



## **AGENDA SPECIAL MEETING**

### **Redevelopment Successor Agency Oversight Board**

Board Chambers, Chowchilla City Hall  
130 S. Second Street, Chowchilla, CA 93610

**November 19, 2015**

**10:00 a.m.**

#### **CALL TO ORDER:**

#### **ROLL CALL**

Board Chair: Manfredi

Vice Chair: Haworth

Board Members: Allison, Farinelli, Green, Cox

City staff and contract employees present at the meeting will be noted in the minutes

#### **PUBLIC ADDRESS**

This time is reserved for members of the audience to address the Agency Board on items of interest that are not on the Agenda and that are within the subject matter jurisdiction of the Agency Board.

It is recommended that speakers limit their comments to no more than 3 minutes each and it is requested that no comments be made during this period on items on the Agenda. Members of the public wishing to address the Agency Board on items on the Agenda should notify the Chairman when that Agenda item is called.

The Agency Board is prohibited by law from taking any action on matters discussed that are not on the Agenda. No adverse conclusions should be drawn if the Agency Board does not respond to public comment at this time.

Speakers are asked to please use the microphone, and provide their name for the record. Prior to addressing the Agency Board, any handouts are to be provided to Board Clerk who will distribute them to the Agency Board and the appropriate staff.

#### **BOARD AND STAFF REPORTS – Section 1**

##### **1.1 BOARD REPORTS**

Legislative Items

Oral / Written Reports

##### **1.2 STAFF REPORTS**

Written/Oral Reports

#### **CONSENT CALENDAR – Section 2**

All items listed under Consent Calendar are considered to be routine and will be enacted by one motion. For discussion of any Consent Item, it will be made a part of the Regular Agenda at the request of any member of the Agency Board or any person in the audience.

**2.1 Approval of the September 10, 2015 Special Redevelopment Successor Agency Oversight Board Meeting Minutes (McClendon)****PUBLIC HEARINGS – Section 3**

None

**DEFERRED BUSINESS – Section 4**

None

**NEW BUSINESS – Section 5**

- 5.1 Agency Resolution # -15, Authorizing the Board Chair to Execute the Revised Settlement Agreement Between Greenhills Holdings and the City of Chowchilla, and the Chowchilla Successor Agency, Thereby Resolving the Litigation in Case Number MCV-058019 (Pruett)**
- 5.2 Agency Resolution # -15, Approving the Amendment to the Loan Repayment Agreement between the City of Chowchilla and the City of Chowchilla Successor Agency for Advanced Funding from the General Fund to the Successor Agency to meet Debt Obligations due to Redevelopment Property Tax Trust Fund Shortfall (RPTTF) (Pruett)**

**ANNOUNCEMENTS – Section 6**

December 22 Redevelopment Successor Agency Oversight Board Meeting

**ADJOURNMENT****PUBLIC NOTIFICATION**

I, Joann McClendon, CMC, Board Clerk, do hereby declare under penalty of perjury that the foregoing agenda was posted at the Chowchilla City Hall, 130 S Second Street, Chowchilla, CA and made available for public review on this 12th day of November 2015 at or before 5:00 p.m.

\_\_\_\_\_  
Joann McClendon, CMC  
Board Clerk



**MINUTES  
SPECIAL MEETING**

**Redevelopment Successor Agency Oversight Board**

Board Chambers, Chowchilla City Hall  
130 S. Second Street, Chowchilla, CA 93610

**September 10, 2015**

**9:00 a.m.**

**CALL TO ORDER:**

**ROLL CALL**

Board Chair: Manfredi  
Vice Chair: Haworth  
Board Members: Allison, Farinelli, Green, Cox

City staff and contract employees present: City Administrator Haddix, Finance Director Rod Pruett, City Engineer/Public Works Director Craig Locke, Board Clerk Joann McClendon.

**PUBLIC ADDRESS**

None.

