHEREAS, the Successor Agency to the Redevelopment Agency of the Town of Apple Valley (“Successor Agency”) is the successor entity to the former Redevelopment Agency and, pursuant to the Dissolution Act, is responsible for the wind-down of the former Redevelopment Agency, including without limitation the performance and repayment of all enforceable obligations of the former Redevelopment Agency; and

WHEREAS, Health and Safety Code Section 34171(d)(2) provides, with a few exceptions, that “enforceable obligation” does not include any agreements, contracts, or arrangements between the city, county, or city and county that created the redevelopment agency and the former redevelopment agency; and

WHEREAS, Health and Safety Code Section 34179.7 provides that upon completion of certain requirements and payment of certain amounts as required by Sections 34179.6 and 34183.5, the Department of Finance (“DOF”) shall issue, within five business days, a finding of completion of the requirements of Section 34179.6 to the successor agency; and

WHEREAS, Health and Safety Code Section 34191.4 provides in part that, following issuance of a finding of completion by DOF, and upon application by the successor agency and approval by the oversight board, loan agreements entered into between the redevelopment agency and the city, county or city and county that created the redevelopment agency shall be deemed to be enforceable obligations provided that the oversight board makes a finding that the loan was for legitimate redevelopment purposes; and

WHEREAS, the Successor Agency to Apple Valley Redevelopment Agency received a Finding of Completion pursuant to Health and Safety Code Section 34179.7 on October 10, 2013; and

WHEREAS, in addition to establishing when a loan agreement will be deemed to be an enforceable obligation, Section 34191.4 further establishes certain restrictions and limitations on, among other things, the calculation of interest on the remaining principal amount of the loan, the amounts that can be repaid from time to time under the loan agreement, and requires that twenty percent of any loan repayment shall be deducted from the loan repayment amount and shall be transferred to a Low and Moderate Income Housing Asset Fund; and

WHEREAS, the Town and Successor Agency have prepared a Ratification and Amendment of Loan, Evidenced by Promissory Note for each of the Loans (collectively, the “Amendments”) in order to ratify the existence and validity of the Loans, and to acknowledge the limitations and restrictions that will apply to the repayment to the Town of all amounts due and owing the Town by the former Redevelopment Agency under the Notes pursuant to the Dissolution Act.

NOW, THEREFORE, THE TOWN COUNCIL OF THE TOWN OF APPLE VALLEY DOES HEREBY RESOLVE AS FOLLOWS:

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

Section 2. Finding. The Town Council hereby finds and determines that the Loans, as evidenced by the Notes, were for legitimate redevelopment purposes. This finding is based on the following facts:

a. Amounts due and owing to Town to reimburse Town for costs incurred by Town to provide staff assistance, supplies, technical services and other services and facilities to the Economic Development Fund of the Redevelopment Agency to be used to draft and implement the Redevelopment Plan. Health and Safety Code Section 33127 provides a redevelopment agency with the power to obtain, hire, purchase or rent office space, equipment, supplies, insurance or services in order to carry out its redevelopment activities. Health and Safety Code Section 33133 authorizes a redevelopment agency to accept assistance from any public or private source for the agency's activities, powers and duties. The Redevelopment Agency was established for the purpose of improving, rehabilitating and redeveloping the blighted areas constituting the Redevelopment Project Area pursuant to the adopted Redevelopment Plan, and the Redevelopment Agency entered into the Loans with Town in order to obtain the staffing services, equipment and facilities required to carry out its duties under the Community Redevelopment Law and the Redevelopment Plan.

b. Repayment to Town of amounts loaned to or advanced on behalf of the Redevelopment Agency to further the Redevelopment Agency's redevelopment activities.

Section 3. Approval of Amendments. The Town Council hereby approves the Amendments in substantially the form currently on file with the Town Clerk.

Section 4. Transmittal of Amendments to Oversight Board. The Town Manager is hereby authorized and directed to take any action necessary to carry out the purposes of this Resolution, including without limitation, cooperating with the Successor Agency to provide any documentation and evidence to the Oversight Board as necessary to obtain from the Oversight Board approval of the Amendments, together with a finding that the loan of funds by the Town to the former Redevelopment Agency under the Loans, as evidenced by the Notes, were for legitimate redevelopment purposes.

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

Section 6. Effectiveness. This Resolution shall take effect immediately upon its adoption.

APPROVED and **ADOPTED** by the Town Council of the Town of Apple Valley, this 10th day of February, 2015.

Larry Cusack, Mayor

ATTEST:

La Vonda M-Pearson, Town Clerk

RESOLUTION NO. 2015-01

A RESOLUTION OF THE SUCCESSOR AGENCY TO THE APPLE VALLEY REDEVELOPMENT AGENCY APPROVING THE RATIFICATION AND AMENDMENT OF LOANS, EVIDENCED BY PROMISSORY NOTES, BETWEEN THE TOWN OF APPLE VALLEY AND THE FORMER APPLE VALLEY REDEVELOPMENT AGENCY

WHEREAS, pursuant to the provisions of the California Community Redevelopment Law (Health and Safety Code Section 33000 et seq.), the Town Council of the Town of Apple Valley ("Town") activated the Redevelopment Agency of the Town of Apple Valley ("Redevelopment Agency") and subsequently adopted the Redevelopment Plan for Redevelopment Project Area No. 2 ("Redevelopment Plan"); and

WHEREAS, on June 24, 1997, the Town Council, by Resolution No. 97-24, and the Redevelopment Agency, by Resolution No. 97-02, approved a Loan from the Town to the Redevelopment Agency, in the amount of three hundred seven thousand three hundred dollars (\$307,300) ("Loan 97-02") to provide funding to Town's Redevelopment Agency for the Redevelopment Agency's Economic Development Fund, which was used by the Redevelopment Agency for redevelopment purposes and specifically costs associated with preparation and implementation of the Redevelopment Plan, and other administrative and operational expenses. The Redevelopment Agency executed a Promissory Note in favor of Town, dated June 24, 1997, in the principal amount of the Loan ("Note 97-02"); and

WHEREAS, on June 24, 1997, the Town Council, by Resolution No. 97-25, and the Redevelopment Agency, by Resolution No. 97-04, approved a Loan from the Town to the Redevelopment Agency, in the amount of six hundred thousand two Dollars (\$602,000) ("Loan 97-04") to provide funding to Town's Redevelopment Agency for the Redevelopment Agency's Economic Development Fund, which was used by the Redevelopment Agency for redevelopment purposes and specifically costs associated with preparation and implementation of the Redevelopment Plan, and other administrative and operational expenses. The Redevelopment Agency executed a Promissory Note in favor of Town, dated June 24, 1997, in the principal amount of the Loan ("Note 97-04"); and

WHEREAS, on September 9, 1997, the Town Council, by Resolution No. 97-42, and the Redevelopment Agency, by Resolution No. 97-05, approved a Loan from the Town to the Redevelopment Agency, in the amount of three hundred fifty thousand Dollars (\$350,000) ("Loan 97-05") to provide funding to Town's Redevelopment Agency for the Redevelopment Agency's Economic Development Fund, which was used by the Redevelopment Agency for redevelopment purposes and specifically costs associated with preparation and implementation of the Redevelopment Plan, and other administrative and operational expenses. The Redevelopment Agency executed a

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WHEREAS, on June 9, 1998, the Town Council, by Resolution No. 98-40, and the Redevelopment Agency, by Resolution No. 98-02, approved a Loan from the Town to the Redevelopment Agency, in the amount of eight hundred thirty-three thousand six hundred Dollars (\$833,600) (“Loan 98-02”) to provide funding to Town’s Redevelopment Agency for the Redevelopment Agency’s Economic Development Fund, which was used by the Redevelopment Agency for redevelopment purposes and specifically costs associated with preparation and implementation of the Redevelopment Plan, and other administrative and operational expenses. The Redevelopment Agency executed a Promissory Note in favor of Town, dated June 9, 1998, in the principal amount of the Loan (“Note 98-02”); and

WHEREAS, on June 22, 1999, the Town Council, by Resolution No. 99-23, and the Redevelopment Agency, by Resolution No. 99-02, approved a Loan from the Town to the Redevelopment Agency, in the amount of seventy-six thousand four hundred ninety-eight Dollars (\$79,498) (“Loan 99-02”) to provide funding to Town’s Redevelopment Agency for the Redevelopment Agency’s Economic Development Fund, which was used by the Redevelopment Agency for redevelopment purposes and specifically costs associated with preparation and implementation of the Redevelopment Plan, and other administrative and operational expenses. The Redevelopment Agency executed a Promissory Note in favor of Town, dated June 22, 1999, in the principal amount of the Loan (“Note 99-02”); and

WHEREAS, on June 27, 2000, the Town Council, by Resolution No. 2000-23, and the Redevelopment Agency, by Resolution No. 2000-03, approved a Loan from the Town to the Redevelopment Agency, in the amount of eight hundred forty thousand Dollars (\$840,000) (“Loan 2000-03”) to provide funding to Town’s Redevelopment Agency for the Redevelopment Agency’s Economic Development Fund, which was used by the Redevelopment Agency for redevelopment purposes and specifically costs associated with preparation and implementation of the Redevelopment Plan, and other administrative and operational expenses. The Redevelopment Agency executed a Promissory Note in favor of Town, dated June 27, 2000, in the principal amount of the Loan (the “Note 2000-03”); and

WHEREAS, on June 26, 2001, the Town Council, by Resolution No. 2001-39, and the Redevelopment Agency, by Resolution No. 2001-03, approved a Loan from the Town to the Redevelopment Agency, in the amount of six hundred sixty-two thousand three hundred thirty Dollars (\$662,330) (“Loan 2001-03”) to provide funding to Town’s Redevelopment Agency for the Redevelopment Agency’s Economic Development Fund, which was used by the Redevelopment Agency for redevelopment purposes and specifically costs associated with preparation and implementation of the Redevelopment Plan, and other administrative and operational expenses. The Redevelopment Agency executed a Promissory Note in favor of Town, dated June 26, 2001, in the principal amount of the Loan (“Note 2001-03”); and

WHEREAS, on June 24, 2003, the Town Council, by Resolution No. 2003-33, and the Redevelopment Agency, by Resolution No. 2003-04, approved a Loan from the Town to the Redevelopment Agency, in the amount of two hundred sixteen thousand two hundred nineteen Dollars (\$216,219) (“Loan 2003-04”) to provide funding to Town’s Redevelopment Agency for the Redevelopment Agency’s Economic Development Fund, which was used by the Redevelopment Agency for redevelopment purposes and specifically costs associated with preparation and implementation of the Redevelopment Plan, and other administrative and operational expenses. The Redevelopment Agency executed a Promissory Note in favor of Town, dated June 24, 2003, in the principal amount of the Loan (“Note 2003-04”); and

WHEREAS, on June 22, 2004 the Town Council, by Resolution No. 2004-36, and the Redevelopment Agency, by Resolution No. 2004-02, approved a Loan from the Town to the Redevelopment Agency, in the amount of two hundred forty-seven thousand eight hundred thirteen Dollars (\$247,813) (“Loan 2004-02”) to provide funding to Town’s Redevelopment Agency for the Redevelopment Agency’s Economic Development Fund, which was used by the Redevelopment Agency for redevelopment purposes and specifically costs associated with preparation and implementation of the Redevelopment Plan, and other administrative and operational expenses. The Redevelopment Agency executed a Promissory Note in favor of Town, dated June 22, 2004, in the principal amount of the Loan (“Note 2004-02”); and