**BOARD AND STAFF REPORTS – Section 1**

- 1.1 BOARD REPORTS**
  - Legislative Items
  - Oral / Written Reports
- 1.2 STAFF REPORTS**
  - Written/Oral Reports

**CONSENT CALENDAR – Section 2**

- 2.1 Approval of the May 14, 2015 Special Redevelopment Successor Agency Oversight Board Meeting Minutes (McClendon)**

Motion by Board Member Cox, seconded by Vice Chair Haworth to approve the May 14, 2015 Special Redevelopment Successor Agency Oversight Board Meeting Minutes as amended. Motion passed unanimously by voice vote.

**PUBLIC HEARINGS – Section 3**

None

**DEFERRED BUSINESS – Section 4**

None

**NEW BUSINESS – Section 5****5.1 Agency Resolution # 04-15, Authorizing the Board Chair to Execute the Revised Settlement Agreement Between Greenhills Holdings and the City of Chowchilla, and the Chowchilla Successor Agency, Thereby Resolving the Litigation in Case Number MCV-058019 (Locke)**

Motion by Vice Chair Haworth, seconded by Board Member Green to approve Agency Resolution # 04-15, Authorizing the Board Chair to Execute the Revised Settlement Agreement Between Greenhills Holdings and the City of Chowchilla, and the Chowchilla Successor Agency, Thereby Resolving the Litigation in Case Number MCV-058019. Motion passed by voice vote with Board Member Farinelli abstaining.

**5.2 Agency Resolution # 05-15, Approving Recognized Obligation Payment Schedule 15-16B for the Period from January 1 – June 30, 2016 for the Successor Agency of the Chowchilla Redevelopment Agency (Pruett)**

Motion by Board Member Farinelli, seconded by Board Member Allison to approve Agency Resolution # 05-15, Approving Recognized Obligation Payment Schedule 15-16B for the Period From January 1 – June 30, 2016 for the Successor Agency of the Chowchilla Redevelopment Agency. Motion passed by voice vote.

**5.3 Agency Resolution # 06-15, Approving the Revised Long-Range Property Management Plan Pursuant to Health and Safety Code Section 34191.5 (Locke)**

Motion by Board Member Cox, seconded by Vice Chair Haworth to Approve Agency Resolution # 06-15, Approving the Revised Long-Range Property Management Plan Pursuant to Health and Safety Code Section 34191.5. Motion passed by voice vote.

**ANNOUNCEMENTS – Section 6**

October 22 Redevelopment Successor Agency Oversight Board Meeting

**ADJOURNMENT**

Motion to Adjourn the September 10, 2015 Special Redevelopment Successor Agency Oversight Board Meeting of the City of Chowchilla at 9:37 am. Motion passed by voice vote.

ATTEST:

APPROVED:

\_\_\_\_\_  
Joann McClendon, Board Clerk

\_\_\_\_\_  
Stell Manfredi, Board Chair



## REPORT TO THE AGENCY OVERSIGHT BOARD

Special Meeting of November 19, 2015

**Agenda Section:** New Business

**SUBJECT:** **Adopt a Revised Resolution Approving a Revised Form of Settlement of Case, and Authorizing the City Administrator to Execute the Revised Settlement Agreement with Greenhills Holdings, and Take all Such Further Actions Required to Implement the Long Range Property Management Plan**

**Revised By:** Sherri Dueker, Accounting Manager

**Prepared By:** Craig Locke, City Engineer / Director of Public Works

**Approved By:** Brian Haddix, City Administrator

### **RECOMMENDATION:**

Adopt a Resolution authorizing the City Administrator to execute a Revised Form of Settlement Agreement between the City and Successor Agency on the one hand, and Greenhills Holdings on the other, thus resolving litigation in case number MCV058019.

### **HISTORY / BACKGROUND:**

On or about October 26, 2011, Greenhills Holdings, LLP filed an action in the Madera County Superior Court against the City of Chowchilla, individually and in its capacity as Successor Agency to the former Chowchilla Redevelopment Agency.