WHEREAS, on September 26, 2006, the Town Council, by Resolution No. 2006-79, and the Redevelopment Agency, by Resolution No. 2006-03, approved a Loan from the Town to the Redevelopment Agency, in the amount of nine million eight hundred twenty-two thousand eight hundred forty-three Dollars (\$9,822,843) (“Loan 2006-03”) to provide funding to Town’s Redevelopment Agency for the Redevelopment Agency’s Economic Development Fund, which was used by the Redevelopment Agency for redevelopment purposes and specifically costs associated with preparation and implementation of the Redevelopment Plan, and other administrative and operational expenses. The Redevelopment Agency executed a Promissory Note in favor of Town, dated September 26, 2006, in the principal amount of the Loan (“Note 2006-03”); and

WHEREAS, Loan 97-02, Loan 97-04, Loan 97-05, Loan 98-02, Loan 99-02, Loan 2000-03, Loan 2001-03, Loan 2003-04, Loan 2004-02, and Loan 2006-02 are collectively referred to herein as the “Loans” and Note 97-02, Note 97-04, Note 97-05, Note 98-02, Note 99-02, Note 2000-03, Note 2001-03, Note 2003-04, Note 2004-02, and Note 2006-02 are collectively referred to herein as the “Notes”; and

WHEREAS, Assembly Bill 1X 26 (“AB 26”), enacted as part of the 2011-2012 State of California budget bill, and as modified by the Supreme Court of the State of California in the matter of *California Redevelopment Association, et al. v. Ana Matosantos, et al.*, Case No. S194861, and further modified by Assembly Bill 1484 (collectively with AB 26, the “Dissolution Act”), dissolved and set out procedures for the wind-down of all redevelopment agencies throughout the State effective February 1,

2012; and

WHEREAS, the Successor Agency is the successor entity to the former Redevelopment Agency and, pursuant to the Dissolution Act, is responsible for the wind-down of the former Redevelopment Agency, including without limitation the performance and repayment of all enforceable obligations of the former Redevelopment Agency; and

WHEREAS, Health and Safety Code Section 34171(d)(2) provides, with a few exceptions, that “enforceable obligation” does not include any agreements, contracts, or arrangements between the city, county, or city and county that created the redevelopment agency and the former redevelopment agency; and

WHEREAS, Health and Safety Code Section 34179.7 provides that upon completion of certain requirements and payment of certain amounts as required by Sections 34179.6 and 34183.5, the Department of Finance (“DOF”) shall issue, within five business days, a finding of completion of the requirements of Section 34179.6 to the successor agency; and

WHEREAS, Health and Safety Code Section 34191.4 provides in part that, following issuance of a finding of completion by DOF, and upon application by the successor agency and approval by the oversight board, loan agreements entered into between the redevelopment agency and the city, county or city and county that created the redevelopment agency shall be deemed to be enforceable obligations provided that the oversight board makes a finding that the loan was for legitimate redevelopment purposes; and

WHEREAS, the Successor Agency to Apple Valley Redevelopment Agency received a Finding of Completion pursuant to Health and Safe Code Section 34179.7; and

WHEREAS, in addition to establishing when a loan agreement will be deemed to be an enforceable obligation, Section 34191.4 further establishes certain restrictions and limitations on, among other things, the calculation of interest on the remaining principal amount of the loan, the amounts that can be repaid from time to time under the loan agreement, and requires that twenty percent of any loan repayment shall be deducted from the loan repayment amount and shall be transferred to a Low and Moderate Income Housing Asset Fund; and

WHEREAS, the Town and Successor Agency have prepared a Ratification and Amendment of Loan, Evidenced by Promissory Note for each of the Loans (collectively, the “Amendments”) in order to ratify the existence and validity of the Loans, and to acknowledge the limitations and restrictions that will apply to the repayment to the Town of all amounts due and owing the Town by the former Redevelopment Agency under the Notes pursuant to the Dissolution Act.

NOW, THEREFORE, THE SUCCESSOR AGENCY TO THE REDEVELOPMENT AGENCY OF THE TOWN OF APPLE VALLEY DOES HEREBY RESOLVE AS FOLLOWS:

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

Section 2. Finding. The Successor Agency hereby finds and determines that the Loans, as evidenced by the Notes, were for legitimate redevelopment purposes. The parties acknowledge and agree that the amounts due to the Town under the Note reflect:

a. Amounts due and owing to Town to reimburse Town for costs incurred by Town to provide staff assistance, supplies, technical services and other services and facilities to the Economic Development Fund of the Redevelopment Agency to be used to draft and implement the Redevelopment Plan. Health and Safety Code Section 33127 provides a redevelopment agency with the power to obtain, hire, purchase or rent office space, equipment, supplies, insurance or services in order to carry out its redevelopment activities. Health and Safety Code Section 33133 authorizes a redevelopment agency to accept assistance from any public or private source for the agency's activities, powers and duties. The Redevelopment Agency was established for the purpose of improving, rehabilitating and redeveloping the blighted areas constituting the Redevelopment Project Areas pursuant to the adopted Redevelopment Plan, and the Redevelopment Agency entered into the Loans with Town in order to obtain the staffing services, equipment and facilities required to carry out its duties under the Community Redevelopment Law and the Redevelopment Plan.

b. Repayment to Town of amounts loaned to or advanced on behalf of the Redevelopment Agency to further the Redevelopment Agency's redevelopment activities.

Section 3. Approval of Amendments. The Successor Agency hereby approves the Amendments in substantially the forms currently on file with the Secretary to the Successor Agency.

Section 4. Transmittal of Amendments to Oversight Board. The Director of the Successor Agency is hereby authorized and directed to take any action necessary to carry out the purposes of this Resolution, including without limitation, cooperating with the Town to provide any documentation and evidence to the Oversight Board as necessary to obtain from the Oversight Board approval of the Amendments, together with a finding that the loan of funds by the Town to the former Redevelopment Agency under the Loans, as evidenced by the Notes, were for legitimate redevelopment purposes.

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

Section 6. Effectiveness. This Resolution shall take effect immediately upon its adoption.

APPROVED and **ADOPTED** by the Successor Agency to the Apple Valley Redevelopment Agency this 10th day of February, 2015.

Successor Agency Chair

ATTEST:

Secretary

EXHIBIT "A"

**Ratification and Amendment Loan Agreements to
Town of Apple Valley and Apple Valley Redevelopment Agency Promissory Notes**

[Attached behind this cover page]

**RATIFICATION AND AMENDMENT OF LOAN 97-02,
EVIDENCED BY PROMISSORY NOTE,
BETWEEN THE TOWN OF APPLE VALLEY AND THE
FORMER APPLE VALLEY REDEVELOPMENT AGENCY**

THIS RATIFICATION AND AMENDMENT OF LOAN 97-02, EVIDENCED BY PROMISSORY NOTE 97-02 (this “Amendment”) is entered into this ____ day of _____, 2015, by and between the TOWN OF APPLE VALLEY, a municipal corporation (“Town”), and the SUCCESSOR AGENCY TO THE APPLE VALLEY REDEVELOPMENT AGENCY, a public body, corporate and politic (“Successor Agency”), with reference to the following facts and circumstances.

RECITALS

A. Pursuant to the provisions of the California Community Redevelopment Law (Health and Safety Code Section 33000 et seq.), the Town Council of Town activated the Apple Valley Redevelopment Agency (“Redevelopment Agency”) in 1993 and subsequently adopted the Redevelopment Plan for Redevelopment Project Area No. 2 (the “Redevelopment Plan”).

B. On June 24, 1997, the Town Council, by Resolution No. 97-24, and the Redevelopment Agency, by Resolution No. 97-02, approved a Loan from the Town to the Redevelopment Agency, in the amount of three hundred seven thousand three hundred Dollars (\$307,300) (“Loan”) to provide funding to Town’s Redevelopment Agency for the Redevelopment Agency’s Economic Development Fund, which was used by the Redevelopment Agency for redevelopment purposes and specifically costs associated with preparation and implementation of the Redevelopment Plan, and other administrative and operational expenses. The Redevelopment Agency executed a Promissory Note in favor of Town, dated June 24, 1997, in the principal amount of the Loan (the “Note”).

C. Assembly Bill 1X 26 (“AB 26”), enacted as part of the 2011-2012 State of California budget bill, and as modified by the Supreme Court of the State of California in the matter of *California Redevelopment Association, et al. v. Ana Matosantos, et al.*, Case No. S194861, and further modified by Assembly Bill 1484 (collective with AB 26, the “Dissolution Act”), dissolved and set out procedures for the wind-down of all redevelopment agencies throughout the State effective February 1, 2012.

D. The Successor Agency is the successor entity to the former Redevelopment Agency and, pursuant to the Dissolution Act, is responsible for the wind-down of the former Redevelopment Agency, including without limitation the performance and repayment of all enforceable obligations of the former Redevelopment Agency.

E. Health and Safety Code Section 34171(d)(2) provides, with a few exceptions, that “enforceable obligation” does not include any agreements, contracts, or arrangements between the city, county, or city and county that created the redevelopment agency and the former redevelopment agency.

F. Health and Safety Code Section 34179.7 provides that upon completion of certain requirements and payment of certain amounts as required by Sections 34179.6 and 34183.5, the Department of Finance (“DOF”) shall issue, within five business days, a finding of completion of the requirements of Section 34179.6 to the successor agency. Health and Safety Code Section 34191.4 provides in part that, following issuance of a finding of completion by DOF, and upon application by the successor agency and approval by the oversight board, loan agreements entered into between the redevelopment agency and the city, county or city and county that created the redevelopment agency shall be deemed to be enforceable obligations provided that the oversight board makes a finding that the loan was for legitimate redevelopment purposes.

G. In addition to establishing when a loan will be deemed to be an enforceable obligation, Section 34191.4 further establishes certain restrictions and limitations on, among other things, the calculation of interest on the remaining principal amount of the loan, the amounts that can be repaid from time to time under the loan agreement, and requires that twenty percent of any loan repayment shall be deducted from the loan repayment amount and shall be transferred to a Low and Moderate Income Housing Asset Fund.

H. The parties desire to enter into this Amendment in order to ratify the existence and validity of the Loan and the Note, and to acknowledge the limitations and restrictions that will apply to the repayment to the Town of all amounts due and owing the Town by the former Redevelopment Agency under the Note pursuant to the Dissolution Act.

AMENDMENT

NOW, THEREFORE, for good and valuable consideration, including the mutual promises and covenants contained herein, the Parties mutually agree as follows:

1. Purpose. The purpose of this Amendment is (a) to ratify the existence and validity of the Loan, including the Note, and (b) to acknowledge the limitations and restrictions that will apply to the repayment to the Town of all amounts due and owing the Town by the former Redevelopment Agency under the Note pursuant to the Dissolution Act.

2. Loan Amount. The outstanding principal amount owed to the Town under the Note, as of February 1, 2012 (the date of dissolution of the former Redevelopment Agency), is \$307,300.00.

3. Interest. Health and Safety Code Section 34191.4(b)(2) provides that the Loan may be repaid to the Town at an interest rate not to exceed the interest rate earned by funds deposited in the Local Agency Investment Fund (LAIF). As such, interest shall accrue on the unpaid principal balance outstanding from time to time, at the LAIF rate, as published on the California State Treasurer's web site from time to time, to be calculated from February 1, 2012, until paid in full.

4. Loan was for Legitimate Redevelopment Purposes. The parties acknowledge and agree that the amounts due to the Town under the Note reflect:

a. Amounts due and owing to Town to reimburse Town for costs incurred by Town to provide staff assistance, supplies, technical services and other services and facilities to the Economic Development Fund of the Redevelopment Agency to be used to draft and implement the Redevelopment Plan. Health and Safety Code Section 33127 provides a redevelopment agency with the power to obtain, hire, purchase or rent office space, equipment, supplies, insurance or services in order to carry out its redevelopment activities. Health and Safety Code Section 33133 authorizes a redevelopment agency to accept assistance from any public or private source for the agency's activities, powers and duties. The Redevelopment Agency was established for the purpose of improving, rehabilitating and redeveloping the blighted areas constituting the Redevelopment Project Area pursuant to the adopted Redevelopment Plan, and the Redevelopment Agency entered into the Loan with Town in order to obtain the staffing services, equipment and facilities required to carry out its duties under the Community Redevelopment Law and the Redevelopment Plan.

b. Repayment to Town of amounts loaned to or advanced on behalf of the Redevelopment Agency to further the Redevelopment Agency's redevelopment activities.

5. Conditions Precedent to Repayment. The Parties understand and agree that, pursuant to the Dissolution Act, the Loan and Note will be deemed to be an "enforceable obligation" only after completion of the following actions:

a. The Successor Agency shall have been issued a finding of completion by DOF pursuant to Health and Safety Code Section 34179.7; and

b. The Successor Agency shall have applied for and the Oversight Board shall have approved the Loan, and made a finding that the loan was for legitimate redevelopment purposes.

The Parties acknowledge and agree that DOF has issued a finding of completion to the Successor Agency pursuant to Health and Safety Code Section 34179.7. The Successor Agency and Town shall cooperate in providing any documentation and evidence to the Oversight Board as necessary to obtain from the

Oversight Board approval of the Loan, together with a finding that the Loan was for legitimate redevelopment purposes.

6. The Parties acknowledge and agree that the repayment of amounts owing to the Town under the Note shall be subject to the limitations and restrictions set forth in Health and Safety Code Section 34191.4(b). The repayment of the Note each fiscal year shall be equal to the maximum amount allowed under Health and Safety Code Section 34191.4(b).

[Signatures on following page]

IN WITNESS WHEREOF, the Town and Successor Agency have executed this Amendment as of the date first set forth above.

TOWN OF APPLE VALLEY

By: _____
Mayor

ATTEST:

By: _____
Town Clerk

SUCCESSOR AGENCY TO THE APPLE VALLEY REDEVELOPMENT AGENCY

By: _____
Chair

ATTEST:

By: _____
Secretary

**RATIFICATION AND AMENDMENT OF LOAN 97-04,
EVIDENCED BY PROMISSORY NOTE,
BETWEEN THE TOWN OF APPLE VALLEY AND THE
FORMER APPLE VALLEY REDEVELOPMENT AGENCY**

THIS RATIFICATION AND AMENDMENT OF LOAN 97-04, EVIDENCED BY PROMISSORY NOTE 97-04 (this "Amendment") is entered into this ____ day of _____, 2015, by and between the TOWN OF APPLE VALLEY, a municipal corporation ("Town"), and the SUCCESSOR AGENCY TO THE APPLE VALLEY REDEVELOPMENT AGENCY, a public body, corporate and politic ("Successor Agency"), with reference to the following facts and circumstances.

RECITALS

A. Pursuant to the provisions of the California Community Redevelopment Law (Health and Safety Code Section 33000 et seq.), the Town Council of Town activated the Apple Valley Redevelopment Agency ("Redevelopment Agency") in 1993 and subsequently adopted the Redevelopment Plan for Redevelopment Project Area No. 2 (the "Redevelopment Plan").

B. On June 24, 1997, the Town Council, by Resolution No. 97-25, and the Redevelopment Agency, by Resolution No. 97-04, approved a Loan from the Town to the Redevelopment Agency, in the amount of six hundred two thousand Dollars (\$602,000) ("Loan") to provide funding to Town's Redevelopment Agency for the Redevelopment Agency's Economic Development Fund, which was used by the Redevelopment Agency for redevelopment purposes and specifically costs associated with preparation and implementation of the Redevelopment Plan, and other administrative and operational expenses. The Redevelopment Agency executed a Promissory Note in favor of Town, dated June 24, 1997, in the principal amount of the Loan (the "Note").

C. Assembly Bill 1X 26 ("AB 26"), enacted as part of the 2011-2012 State of California budget bill, and as modified by the Supreme Court of the State of California in the matter of *California Redevelopment Association, et al. v. Ana Matosantos, et al.*, Case No. S194861, and further modified by Assembly Bill 1484 (collective with AB 26, the "Dissolution Act"), dissolved and set out procedures for the wind-down of all redevelopment agencies throughout the State effective February 1, 2012.

D. The Successor Agency is the successor entity to the former Redevelopment Agency and, pursuant to the Dissolution Act, is responsible for the wind-down of the former Redevelopment Agency, including without limitation the performance and repayment of all enforceable obligations of the former Redevelopment Agency.

E. Health and Safety Code Section 34171(d)(2) provides, with a few exceptions, that "enforceable obligation" does not include any agreements, contracts, or

arrangements between the city, county, or city and county that created the redevelopment agency and the former redevelopment agency.

F. Health and Safety Code Section 34179.7 provides that upon completion of certain requirements and payment of certain amounts as required by Sections 34179.6 and 34183.5, the Department of Finance ("DOF") shall issue, within five business days, a finding of completion of the requirements of Section 34179.6 to the successor agency. Health and Safety Code Section 34191.4 provides in part that, following issuance of a finding of completion by DOF, and upon application by the successor agency and approval by the oversight board, loan agreements entered into between the redevelopment agency and the city, county or city and county that created the redevelopment agency shall be deemed to be enforceable obligations provided that the oversight board makes a finding that the loan was for legitimate redevelopment purposes.

G. In addition to establishing when a loan will be deemed to be an enforceable obligation, Section 34191.4 further establishes certain restrictions and limitations on, among other things, the calculation of interest on the remaining principal amount of the loan, the amounts that can be repaid from time to time under the loan agreement, and requires that twenty percent of any loan repayment shall be deducted from the loan repayment amount and shall be transferred to a Low and Moderate Income Housing Asset Fund.

H. The parties desire to enter into this Amendment in order to ratify the existence and validity of the Loan and the Note, and to acknowledge the limitations and restrictions that will apply to the repayment to the Town of all amounts due and owing the Town by the former Redevelopment Agency under the Note pursuant to the Dissolution Act.

AMENDMENT

NOW, THEREFORE, for good and valuable consideration, including the mutual promises and covenants contained herein, the Parties mutually agree as follows:

1. Purpose. The purpose of this Amendment is (a) to ratify the existence and validity of the Loan, including the Note, and (b) to acknowledge the limitations and restrictions that will apply to the repayment to the Town of all amounts due and owing the Town by the former Redevelopment Agency under the Note pursuant to the Dissolution Act.

2. Loan Amount. The outstanding principal amount owed to the Town under the Note, as of February 1, 2012 (the date of dissolution of the former Redevelopment Agency), is \$602,000.00.

3. Interest. Health and Safety Code Section 34191.4(b)(2) provides that the Loan may be repaid to the Town at an interest rate not to exceed the interest rate

earned by funds deposited in the Local Agency Investment Fund (LAIF). As such, interest shall accrue on the unpaid principal balance outstanding from time to time, at the LAIF rate, as published on the California State Treasurer's web site from time to time, to be calculated from February 1, 2012, until paid in full.

4. Loan was for Legitimate Redevelopment Purposes. The parties acknowledge and agree that the amounts due to the Town under the Note reflect:

a. Amounts due and owing to Town to reimburse Town for costs incurred by Town to provide staff assistance, supplies, technical services and other services and facilities to the Economic Development Fund of the Redevelopment Agency to be used to draft and implement the Redevelopment Plan. Health and Safety Code Section 33127 provides a redevelopment agency with the power to obtain, hire, purchase or rent office space, equipment, supplies, insurance or services in order to carry out its redevelopment activities. Health and Safety Code Section 33133 authorizes a redevelopment agency to accept assistance from any public or private source for the agency's activities, powers and duties. The Redevelopment Agency was established for the purpose of improving, rehabilitating and redeveloping the blighted areas constituting the Redevelopment Project Area pursuant to the adopted Redevelopment Plan, and the Redevelopment Agency entered into the Loan with Town in order to obtain the staffing services, equipment and facilities required to carry out its duties under the Community Redevelopment Law and the Redevelopment Plan.

b. Repayment to Town of amounts loaned to or advanced on behalf of the Redevelopment Agency to further the Redevelopment Agency's redevelopment activities.

5. Conditions Precedent to Repayment. The Parties understand and agree that, pursuant to the Dissolution Act, the Loan and Note will be deemed to be an "enforceable obligation" only after completion of the following actions:

a. The Successor Agency shall have been issued a finding of completion by DOF pursuant to Health and Safety Code Section 34179.7; and

b. The Successor Agency shall have applied for and the Oversight Board shall have approved the Loan, and made a finding that the loan was for legitimate redevelopment purposes.

The Parties acknowledge and agree that DOF has issued a finding of completion to the Successor Agency pursuant to Health and Safety Code Section 34179.7. The Successor Agency and Town shall cooperate in providing any documentation and evidence to the Oversight Board as necessary to obtain from the Oversight Board approval of the Loan, together with a finding that the Loan was for legitimate redevelopment purposes.

6. The Parties acknowledge and agree that the repayment of amounts owing to the Town under the Note shall be subject to the limitations and restrictions set forth in Health and Safety Code Section 34191.4(b). The repayment of the Note each fiscal year shall be equal to the maximum amount allowed under Health and Safety Code Section 34191.4(b).

[Signatures on following page]

IN WITNESS WHEREOF, the Town and Successor Agency have executed this Amendment as of the date first set forth above.

TOWN OF APPLE VALLEY

By: _____
Mayor

ATTEST:

By: _____
Town Clerk

SUCCESSOR AGENCY TO THE APPLE VALLEY REDEVELOPMENT AGENCY

By: _____
Chair

ATTEST:

By: _____
Secretary

**RATIFICATION AND AMENDMENT OF LOAN 97-05,
EVIDENCED BY PROMISSORY NOTE,
BETWEEN THE TOWN OF APPLE VALLEY AND THE
FORMER APPLE VALLEY REDEVELOPMENT AGENCY**

THIS RATIFICATION AND AMENDMENT OF LOAN 97-05, EVIDENCED BY PROMISSORY NOTE 97-05 (this "Amendment") is entered into this ____ day of _____, 2015, by and between the TOWN OF APPLE VALLEY, a municipal corporation ("Town"), and the SUCCESSOR AGENCY TO THE APPLE VALLEY REDEVELOPMENT AGENCY, a public body, corporate and politic ("Successor Agency"), with reference to the following facts and circumstances.

RECITALS

A. Pursuant to the provisions of the California Community Redevelopment Law (Health and Safety Code Section 33000 et seq.), the Town Council of Town activated the Apple Valley Redevelopment Agency ("Redevelopment Agency") in 1993 and subsequently adopted the Redevelopment Plan for Redevelopment Project Area No. 2 (the "Redevelopment Plan").

B. On Sept. 9, 1997, the Town Council, by Resolution No. 97-42, and the Redevelopment Agency, by Resolution No. 97-05, approved a Loan from the Town to the Redevelopment Agency, in the amount of three hundred fifty thousand Dollars (\$350,000) ("Loan") to provide funding to Town's Redevelopment Agency for the Redevelopment Agency's Economic Development Fund, which was used by the Redevelopment Agency for redevelopment purposes and specifically costs associated with preparation and implementation of the Redevelopment Plan, and other administrative and operational expenses. The Redevelopment Agency executed a Promissory Note in favor of Town, dated Sept. 9, 1997, in the principal amount of the Loan (the "Note").

C. Assembly Bill 1X 26 ("AB 26"), enacted as part of the 2011-2012 State of California budget bill, and as modified by the Supreme Court of the State of California in the matter of *California Redevelopment Association, et al. v. Ana Matosantos, et al.*, Case No. S194861, and further modified by Assembly Bill 1484 (collective with AB 26, the "Dissolution Act"), dissolved and set out procedures for the wind-down of all redevelopment agencies throughout the State effective February 1, 2012.