The parties to that action have engaged in extensive settlement negotiations to attempt to settle the Action. And propose to settle it based on the following terms:

1. The Successor Agency shall convey to Plaintiff the 6.73 acres of real property subject to the purchase agreement of July 17, 2009 (herein referred to as the "Property") by deeding clear title to that land to Plaintiff free of any liens, encumbrances, or other clouds on title (hereinafter sometimes referred to as the "Property Transfer").
2. The Successor Agency shall grant easements of ingress and egress, including for commercial and industrial vehicles over the street East Palm Parkway (to be constructed), adjacent to the Property and to the real property previously purchased by the Chowchilla Redevelopment Agency from Plaintiff.
3. If Parcel Number 02-250-62 is subdivided, Plaintiff shall, at its expense, construct the streets that are adjacent to the real property, identified above, to finished street standards. The City of Chowchilla shall waive any fees and other permit requirements and costs and expenses related to that street construction after City approval of subdivision map. Should Parcel Number 02-250-62 be subdivided, Plaintiff shall construct the road.
4. If the proposed terms of the revised settlement are approved by the City Council, the Settlement offer shall be presented to the Oversight Board of the Successor Agency to the former Chowchilla Redevelopment Agency. The City shall then take whatever further steps are necessary in order to obtain final authorization or approval of the Property Transfer from the State of California Department of Finance and/or State Controller.
5. Each party to the action would bear its own attorneys' fees, costs, and expenses.

6. Neither party to the action would admit fault, wrongdoing, or the allegations of any complaint, cross-complaint, answer, or affirmative defenses.

The Revised Settlement Agreement is true to these terms, but allows an option for a more expeditious approval by the Department of Finance (DOF) of the Successor Agency's Long Range Property management Plan (LRPMP). This facilitates the timely liquidation of all Agency real estate holdings not transferred for government use. In addition, the taxing entities benefit further with a more efficient and quick solution to the lawsuit between the City of Chowchilla, Successor Agency and the Greenhills Partners, LLC and thereby allow the completion and dissolution of the Successor Agency.

The first change is to create the option to monetize the 6.73 acres and convert a property transfer into a transfer of funds, now listed as an Enforceable Obligation on the Successor Agency's Recognized Obligation of Payment schedule. This simplifies LRPMP implementation by eliminating the need for the creation of parcels and subdividing the 26.5 acre parcel 02-250-053. Rather than hire consultants to create the stipulated lots, a cash payment will be made to Greenhills upon the sale of the parcel.

The cash of the payment is based on the price of the land which created the original debt secured by the land; \$1.00 per square foot. The debt of 6.73 acres at \$1.00 per square foot is \$293,159. The City will reduce this amount through a lot line adjustment off parcel 02-250-064, transferring an unnecessary Right Of Way to Greenhills. This transfers 0.53± acres to Greenhills, reducing the cash payment by \$23,087± to \$270,072±. The Revised Agreement further requires Greenhills to purchase from the City the 0.20± acre parcel 02-250-066 at \$1.00 per square foot, a sum of \$8,700±.

The form of the Revised Settlement has been approved by the City Council and Successor Agency on September 8, 2015. Once the DOF approves the ROPs and LRPMP, the Successor Agency is enabled to sell the parcel and eliminate the liability with the proceeds of the sale. The remaining funds will be used to retire enforceable obligations and any remainder beyond that will be distributed amongst the taxing entities.

**FINANCIAL IMPACT:**

The previous Settlement Agreement and Release of Claims would result in the Successor Agency transferring real property to Plaintiff, the Revised Settlement Agreement provides the Successor Agency with the option of settling the claim monetarily with Successor Agency proceeds at the cost basis with which the liability was incurred.