D. The Successor Agency is the successor entity to the former Redevelopment Agency and, pursuant to the Dissolution Act, is responsible for the wind-down of the former Redevelopment Agency, including without limitation the performance and repayment of all enforceable obligations of the former Redevelopment Agency.

E. Health and Safety Code Section 34171(d)(2) provides, with a few exceptions, that "enforceable obligation" does not include any agreements, contracts, or

arrangements between the city, county, or city and county that created the redevelopment agency and the former redevelopment agency.

F. Health and Safety Code Section 34179.7 provides that upon completion of certain requirements and payment of certain amounts as required by Sections 34179.6 and 34183.5, the Department of Finance ("DOF") shall issue, within five business days, a finding of completion of the requirements of Section 34179.6 to the successor agency. Health and Safety Code Section 34191.4 provides in part that, following issuance of a finding of completion by DOF, and upon application by the successor agency and approval by the oversight board, loan agreements entered into between the redevelopment agency and the city, county or city and county that created the redevelopment agency shall be deemed to be enforceable obligations provided that the oversight board makes a finding that the loan was for legitimate redevelopment purposes.

G. In addition to establishing when a loan will be deemed to be an enforceable obligation, Section 34191.4 further establishes certain restrictions and limitations on, among other things, the calculation of interest on the remaining principal amount of the loan, the amounts that can be repaid from time to time under the loan agreement, and requires that twenty percent of any loan repayment shall be deducted from the loan repayment amount and shall be transferred to a Low and Moderate Income Housing Asset Fund.

H. The parties desire to enter into this Amendment in order to ratify the existence and validity of the Loan and the Note, and to acknowledge the limitations and restrictions that will apply to the repayment to the Town of all amounts due and owing the Town by the former Redevelopment Agency under the Note pursuant to the Dissolution Act.

AMENDMENT

NOW, THEREFORE, for good and valuable consideration, including the mutual promises and covenants contained herein, the Parties mutually agree as follows:

1. Purpose. The purpose of this Amendment is (a) to ratify the existence and validity of the Loan, including the Note, and (b) to acknowledge the limitations and restrictions that will apply to the repayment to the Town of all amounts due and owing the Town by the former Redevelopment Agency under the Note pursuant to the Dissolution Act.

2. Loan Amount. The outstanding principal amount owed to the Town under the Note, as of February 1, 2012 (the date of dissolution of the former Redevelopment Agency), is \$350,000.00.

3. Interest. Health and Safety Code Section 34191.4(b)(2) provides that the Loan may be repaid to the Town at an interest rate not to exceed the interest rate

earned by funds deposited in the Local Agency Investment Fund (LAIF). As such, interest shall accrue on the unpaid principal balance outstanding from time to time, at the LAIF rate, as published on the California State Treasurer's web site from time to time, to be calculated from February 1, 2012, until paid in full.

4. Loan was for Legitimate Redevelopment Purposes. The parties acknowledge and agree that the amounts due to the Town under the Note reflect:

a. Amounts due and owing to Town to reimburse Town for costs incurred by Town to provide staff assistance, supplies, technical services and other services and facilities to the Economic Development Fund of the Redevelopment Agency to be used to draft and implement the Redevelopment Plan. Health and Safety Code Section 33127 provides a redevelopment agency with the power to obtain, hire, purchase or rent office space, equipment, supplies, insurance or services in order to carry out its redevelopment activities. Health and Safety Code Section 33133 authorizes a redevelopment agency to accept assistance from any public or private source for the agency's activities, powers and duties. The Redevelopment Agency was established for the purpose of improving, rehabilitating and redeveloping the blighted areas constituting the Redevelopment Project Area pursuant to the adopted Redevelopment Plan, and the Redevelopment Agency entered into the Loan with Town in order to obtain the staffing services, equipment and facilities required to carry out its duties under the Community Redevelopment Law and the Redevelopment Plan.

b. Repayment to Town of amounts loaned to or advanced on behalf of the Redevelopment Agency to further the Redevelopment Agency's redevelopment activities.

5. Conditions Precedent to Repayment. The Parties understand and agree that, pursuant to the Dissolution Act, the Loan and Note will be deemed to be an "enforceable obligation" only after completion of the following actions:

a. The Successor Agency shall have been issued a finding of completion by DOF pursuant to Health and Safety Code Section 34179.7; and

b. The Successor Agency shall have applied for and the Oversight Board shall have approved the Loan, and made a finding that the loan was for legitimate redevelopment purposes.

The Parties acknowledge and agree that DOF has issued a finding of completion to the Successor Agency pursuant to Health and Safety Code Section 34179.7. The Successor Agency and Town shall cooperate in providing any documentation and evidence to the Oversight Board as necessary to obtain from the Oversight Board approval of the Loan, together with a finding that the Loan was for legitimate redevelopment purposes.

6. The Parties acknowledge and agree that the repayment of amounts owing to the Town under the Note shall be subject to the limitations and restrictions set forth in Health and Safety Code Section 34191.4(b). The repayment of the Note each fiscal year shall be equal to the maximum amount allowed under Health and Safety Code Section 34191.4(b).

[Signatures on following page]

IN WITNESS WHEREOF, the Town and Successor Agency have executed this Amendment as of the date first set forth above.

TOWN OF APPLE VALLEY

By: _____
Mayor

ATTEST:

By: _____
Town Clerk

SUCCESSOR AGENCY TO THE APPLE VALLEY REDEVELOPMENT AGENCY

By: _____
Chair

ATTEST:

By: _____
Secretary

**RATIFICATION AND AMENDMENT OF LOAN 98-02,
EVIDENCED BY PROMISSORY NOTE,
BETWEEN THE TOWN OF APPLE VALLEY AND THE
FORMER APPLE VALLEY REDEVELOPMENT AGENCY**

THIS RATIFICATION AND AMENDMENT OF LOAN 98-02, EVIDENCED BY PROMISSORY NOTE 98-02 (this "Amendment") is entered into this ____ day of _____, 2015, by and between the TOWN OF APPLE VALLEY, a municipal corporation ("Town"), and the SUCCESSOR AGENCY TO THE APPLE VALLEY REDEVELOPMENT AGENCY, a public body, corporate and politic ("Successor Agency"), with reference to the following facts and circumstances.

RECITALS

A. Pursuant to the provisions of the California Community Redevelopment Law (Health and Safety Code Section 33000 et seq.), the Town Council of Town activated the Apple Valley Redevelopment Agency ("Redevelopment Agency") in 1993 and subsequently adopted the Redevelopment Plan for Redevelopment Project Area No. 2 (the "Redevelopment Plan").

B. On June 9, 1998, the Town Council, by Resolution No. 98-40, and the Redevelopment Agency, by Resolution No. 98-02, approved a Loan from the Town to the Redevelopment Agency, in the amount of eight hundred thirty-three thousand six hundred Dollars (\$833,600) ("Loan") to provide funding to Town's Redevelopment Agency for the Redevelopment Agency's Economic Development Fund, which was used by the Redevelopment Agency for redevelopment purposes and specifically costs associated with preparation and implementation of the Redevelopment Plan, and other administrative and operational expenses. The Redevelopment Agency executed a Promissory Note in favor of Town, dated June 9, 1998, in the principal amount of the Loan (the "Note").

C. Assembly Bill 1X 26 ("AB 26"), enacted as part of the 2011-2012 State of California budget bill, and as modified by the Supreme Court of the State of California in the matter of *California Redevelopment Association, et al. v. Ana Matosantos, et al.*, Case No. S194861, and further modified by Assembly Bill 1484 (collective with AB 26, the "Dissolution Act"), dissolved and set out procedures for the wind-down of all redevelopment agencies throughout the State effective February 1, 2012.

D. The Successor Agency is the successor entity to the former Redevelopment Agency and, pursuant to the Dissolution Act, is responsible for the wind-down of the former Redevelopment Agency, including without limitation the performance and repayment of all enforceable obligations of the former Redevelopment Agency.

E. Health and Safety Code Section 34171(d)(2) provides, with a few exceptions, that "enforceable obligation" does not include any agreements, contracts, or

arrangements between the city, county, or city and county that created the redevelopment agency and the former redevelopment agency.

F. Health and Safety Code Section 34179.7 provides that upon completion of certain requirements and payment of certain amounts as required by Sections 34179.6 and 34183.5, the Department of Finance ("DOF") shall issue, within five business days, a finding of completion of the requirements of Section 34179.6 to the successor agency. Health and Safety Code Section 34191.4 provides in part that, following issuance of a finding of completion by DOF, and upon application by the successor agency and approval by the oversight board, loan agreements entered into between the redevelopment agency and the city, county or city and county that created the redevelopment agency shall be deemed to be enforceable obligations provided that the oversight board makes a finding that the loan was for legitimate redevelopment purposes.

G. In addition to establishing when a loan will be deemed to be an enforceable obligation, Section 34191.4 further establishes certain restrictions and limitations on, among other things, the calculation of interest on the remaining principal amount of the loan, the amounts that can be repaid from time to time under the loan agreement, and requires that twenty percent of any loan repayment shall be deducted from the loan repayment amount and shall be transferred to a Low and Moderate Income Housing Asset Fund.

H. The parties desire to enter into this Amendment in order to ratify the existence and validity of the Loan and the Note, and to acknowledge the limitations and restrictions that will apply to the repayment to the Town of all amounts due and owing the Town by the former Redevelopment Agency under the Note pursuant to the Dissolution Act.

AMENDMENT

NOW, THEREFORE, for good and valuable consideration, including the mutual promises and covenants contained herein, the Parties mutually agree as follows:

1. Purpose. The purpose of this Amendment is (a) to ratify the existence and validity of the Loan, including the Note, and (b) to acknowledge the limitations and restrictions that will apply to the repayment to the Town of all amounts due and owing the Town by the former Redevelopment Agency under the Note pursuant to the Dissolution Act.

2. Loan Amount. The outstanding principal amount owed to the Town under the Note, as of February 1, 2012 (the date of dissolution of the former Redevelopment Agency), is \$833,600.00.

3. Interest. Health and Safety Code Section 34191.4(b)(2) provides that the Loan may be repaid to the Town at an interest rate not to exceed the interest rate

earned by funds deposited in the Local Agency Investment Fund (LAIF). As such, interest shall accrue on the unpaid principal balance outstanding from time to time, at the LAIF rate, as published on the California State Treasurer's web site from time to time, to be calculated from February 1, 2012, until paid in full.

4. Loan was for Legitimate Redevelopment Purposes. The parties acknowledge and agree that the amounts due to the Town under the Note reflect:

a. Amounts due and owing to Town to reimburse Town for costs incurred by Town to provide staff assistance, supplies, technical services and other services and facilities to the Economic Development Fund of the Redevelopment Agency to be used to draft and implement the Redevelopment Plan. Health and Safety Code Section 33127 provides a redevelopment agency with the power to obtain, hire, purchase or rent office space, equipment, supplies, insurance or services in order to carry out its redevelopment activities. Health and Safety Code Section 33133 authorizes a redevelopment agency to accept assistance from any public or private source for the agency's activities, powers and duties. The Redevelopment Agency was established for the purpose of improving, rehabilitating and redeveloping the blighted areas constituting the Redevelopment Project Area pursuant to the adopted Redevelopment Plan, and the Redevelopment Agency entered into the Loan with Town in order to obtain the staffing services, equipment and facilities required to carry out its duties under the Community Redevelopment Law and the Redevelopment Plan.

b. Repayment to Town of amounts loaned to or advanced on behalf of the Redevelopment Agency to further the Redevelopment Agency's redevelopment activities.

5. Conditions Precedent to Repayment. The Parties understand and agree that, pursuant to the Dissolution Act, the Loan and Note will be deemed to be an "enforceable obligation" only after completion of the following actions:

a. The Successor Agency shall have been issued a finding of completion by DOF pursuant to Health and Safety Code Section 34179.7; and

b. The Successor Agency shall have applied for and the Oversight Board shall have approved the Loan, and made a finding that the loan was for legitimate redevelopment purposes.

The Parties acknowledge and agree that DOF has issued a finding of completion to the Successor Agency pursuant to Health and Safety Code Section 34179.7. The Successor Agency and Town shall cooperate in providing any documentation and evidence to the Oversight Board as necessary to obtain from the Oversight Board approval of the Loan, together with a finding that the Loan was for legitimate redevelopment purposes.

6. The Parties acknowledge and agree that the repayment of amounts owing to the Town under the Note shall be subject to the limitations and restrictions set forth in Health and Safety Code Section 34191.4(b). The repayment of the Note each fiscal year shall be equal to the maximum amount allowed under Health and Safety Code Section 34191.4(b).

[Signatures on following page]

IN WITNESS WHEREOF, the Town and Successor Agency have executed this Amendment as of the date first set forth above.

TOWN OF APPLE VALLEY

By: _____
Mayor

ATTEST:

By: _____
Town Clerk

SUCCESSOR AGENCY TO THE APPLE VALLEY REDEVELOPMENT AGENCY

By: _____
Chair

ATTEST:

By: _____
Secretary

**RATIFICATION AND AMENDMENT OF LOAN 99-02,
EVIDENCED BY PROMISSORY NOTE,
BETWEEN THE TOWN OF APPLE VALLEY AND THE
FORMER APPLE VALLEY REDEVELOPMENT AGENCY**

THIS RATIFICATION AND AMENDMENT OF LOAN 99-02, EVIDENCED BY PROMISSORY NOTE 99-02 (this "Amendment") is entered into this ____ day of _____, 2015, by and between the TOWN OF APPLE VALLEY, a municipal corporation ("Town"), and the SUCCESSOR AGENCY TO THE APPLE VALLEY REDEVELOPMENT AGENCY, a public body, corporate and politic ("Successor Agency"), with reference to the following facts and circumstances.

RECITALS

A. Pursuant to the provisions of the California Community Redevelopment Law (Health and Safety Code Section 33000 et seq.), the Town Council of Town activated the Apple Valley Redevelopment Agency ("Redevelopment Agency") in 1993 and subsequently adopted the Redevelopment Plan for Redevelopment Project Area No. 2 (the "Redevelopment Plan").

B. On June 22, 1999, the Town Council, by Resolution No. 99-23, and the Redevelopment Agency, by Resolution No. 99-02, approved a Loan from the Town to the Redevelopment Agency, in the amount of seventy-six thousand four hundred ninety-eight Dollars (\$76,498) ("Loan") to provide funding to Town's Redevelopment Agency for the Redevelopment Agency's Economic Development Fund, which was used by the Redevelopment Agency for redevelopment purposes and specifically costs associated with preparation and implementation of the Redevelopment Plan, and other administrative and operational expenses. The Redevelopment Agency executed a Promissory Note in favor of Town, dated June 22, 1999, in the principal amount of the Loan (the "Note").

C. Assembly Bill 1X 26 ("AB 26"), enacted as part of the 2011-2012 State of California budget bill, and as modified by the Supreme Court of the State of California in the matter of *California Redevelopment Association, et al. v. Ana Matosantos, et al.*, Case No. S194861, and further modified by Assembly Bill 1484 (collective with AB 26, the "Dissolution Act"), dissolved and set out procedures for the wind-down of all redevelopment agencies throughout the State effective February 1, 2012.

D. The Successor Agency is the successor entity to the former Redevelopment Agency and, pursuant to the Dissolution Act, is responsible for the wind-down of the former Redevelopment Agency, including without limitation the performance and repayment of all enforceable obligations of the former Redevelopment Agency.

E. Health and Safety Code Section 34171(d)(2) provides, with a few exceptions, that "enforceable obligation" does not include any agreements, contracts, or

arrangements between the city, county, or city and county that created the redevelopment agency and the former redevelopment agency.

F. Health and Safety Code Section 34179.7 provides that upon completion of certain requirements and payment of certain amounts as required by Sections 34179.6 and 34183.5, the Department of Finance ("DOF") shall issue, within five business days, a finding of completion of the requirements of Section 34179.6 to the successor agency. Health and Safety Code Section 34191.4 provides in part that, following issuance of a finding of completion by DOF, and upon application by the successor agency and approval by the oversight board, loan agreements entered into between the redevelopment agency and the city, county or city and county that created the redevelopment agency shall be deemed to be enforceable obligations provided that the oversight board makes a finding that the loan was for legitimate redevelopment purposes.

G. In addition to establishing when a loan will be deemed to be an enforceable obligation, Section 34191.4 further establishes certain restrictions and limitations on, among other things, the calculation of interest on the remaining principal amount of the loan, the amounts that can be repaid from time to time under the loan agreement, and requires that twenty percent of any loan repayment shall be deducted from the loan repayment amount and shall be transferred to a Low and Moderate Income Housing Asset Fund.

H. The parties desire to enter into this Amendment in order to ratify the existence and validity of the Loan and the Note, and to acknowledge the limitations and restrictions that will apply to the repayment to the Town of all amounts due and owing the Town by the former Redevelopment Agency under the Note pursuant to the Dissolution Act.

AMENDMENT

NOW, THEREFORE, for good and valuable consideration, including the mutual promises and covenants contained herein, the Parties mutually agree as follows:

1. Purpose. The purpose of this Amendment is (a) to ratify the existence and validity of the Loan, including the Note, and (b) to acknowledge the limitations and restrictions that will apply to the repayment to the Town of all amounts due and owing the Town by the former Redevelopment Agency under the Note pursuant to the Dissolution Act.

2. Loan Amount. The outstanding principal amount owed to the Town under the Note, as of February 1, 2012 (the date of dissolution of the former Redevelopment Agency), is \$76,498.00.

3. Interest. Health and Safety Code Section 34191.4(b)(2) provides that the Loan may be repaid to the Town at an interest rate not to exceed the interest rate

earned by funds deposited in the Local Agency Investment Fund (LAIF). As such, interest shall accrue on the unpaid principal balance outstanding from time to time, at the LAIF rate, as published on the California State Treasurer's web site from time to time, to be calculated from February 1, 2012, until paid in full.

4. Loan was for Legitimate Redevelopment Purposes. The parties acknowledge and agree that the amounts due to the Town under the Note reflect:

a. Amounts due and owing to Town to reimburse Town for costs incurred by Town to provide staff assistance, supplies, technical services and other services and facilities to the Economic Development Fund of the Redevelopment Agency to be used to draft and implement the Redevelopment Plan. Health and Safety Code Section 33127 provides a redevelopment agency with the power to obtain, hire, purchase or rent office space, equipment, supplies, insurance or services in order to carry out its redevelopment activities. Health and Safety Code Section 33133 authorizes a redevelopment agency to accept assistance from any public or private source for the agency's activities, powers and duties. The Redevelopment Agency was established for the purpose of improving, rehabilitating and redeveloping the blighted areas constituting the Redevelopment Project Area pursuant to the adopted Redevelopment Plan, and the Redevelopment Agency entered into the Loan with Town in order to obtain the staffing services, equipment and facilities required to carry out its duties under the Community Redevelopment Law and the Redevelopment Plan.

b. Repayment to Town of amounts loaned to or advanced on behalf of the Redevelopment Agency to further the Redevelopment Agency's redevelopment activities.

5. Conditions Precedent to Repayment. The Parties understand and agree that, pursuant to the Dissolution Act, the Loan and Note will be deemed to be an "enforceable obligation" only after completion of the following actions:

a. The Successor Agency shall have been issued a finding of completion by DOF pursuant to Health and Safety Code Section 34179.7; and

b. The Successor Agency shall have applied for and the Oversight Board shall have approved the Loan, and made a finding that the loan was for legitimate redevelopment purposes.

The Parties acknowledge and agree that DOF has issued a finding of completion to the Successor Agency pursuant to Health and Safety Code Section 34179.7. The Successor Agency and Town shall cooperate in providing any documentation and evidence to the Oversight Board as necessary to obtain from the Oversight Board approval of the Loan, together with a finding that the Loan was for legitimate redevelopment purposes.

6. The Parties acknowledge and agree that the repayment of amounts owing to the Town under the Note shall be subject to the limitations and restrictions set forth in Health and Safety Code Section 34191.4(b). The repayment of the Note each fiscal year shall be equal to the maximum amount allowed under Health and Safety Code Section 34191.4(b).

[Signatures on following page]

IN WITNESS WHEREOF, the Town and Successor Agency have executed this Amendment as of the date first set forth above.

TOWN OF APPLE VALLEY

By: _____
Mayor

ATTEST:

By: _____
Town Clerk

SUCCESSOR AGENCY TO THE APPLE VALLEY REDEVELOPMENT AGENCY

By: _____
Chair

ATTEST:

By: _____
Secretary

**RATIFICATION AND AMENDMENT OF LOAN 2000-03,
EVIDENCED BY PROMISSORY NOTE,
BETWEEN THE TOWN OF APPLE VALLEY AND THE
FORMER APPLE VALLEY REDEVELOPMENT AGENCY**

THIS RATIFICATION AND AMENDMENT OF LOAN 2000-03, EVIDENCED BY PROMISSORY NOTE 2000-03 (this “Amendment”) is entered into this ____ day of _____, 2015, by and between the TOWN OF APPLE VALLEY, a municipal corporation (“Town”), and the SUCCESSOR AGENCY TO THE APPLE VALLEY REDEVELOPMENT AGENCY, a public body, corporate and politic (“Successor Agency”), with reference to the following facts and circumstances.

RECITALS

A. Pursuant to the provisions of the California Community Redevelopment Law (Health and Safety Code Section 33000 et seq.), the Town Council of Town activated the Apple Valley Redevelopment Agency (“Redevelopment Agency”) in 1993 and subsequently adopted the Redevelopment Plan for Redevelopment Project Area No. 2 (the “Redevelopment Plan”).

B. On June 27, 2000, the Town Council, by Resolution No. 2000-23, and the Redevelopment Agency, by Resolution No. 2000-03, approved a Loan from the Town to the Redevelopment Agency, in the amount of eight hundred forty thousand Dollars (\$840,000) (“Loan”) to provide funding to Town’s Redevelopment Agency for the Redevelopment Agency’s Economic Development Fund, which was used by the Redevelopment Agency for redevelopment purposes and specifically costs associated with preparation and implementation of the Redevelopment Plan, and other administrative and operational expenses. The Redevelopment Agency executed a Promissory Note in favor of Town, dated June 27, 2000, in the principal amount of the Loan (the “Note”).

C. Assembly Bill 1X 26 (“AB 26”), enacted as part of the 2011-2012 State of California budget bill, and as modified by the Supreme Court of the State of California in the matter of *California Redevelopment Association, et al. v. Ana Matosantos, et al.*, Case No. S194861, and further modified by Assembly Bill 1484 (collective with AB 26, the “Dissolution Act”), dissolved and set out procedures for the wind-down of all redevelopment agencies throughout the State effective February 1, 2012.

D. The Successor Agency is the successor entity to the former Redevelopment Agency and, pursuant to the Dissolution Act, is responsible for the wind-down of the former Redevelopment Agency, including without limitation the performance and repayment of all enforceable obligations of the former Redevelopment Agency.

E. Health and Safety Code Section 34171(d)(2) provides, with a few exceptions, that “enforceable obligation” does not include any agreements, contracts, or

arrangements between the city, county, or city and county that created the redevelopment agency and the former redevelopment agency.

F. Health and Safety Code Section 34179.7 provides that upon completion of certain requirements and payment of certain amounts as required by Sections 34179.6 and 34183.5, the Department of Finance ("DOF") shall issue, within five business days, a finding of completion of the requirements of Section 34179.6 to the successor agency. Health and Safety Code Section 34191.4 provides in part that, following issuance of a finding of completion by DOF, and upon application by the successor agency and approval by the oversight board, loan agreements entered into between the redevelopment agency and the city, county or city and county that created the redevelopment agency shall be deemed to be enforceable obligations provided that the oversight board makes a finding that the loan was for legitimate redevelopment purposes.

G. In addition to establishing when a loan will be deemed to be an enforceable obligation, Section 34191.4 further establishes certain restrictions and limitations on, among other things, the calculation of interest on the remaining principal amount of the loan, the amounts that can be repaid from time to time under the loan agreement, and requires that twenty percent of any loan repayment shall be deducted from the loan repayment amount and shall be transferred to a Low and Moderate Income Housing Asset Fund.

H. The parties desire to enter into this Amendment in order to ratify the existence and validity of the Loan and the Note, and to acknowledge the limitations and restrictions that will apply to the repayment to the Town of all amounts due and owing the Town by the former Redevelopment Agency under the Note pursuant to the Dissolution Act.

AMENDMENT

NOW, THEREFORE, for good and valuable consideration, including the mutual promises and covenants contained herein, the Parties mutually agree as follows:

1. Purpose. The purpose of this Amendment is (a) to ratify the existence and validity of the Loan, including the Note, and (b) to acknowledge the limitations and restrictions that will apply to the repayment to the Town of all amounts due and owing the Town by the former Redevelopment Agency under the Note pursuant to the Dissolution Act.

2. Loan Amount. The outstanding principal amount owed to the Town under the Note, as of February 1, 2012 (the date of dissolution of the former Redevelopment Agency), is \$840,000.00.

3. Interest. Health and Safety Code Section 34191.4(b)(2) provides that the Loan may be repaid to the Town at an interest rate not to exceed the interest rate

earned by funds deposited in the Local Agency Investment Fund (LAIF). As such, interest shall accrue on the unpaid principal balance outstanding from time to time, at the LAIF rate, as published on the California State Treasurer's web site from time to time, to be calculated from February 1, 2012, until paid in full.

4. Loan was for Legitimate Redevelopment Purposes. The parties acknowledge and agree that the amounts due to the Town under the Note reflect:

a. Amounts due and owing to Town to reimburse Town for costs incurred by Town to provide staff assistance, supplies, technical services and other services and facilities to the Economic Development Fund of the Redevelopment Agency to be used to draft and implement the Redevelopment Plan. Health and Safety Code Section 33127 provides a redevelopment agency with the power to obtain, hire, purchase or rent office space, equipment, supplies, insurance or services in order to carry out its redevelopment activities. Health and Safety Code Section 33133 authorizes a redevelopment agency to accept assistance from any public or private source for the agency's activities, powers and duties. The Redevelopment Agency was established for the purpose of improving, rehabilitating and redeveloping the blighted areas constituting the Redevelopment Project Area pursuant to the adopted Redevelopment Plan, and the Redevelopment Agency entered into the Loan with Town in order to obtain the staffing services, equipment and facilities required to carry out its duties under the Community Redevelopment Law and the Redevelopment Plan.

b. Repayment to Town of amounts loaned to or advanced on behalf of the Redevelopment Agency to further the Redevelopment Agency's redevelopment activities.

5. Conditions Precedent to Repayment. The Parties understand and agree that, pursuant to the Dissolution Act, the Loan and Note will be deemed to be an "enforceable obligation" only after completion of the following actions:

a. The Successor Agency shall have been issued a finding of completion by DOF pursuant to Health and Safety Code Section 34179.7; and

b. The Successor Agency shall have applied for and the Oversight Board shall have approved the Loan, and made a finding that the loan was for legitimate redevelopment purposes.

The Parties acknowledge and agree that DOF has issued a finding of completion to the Successor Agency pursuant to Health and Safety Code Section 34179.7. The Successor Agency and Town shall cooperate in providing any documentation and evidence to the Oversight Board as necessary to obtain from the Oversight Board approval of the Loan, together with a finding that the Loan was for legitimate redevelopment purposes.

6. The Parties acknowledge and agree that the repayment of amounts owing to the Town under the Note shall be subject to the limitations and restrictions set forth in Health and Safety Code Section 34191.4(b). The repayment of the Note each fiscal year shall be equal to the maximum amount allowed under Health and Safety Code Section 34191.4(b).

[Signatures on following page]

IN WITNESS WHEREOF, the Town and Successor Agency have executed this Amendment as of the date first set forth above.

TOWN OF APPLE VALLEY

By: _____
Mayor

ATTEST:

By: _____
Town Clerk

SUCCESSOR AGENCY TO THE APPLE VALLEY REDEVELOPMENT AGENCY

By: _____
Chair

ATTEST:

By: _____
Secretary

**RATIFICATION AND AMENDMENT OF LOAN 2001-03,
EVIDENCED BY PROMISSORY NOTE,
BETWEEN THE TOWN OF APPLE VALLEY AND THE
FORMER APPLE VALLEY REDEVELOPMENT AGENCY**

THIS RATIFICATION AND AMENDMENT OF LOAN 2001-03, EVIDENCED BY PROMISSORY NOTE 2001-03 (this “Amendment”) is entered into this ____ day of _____, 2015, by and between the TOWN OF APPLE VALLEY, a municipal corporation (“Town”), and the SUCCESSOR AGENCY TO THE APPLE VALLEY REDEVELOPMENT AGENCY, a public body, corporate and politic (“Successor Agency”), with reference to the following facts and circumstances.

RECITALS

A. Pursuant to the provisions of the California Community Redevelopment Law (Health and Safety Code Section 33000 et seq.), the Town Council of Town activated the Apple Valley Redevelopment Agency (“Redevelopment Agency”) in 1993 and subsequently adopted the Redevelopment Plan for Redevelopment Project Area No. 2 (the “Redevelopment Plan”).

B. On June 26, 2001, the Town Council, by Resolution No. 2001-39, and the Redevelopment Agency, by Resolution No. 2001-03, approved a Loan from the Town to the Redevelopment Agency, in the amount of six hundred sixty-two thousand three hundred thirty Dollars (\$662,330) (“Loan”) to provide funding to Town’s Redevelopment Agency for the Redevelopment Agency’s Economic Development Fund, which was used by the Redevelopment Agency for redevelopment purposes and specifically costs associated with preparation and implementation of the Redevelopment Plan, and other administrative and operational expenses. The Redevelopment Agency executed a Promissory Note in favor of Town, dated June 26, 2001, in the principal amount of the Loan (the “Note”).

C. Assembly Bill 1X 26 (“AB 26”), enacted as part of the 2011-2012 State of California budget bill, and as modified by the Supreme Court of the State of California in the matter of *California Redevelopment Association, et al. v. Ana Matosantos, et al.*, Case No. S194861, and further modified by Assembly Bill 1484 (collective with AB 26, the “Dissolution Act”), dissolved and set out procedures for the wind-down of all redevelopment agencies throughout the State effective February 1, 2012.

D. The Successor Agency is the successor entity to the former Redevelopment Agency and, pursuant to the Dissolution Act, is responsible for the wind-down of the former Redevelopment Agency, including without limitation the performance and repayment of all enforceable obligations of the former Redevelopment Agency.

E. Health and Safety Code Section 34171(d)(2) provides, with a few exceptions, that “enforceable obligation” does not include any agreements, contracts, or

arrangements between the city, county, or city and county that created the redevelopment agency and the former redevelopment agency.

F. Health and Safety Code Section 34179.7 provides that upon completion of certain requirements and payment of certain amounts as required by Sections 34179.6 and 34183.5, the Department of Finance ("DOF") shall issue, within five business days, a finding of completion of the requirements of Section 34179.6 to the successor agency. Health and Safety Code Section 34191.4 provides in part that, following issuance of a finding of completion by DOF, and upon application by the successor agency and approval by the oversight board, loan agreements entered into between the redevelopment agency and the city, county or city and county that created the redevelopment agency shall be deemed to be enforceable obligations provided that the oversight board makes a finding that the loan was for legitimate redevelopment purposes.

G. In addition to establishing when a loan will be deemed to be an enforceable obligation, Section 34191.4 further establishes certain restrictions and limitations on, among other things, the calculation of interest on the remaining principal amount of the loan, the amounts that can be repaid from time to time under the loan agreement, and requires that twenty percent of any loan repayment shall be deducted from the loan repayment amount and shall be transferred to a Low and Moderate Income Housing Asset Fund.

H. The parties desire to enter into this Amendment in order to ratify the existence and validity of the Loan and the Note, and to acknowledge the limitations and restrictions that will apply to the repayment to the Town of all amounts due and owing the Town by the former Redevelopment Agency under the Note pursuant to the Dissolution Act.

AMENDMENT

NOW, THEREFORE, for good and valuable consideration, including the mutual promises and covenants contained herein, the Parties mutually agree as follows:

1. Purpose. The purpose of this Amendment is (a) to ratify the existence and validity of the Loan, including the Note, and (b) to acknowledge the limitations and restrictions that will apply to the repayment to the Town of all amounts due and owing the Town by the former Redevelopment Agency under the Note pursuant to the Dissolution Act.

2. Loan Amount. The outstanding principal amount owed to the Town under the Note, as of February 1, 2012 (the date of dissolution of the former Redevelopment Agency), is \$662,330.00.

3. Interest. Health and Safety Code Section 34191.4(b)(2) provides that the Loan may be repaid to the Town at an interest rate not to exceed the interest rate

earned by funds deposited in the Local Agency Investment Fund (LAIF). As such, interest shall accrue on the unpaid principal balance outstanding from time to time, at the LAIF rate, as published on the California State Treasurer's web site from time to time, to be calculated from February 1, 2012, until paid in full.

4. Loan was for Legitimate Redevelopment Purposes. The parties acknowledge and agree that the amounts due to the Town under the Note reflect:

a. Amounts due and owing to Town to reimburse Town for costs incurred by Town to provide staff assistance, supplies, technical services and other services and facilities to the Economic Development Fund of the Redevelopment Agency to be used to draft and implement the Redevelopment Plan. Health and Safety Code Section 33127 provides a redevelopment agency with the power to obtain, hire, purchase or rent office space, equipment, supplies, insurance or services in order to carry out its redevelopment activities. Health and Safety Code Section 33133 authorizes a redevelopment agency to accept assistance from any public or private source for the agency's activities, powers and duties. The Redevelopment Agency was established for the purpose of improving, rehabilitating and redeveloping the blighted areas constituting the Redevelopment Project Area pursuant to the adopted Redevelopment Plan, and the Redevelopment Agency entered into the Loan with Town in order to obtain the staffing services, equipment and facilities required to carry out its duties under the Community Redevelopment Law and the Redevelopment Plan.

b. Repayment to Town of amounts loaned to or advanced on behalf of the Redevelopment Agency to further the Redevelopment Agency's redevelopment activities.

5. Conditions Precedent to Repayment. The Parties understand and agree that, pursuant to the Dissolution Act, the Loan and Note will be deemed to be an "enforceable obligation" only after completion of the following actions:

a. The Successor Agency shall have been issued a finding of completion by DOF pursuant to Health and Safety Code Section 34179.7; and

b. The Successor Agency shall have applied for and the Oversight Board shall have approved the Loan, and made a finding that the loan was for legitimate redevelopment purposes.

The Parties acknowledge and agree that DOF has issued a finding of completion to the Successor Agency pursuant to Health and Safety Code Section 34179.7. The Successor Agency and Town shall cooperate in providing any documentation and evidence to the Oversight Board as necessary to obtain from the Oversight Board approval of the Loan, together with a finding that the Loan was for legitimate redevelopment purposes.

6. The Parties acknowledge and agree that the repayment of amounts owing to the Town under the Note shall be subject to the limitations and restrictions set forth in Health and Safety Code Section 34191.4(b). The repayment of the Note each fiscal year shall be equal to the maximum amount allowed under Health and Safety Code Section 34191.4(b).

[Signatures on following page]

IN WITNESS WHEREOF, the Town and Successor Agency have executed this Amendment as of the date first set forth above.

TOWN OF APPLE VALLEY

By: _____
Mayor

ATTEST:

By: _____
Town Clerk

SUCCESSOR AGENCY TO THE APPLE VALLEY REDEVELOPMENT AGENCY

By: _____
Chair

ATTEST:

By: _____
Secretary

**RATIFICATION AND AMENDMENT OF LOAN 2003-33,
EVIDENCED BY PROMISSORY NOTE,
BETWEEN THE TOWN OF APPLE VALLEY AND THE
FORMER APPLE VALLEY REDEVELOPMENT AGENCY**

THIS RATIFICATION AND AMENDMENT OF LOAN 2003-33, EVIDENCED BY PROMISSORY NOTE 2003-33 (this “Amendment”) is entered into this ____ day of _____, 2015, by and between the TOWN OF APPLE VALLEY, a municipal corporation (“Town”), and the SUCCESSOR AGENCY TO THE APPLE VALLEY REDEVELOPMENT AGENCY, a public body, corporate and politic (“Successor Agency”), with reference to the following facts and circumstances.

RECITALS

A. Pursuant to the provisions of the California Community Redevelopment Law (Health and Safety Code Section 33000 et seq.), the Town Council of Town activated the Apple Valley Redevelopment Agency (“Redevelopment Agency”) in 1993 and subsequently adopted the Redevelopment Plan for Redevelopment Project Area No. 2 (the “Redevelopment Plan”).

B. On June 24, 2003, the Town Council, by Resolution No. 2003-33, and the Redevelopment Agency, by Resolution No. 2003-33, approved a Loan from the Town to the Redevelopment Agency, in the amount of two hundred sixteen thousand two hundred nineteen Dollars (\$216,219) (“Loan”) to provide funding to Town’s Redevelopment Agency for the Redevelopment Agency’s Economic Development Fund, which was used by the Redevelopment Agency for redevelopment purposes and specifically costs associated with preparation and implementation of the Redevelopment Plan, and other administrative and operational expenses. The Redevelopment Agency executed a Promissory Note in favor of Town, dated June 24, 2003, in the principal amount of the Loan (the “Note”).

C. Assembly Bill 1X 26 (“AB 26”), enacted as part of the 2011-2012 State of California budget bill, and as modified by the Supreme Court of the State of California in the matter of *California Redevelopment Association, et al. v. Ana Matosantos, et al.*, Case No. S194861, and further modified by Assembly Bill 1484 (collective with AB 26, the “Dissolution Act”), dissolved and set out procedures for the wind-down of all redevelopment agencies throughout the State effective February 1, 2012.

D. The Successor Agency is the successor entity to the former Redevelopment Agency and, pursuant to the Dissolution Act, is responsible for the wind-down of the former Redevelopment Agency, including without limitation the performance and repayment of all enforceable obligations of the former Redevelopment Agency.

E. Health and Safety Code Section 34171(d)(2) provides, with a few exceptions, that “enforceable obligation” does not include any agreements, contracts, or

arrangements between the city, county, or city and county that created the redevelopment agency and the former redevelopment agency.

F. Health and Safety Code Section 34179.7 provides that upon completion of certain requirements and payment of certain amounts as required by Sections 34179.6 and 34183.5, the Department of Finance ("DOF") shall issue, within five business days, a finding of completion of the requirements of Section 34179.6 to the successor agency. Health and Safety Code Section 34191.4 provides in part that, following issuance of a finding of completion by DOF, and upon application by the successor agency and approval by the oversight board, loan agreements entered into between the redevelopment agency and the city, county or city and county that created the redevelopment agency shall be deemed to be enforceable obligations provided that the oversight board makes a finding that the loan was for legitimate redevelopment purposes.

G. In addition to establishing when a loan will be deemed to be an enforceable obligation, Section 34191.4 further establishes certain restrictions and limitations on, among other things, the calculation of interest on the remaining principal amount of the loan, the amounts that can be repaid from time to time under the loan agreement, and requires that twenty percent of any loan repayment shall be deducted from the loan repayment amount and shall be transferred to a Low and Moderate Income Housing Asset Fund.

H. The parties desire to enter into this Amendment in order to ratify the existence and validity of the Loan and the Note, and to acknowledge the limitations and restrictions that will apply to the repayment to the Town of all amounts due and owing the Town by the former Redevelopment Agency under the Note pursuant to the Dissolution Act.

AMENDMENT

NOW, THEREFORE, for good and valuable consideration, including the mutual promises and covenants contained herein, the Parties mutually agree as follows:

1. Purpose. The purpose of this Amendment is (a) to ratify the existence and validity of the Loan, including the Note, and (b) to acknowledge the limitations and restrictions that will apply to the repayment to the Town of all amounts due and owing the Town by the former Redevelopment Agency under the Note pursuant to the Dissolution Act.

2. Loan Amount. The outstanding principal amount owed to the Town under the Note, as of February 1, 2012 (the date of dissolution of the former Redevelopment Agency), is \$216,219.00.

3. Interest. Health and Safety Code Section 34191.4(b)(2) provides that the Loan may be repaid to the Town at an interest rate not to exceed the interest rate

earned by funds deposited in the Local Agency Investment Fund (LAIF). As such, interest shall accrue on the unpaid principal balance outstanding from time to time, at the LAIF rate, as published on the California State Treasurer's web site from time to time, to be calculated from February 1, 2012, until paid in full.

4. Loan was for Legitimate Redevelopment Purposes. The parties acknowledge and agree that the amounts due to the Town under the Note reflect:

a. Amounts due and owing to Town to reimburse Town for costs incurred by Town to provide staff assistance, supplies, technical services and other services and facilities to the Economic Development Fund of the Redevelopment Agency to be used to draft and implement the Redevelopment Plan. Health and Safety Code Section 33127 provides a redevelopment agency with the power to obtain, hire, purchase or rent office space, equipment, supplies, insurance or services in order to carry out its redevelopment activities. Health and Safety Code Section 33133 authorizes a redevelopment agency to accept assistance from any public or private source for the agency's activities, powers and duties. The Redevelopment Agency was established for the purpose of improving, rehabilitating and redeveloping the blighted areas constituting the Redevelopment Project Area pursuant to the adopted Redevelopment Plan, and the Redevelopment Agency entered into the Loan with Town in order to obtain the staffing services, equipment and facilities required to carry out its duties under the Community Redevelopment Law and the Redevelopment Plan.

b. Repayment to Town of amounts loaned to or advanced on behalf of the Redevelopment Agency to further the Redevelopment Agency's redevelopment activities.

5. Conditions Precedent to Repayment. The Parties understand and agree that, pursuant to the Dissolution Act, the Loan and Note will be deemed to be an "enforceable obligation" only after completion of the following actions:

a. The Successor Agency shall have been issued a finding of completion by DOF pursuant to Health and Safety Code Section 34179.7; and

b. The Successor Agency shall have applied for and the Oversight Board shall have approved the Loan, and made a finding that the loan was for legitimate redevelopment purposes.

The Parties acknowledge and agree that DOF has issued a finding of completion to the Successor Agency pursuant to Health and Safety Code Section 34179.7. The Successor Agency and Town shall cooperate in providing any documentation and evidence to the Oversight Board as necessary to obtain from the Oversight Board approval of the Loan, together with a finding that the Loan was for legitimate redevelopment purposes.

6. The Parties acknowledge and agree that the repayment of amounts owing to the Town under the Note shall be subject to the limitations and restrictions set forth in Health and Safety Code Section 34191.4(b). The repayment of the Note each fiscal year shall be equal to the maximum amount allowed under Health and Safety Code Section 34191.4(b).

[Signatures on following page]

IN WITNESS WHEREOF, the Town and Successor Agency have executed this Amendment as of the date first set forth above.

TOWN OF APPLE VALLEY

By: _____
Mayor

ATTEST:

By: _____
Town Clerk

SUCCESSOR AGENCY TO THE APPLE VALLEY REDEVELOPMENT AGENCY

By: _____
Chair

ATTEST:

By: _____
Secretary

**RATIFICATION AND AMENDMENT OF LOAN 2004-02,
EVIDENCED BY PROMISSORY NOTE,
BETWEEN THE TOWN OF APPLE VALLEY AND THE
FORMER APPLE VALLEY REDEVELOPMENT AGENCY**

THIS RATIFICATION AND AMENDMENT OF LOAN 2004-02, EVIDENCED BY PROMISSORY NOTE 2004-02 (this “Amendment”) is entered into this ____ day of _____, 2015, by and between the TOWN OF APPLE VALLEY, a municipal corporation (“Town”), and the SUCCESSOR AGENCY TO THE APPLE VALLEY REDEVELOPMENT AGENCY, a public body, corporate and politic (“Successor Agency”), with reference to the following facts and circumstances.

RECITALS

A. Pursuant to the provisions of the California Community Redevelopment Law (Health and Safety Code Section 33000 et seq.), the Town Council of Town activated the Apple Valley Redevelopment Agency (“Redevelopment Agency”) in 1993 and subsequently adopted the Redevelopment Plan for Redevelopment Project Area No. 2 (the “Redevelopment Plan”).

B. On June 22, 2004, the Town Council, by Resolution No. 2004-36, and the Redevelopment Agency, by Resolution No. 2004-02, approved a Loan from the Town to the Redevelopment Agency, in the amount of two hundred forty-seven thousand eight hundred thirteen Dollars (\$247,813) (“Loan”) to provide funding to Town’s Redevelopment Agency for the Redevelopment Agency’s Economic Development Fund, which was used by the Redevelopment Agency for redevelopment purposes and specifically costs associated with preparation and implementation of the Redevelopment Plan, and other administrative and operational expenses. The Redevelopment Agency executed a Promissory Note in favor of Town, dated June 22, 2004, in the principal amount of the Loan (the “Note”).

C. Assembly Bill 1X 26 (“AB 26”), enacted as part of the 2011-2012 State of California budget bill, and as modified by the Supreme Court of the State of California in the matter of *California Redevelopment Association, et al. v. Ana Matosantos, et al.*, Case No. S194861, and further modified by Assembly Bill 1484 (collective with AB 26, the “Dissolution Act”), dissolved and set out procedures for the wind-down of all redevelopment agencies throughout the State effective February 1, 2012.

D. The Successor Agency is the successor entity to the former Redevelopment Agency and, pursuant to the Dissolution Act, is responsible for the wind-down of the former Redevelopment Agency, including without limitation the performance and repayment of all enforceable obligations of the former Redevelopment Agency.

E. Health and Safety Code Section 34171(d)(2) provides, with a few exceptions, that “enforceable obligation” does not include any agreements, contracts, or

arrangements between the city, county, or city and county that created the redevelopment agency and the former redevelopment agency.

F. Health and Safety Code Section 34179.7 provides that upon completion of certain requirements and payment of certain amounts as required by Sections 34179.6 and 34183.5, the Department of Finance ("DOF") shall issue, within five business days, a finding of completion of the requirements of Section 34179.6 to the successor agency. Health and Safety Code Section 34191.4 provides in part that, following issuance of a finding of completion by DOF, and upon application by the successor agency and approval by the oversight board, loan agreements entered into between the redevelopment agency and the city, county or city and county that created the redevelopment agency shall be deemed to be enforceable obligations provided that the oversight board makes a finding that the loan was for legitimate redevelopment purposes.

G. In addition to establishing when a loan will be deemed to be an enforceable obligation, Section 34191.4 further establishes certain restrictions and limitations on, among other things, the calculation of interest on the remaining principal amount of the loan, the amounts that can be repaid from time to time under the loan agreement, and requires that twenty percent of any loan repayment shall be deducted from the loan repayment amount and shall be transferred to a Low and Moderate Income Housing Asset Fund.

H. The parties desire to enter into this Amendment in order to ratify the existence and validity of the Loan and the Note, and to acknowledge the limitations and restrictions that will apply to the repayment to the Town of all amounts due and owing the Town by the former Redevelopment Agency under the Note pursuant to the Dissolution Act.

AMENDMENT

NOW, THEREFORE, for good and valuable consideration, including the mutual promises and covenants contained herein, the Parties mutually agree as follows:

1. Purpose. The purpose of this Amendment is (a) to ratify the existence and validity of the Loan, including the Note, and (b) to acknowledge the limitations and restrictions that will apply to the repayment to the Town of all amounts due and owing the Town by the former Redevelopment Agency under the Note pursuant to the Dissolution Act.

2. Loan Amount. The outstanding principal amount owed to the Town under the Note, as of February 1, 2012 (the date of dissolution of the former Redevelopment Agency), is \$247,813.00.

3. Interest. Health and Safety Code Section 34191.4(b)(2) provides that the Loan may be repaid to the Town at an interest rate not to exceed the interest rate

earned by funds deposited in the Local Agency Investment Fund (LAIF). As such, interest shall accrue on the unpaid principal balance outstanding from time to time, at the LAIF rate, as published on the California State Treasurer's web site from time to time, to be calculated from February 1, 2012, until paid in full.

4. Loan was for Legitimate Redevelopment Purposes. The parties acknowledge and agree that the amounts due to the Town under the Note reflect:

a. Amounts due and owing to Town to reimburse Town for costs incurred by Town to provide staff assistance, supplies, technical services and other services and facilities to the Economic Development Fund of the Redevelopment Agency to be used to draft and implement the Redevelopment Plan. Health and Safety Code Section 33127 provides a redevelopment agency with the power to obtain, hire, purchase or rent office space, equipment, supplies, insurance or services in order to carry out its redevelopment activities. Health and Safety Code Section 33133 authorizes a redevelopment agency to accept assistance from any public or private source for the agency's activities, powers and duties. The Redevelopment Agency was established for the purpose of improving, rehabilitating and redeveloping the blighted areas constituting the Redevelopment Project Area pursuant to the adopted Redevelopment Plan, and the Redevelopment Agency entered into the Loan with Town in order to obtain the staffing services, equipment and facilities required to carry out its duties under the Community Redevelopment Law and the Redevelopment Plan.

b. Repayment to Town of amounts loaned to or advanced on behalf of the Redevelopment Agency to further the Redevelopment Agency's redevelopment activities.

5. Conditions Precedent to Repayment. The Parties understand and agree that, pursuant to the Dissolution Act, the Loan and Note will be deemed to be an "enforceable obligation" only after completion of the following actions:

a. The Successor Agency shall have been issued a finding of completion by DOF pursuant to Health and Safety Code Section 34179.7; and

b. The Successor Agency shall have applied for and the Oversight Board shall have approved the Loan, and made a finding that the loan was for legitimate redevelopment purposes.

The Parties acknowledge and agree that DOF has issued a finding of completion to the Successor Agency pursuant to Health and Safety Code Section 34179.7. The Successor Agency and Town shall cooperate in providing any documentation and evidence to the Oversight Board as necessary to obtain from the Oversight Board approval of the Loan, together with a finding that the Loan was for legitimate redevelopment purposes.

6. The Parties acknowledge and agree that the repayment of amounts owing to the Town under the Note shall be subject to the limitations and restrictions set forth in Health and Safety Code Section 34191.4(b). The repayment of the Note each fiscal year shall be equal to the maximum amount allowed under Health and Safety Code Section 34191.4(b).

[Signatures on following page]

IN WITNESS WHEREOF, the Town and Successor Agency have executed this Amendment as of the date first set forth above.

TOWN OF APPLE VALLEY

By: _____
Mayor

ATTEST:

By: _____
Town Clerk

SUCCESSOR AGENCY TO THE APPLE VALLEY REDEVELOPMENT AGENCY

By: _____
Chair

ATTEST:

By: _____
Secretary

**RATIFICATION AND AMENDMENT OF LOAN 2006-03,
EVIDENCED BY PROMISSORY NOTE,
BETWEEN THE TOWN OF APPLE VALLEY AND THE
FORMER APPLE VALLEY REDEVELOPMENT AGENCY**

THIS RATIFICATION AND AMENDMENT OF LOAN 2006-03, EVIDENCED BY PROMISSORY NOTE 2006-03 (this "Amendment") is entered into this ____ day of _____, 2015, by and between the TOWN OF APPLE VALLEY, a municipal corporation ("Town"), and the SUCCESSOR AGENCY TO THE APPLE VALLEY REDEVELOPMENT AGENCY, a public body, corporate and politic ("Successor Agency"), with reference to the following facts and circumstances.

RECITALS

A. Pursuant to the provisions of the California Community Redevelopment Law (Health and Safety Code Section 33000 et seq.), the Town Council of Town activated the Apple Valley Redevelopment Agency ("Redevelopment Agency") in 1993 and subsequently adopted the Redevelopment Plan for Redevelopment Project Area No. 2 (the "Redevelopment Plan").

B. On Sept. 26, 2006, the Town Council, by Resolution No. 2006-79, and the Redevelopment Agency, by Resolution No. 2006-03, approved a Loan from the Town to the Redevelopment Agency, in the amount of nine million eight hundred twenty-two thousand eight hundred forty-three Dollars (\$9,822,843) ("Loan") to provide funding to Town's Redevelopment Agency for the Redevelopment Agency's Economic Development Fund, which was used by the Redevelopment Agency for redevelopment purposes and specifically costs associated with preparation and implementation of the Redevelopment Plan, and other administrative and operational expenses. The Redevelopment Agency executed a Promissory Note in favor of Town, dated Sept. 26, 2006, in the principal amount of the Loan (the "Note").

C. Assembly Bill 1X 26 ("AB 26"), enacted as part of the 2011-2012 State of California budget bill, and as modified by the Supreme Court of the State of California in the matter of *California Redevelopment Association, et al. v. Ana Matosantos, et al.*, Case No. S194861, and further modified by Assembly Bill 1484 (collective with AB 26, the "Dissolution Act"), dissolved and set out procedures for the wind-down of all redevelopment agencies throughout the State effective February 1, 2012.

D. The Successor Agency is the successor entity to the former Redevelopment Agency and, pursuant to the Dissolution Act, is responsible for the wind-down of the former Redevelopment Agency, including without limitation the performance and repayment of all enforceable obligations of the former Redevelopment Agency.

E. Health and Safety Code Section 34171(d)(2) provides, with a few exceptions, that "enforceable obligation" does not include any agreements, contracts, or

arrangements between the city, county, or city and county that created the redevelopment agency and the former redevelopment agency.

F. Health and Safety Code Section 34179.7 provides that upon completion of certain requirements and payment of certain amounts as required by Sections 34179.6 and 34183.5, the Department of Finance ("DOF") shall issue, within five business days, a finding of completion of the requirements of Section 34179.6 to the successor agency. Health and Safety Code Section 34191.4 provides in part that, following issuance of a finding of completion by DOF, and upon application by the successor agency and approval by the oversight board, loan agreements entered into between the redevelopment agency and the city, county or city and county that created the redevelopment agency shall be deemed to be enforceable obligations provided that the oversight board makes a finding that the loan was for legitimate redevelopment purposes.

G. In addition to establishing when a loan will be deemed to be an enforceable obligation, Section 34191.4 further establishes certain restrictions and limitations on, among other things, the calculation of interest on the remaining principal amount of the loan, the amounts that can be repaid from time to time under the loan agreement, and requires that twenty percent of any loan repayment shall be deducted from the loan repayment amount and shall be transferred to a Low and Moderate Income Housing Asset Fund.

H. The parties desire to enter into this Amendment in order to ratify the existence and validity of the Loan and the Note, and to acknowledge the limitations and restrictions that will apply to the repayment to the Town of all amounts due and owing the Town by the former Redevelopment Agency under the Note pursuant to the Dissolution Act.

AMENDMENT

NOW, THEREFORE, for good and valuable consideration, including the mutual promises and covenants contained herein, the Parties mutually agree as follows:

1. Purpose. The purpose of this Amendment is (a) to ratify the existence and validity of the Loan, including the Note, and (b) to acknowledge the limitations and restrictions that will apply to the repayment to the Town of all amounts due and owing the Town by the former Redevelopment Agency under the Note pursuant to the Dissolution Act.

2. Loan Amount. The outstanding principal amount owed to the Town under the Note, as of February 1, 2012 (the date of dissolution of the former Redevelopment Agency), is \$9,822,843.00.

3. Interest. Health and Safety Code Section 34191.4(b)(2) provides that the Loan may be repaid to the Town at an interest rate not to exceed the interest rate

earned by funds deposited in the Local Agency Investment Fund (LAIF). As such, interest shall accrue on the unpaid principal balance outstanding from time to time, at the LAIF rate, as published on the California State Treasurer's web site from time to time, to be calculated from February 1, 2012, until paid in full.

4. Loan was for Legitimate Redevelopment Purposes. The parties acknowledge and agree that the amounts due to the Town under the Note reflect:

a. Amounts due and owing to Town to reimburse Town for costs incurred by Town to provide staff assistance, supplies, technical services and other services and facilities to the Economic Development Fund of the Redevelopment Agency to be used to draft and implement the Redevelopment Plan. Health and Safety Code Section 33127 provides a redevelopment agency with the power to obtain, hire, purchase or rent office space, equipment, supplies, insurance or services in order to carry out its redevelopment activities. Health and Safety Code Section 33133 authorizes a redevelopment agency to accept assistance from any public or private source for the agency's activities, powers and duties. The Redevelopment Agency was established for the purpose of improving, rehabilitating and redeveloping the blighted areas constituting the Redevelopment Project Area pursuant to the adopted Redevelopment Plan, and the Redevelopment Agency entered into the Loan with Town in order to obtain the staffing services, equipment and facilities required to carry out its duties under the Community Redevelopment Law and the Redevelopment Plan.

b. Repayment to Town of amounts loaned to or advanced on behalf of the Redevelopment Agency to further the Redevelopment Agency's redevelopment activities.

5. Conditions Precedent to Repayment. The Parties understand and agree that, pursuant to the Dissolution Act, the Loan and Note will be deemed to be an "enforceable obligation" only after completion of the following actions:

a. The Successor Agency shall have been issued a finding of completion by DOF pursuant to Health and Safety Code Section 34179.7; and

b. The Successor Agency shall have applied for and the Oversight Board shall have approved the Loan, and made a finding that the loan was for legitimate redevelopment purposes.

The Parties acknowledge and agree that DOF has issued a finding of completion to the Successor Agency pursuant to Health and Safety Code Section 34179.7. The Successor Agency and Town shall cooperate in providing any documentation and evidence to the Oversight Board as necessary to obtain from the Oversight Board approval of the Loan, together with a finding that the Loan was for legitimate redevelopment purposes.

6. The Parties acknowledge and agree that the repayment of amounts owing to the Town under the Note shall be subject to the limitations and restrictions set forth in Health and Safety Code Section 34191.4(b). The repayment of the Note each fiscal year shall be equal to the maximum amount allowed under Health and Safety Code Section 34191.4(b).

[Signatures on following page]

IN WITNESS WHEREOF, the Town and Successor Agency have executed this Amendment as of the date first set forth above.

TOWN OF APPLE VALLEY

By: _____
Mayor

ATTEST:

By: _____
Town Clerk

SUCCESSOR AGENCY TO THE APPLE VALLEY REDEVELOPMENT AGENCY

By: _____
Chair

ATTEST:

By: _____
Secretary