**ATTACHMENTS:**

Resolution  
First Amendment to Settlement Agreement

## **SUCCESSOR AGENCY OVERSIGHT BOARD RESOLUTION # -15**

### **RESOLUTION OF THE SUCCESSOR AGENCY OVERSIGHT BOARD OF THE CITY OF CHOWCHILLA AUTHORIZING THE CITY ADMINISTRATOR TO EXECUTE THE REVISED SETTLEMENT AGREEMENT BETWEEN GREENHILLS HOLDINGS AND THE CITY OF CHOWCHILLA, AND THE CHOWCHILLA SUCCESSOR AGENCY, THEREBY RESOLVING THE LITIGATION IN CASE NUMBER MCV058019**

**WHEREAS**, on October 26, 2011, Greenhills Holdings, LLP (hereinafter sometimes referred to as "Plaintiff") filed an action in the Superior Court of the State of California, County of Madera, entitled, Greenhills Holdings v. City of Chowchilla, et al., Madera County Superior Court Case No. MCV058019 (hereinafter referred to as the "Action").

**WHEREAS**, Plaintiff and Defendants in the Action, the City of Chowchilla, individually and in its capacity as Successor Agency to the former Chowchilla Redevelopment Agency, have engaged in extensive settlement negotiations to attempt to settle the Action.

**NOW THEREFORE, THE REDEVELOPMENT SUCCESSOR AGENCY OVERSIGHT BOARD OF THE CITY OF CHOWCHILLA** does hereby resolve, find and order as follows:

1. The above recitals are true and correct.
2. The City Administrator is authorized to execute a settlement agreement resolving the litigation on the following terms and conditions:
3. The Successor Agency shall convey to Plaintiff a funds and property equal in value to that 6.73 acres of real property subject to the purchase agreement of July 17, 2009 (herein referred to as the "Property").
4. The Successor Agency shall grant easements of ingress and egress, including for commercial and industrial vehicles over the street East Palm Parkway (to be constructed), adjacent to the Property and to the real property previously purchased by the Chowchilla Redevelopment Agency from Plaintiff.
5. If Parcel Number 02-250-62 is subdivided, Plaintiff shall, at its expense, construct the streets that are adjacent to the real property, identified above, to finished street standards. The City of Chowchilla shall waive any fees and other permit requirements and costs and expenses related to that street construction after City approval of subdivision map. Should Parcel Number 02-250-62 be subdivided, Plaintiff shall construct the road.
6. This Proposed Revised Settlement shall be presented to the Oversight Board of the Successor Agency to the former Chowchilla Redevelopment Agency. The Successor Agency shall then take whatever further steps are necessary in order to obtain final authorization or approval of the Property Transfer from the State of California Department of Finance and/or State Controller.
7. Each party to the Action shall bear its own attorneys' fees, costs, and expenses.
8. Neither party to the action admits fault, wrongdoing, or the allegations of any complaint, cross-complaint, answer, or affirmative defenses.

9. This revised Settlement achieves a compromise that is in the best interest of all parties and shall not be interpreted as an admission of any kind on the part of, or in any way to the prejudice of, either party, Plaintiff Greenhills Holdings, LLP or the City of Chowchilla.
10. Counsel for Plaintiffs and Defendants shall prepare a mutually-agreeable revised settlement agreement containing the applicable terms above and other standard terms of such agreements, with the Mayor executing the agreement on behalf of the City, and such agreements shall include Plaintiff's agreement to dismiss the Action with prejudice.
11. The Successor Agency Oversight Board finds the Amendment to the Greenhills Settlement Agreement meets H&S Code Section 34181(e) requirements because the renegotiated terms of the settlement agreement provides a greater opportunity for the Successor Entity to reduce its liabilities and potentially increase revenues by expediting the dissolution of the Successor Agency thereby reducing administrative and carrying costs.

\* \* \* \* \*

**PASSED AND ADOPTED** by the Redevelopment Successor Agency Oversight Board of the City of Chowchilla, California, at a special meeting held on the 19th day of November, 2015 by the following vote to wit:

**AYES:**

**NOES:**

**ABSENT:**

**ABSTAIN:**

APPROVED:

\_\_\_\_\_  
Stell Manfredi, Board Chair

ATTEST:

\_\_\_\_\_  
Joann McClendon  
Board Clerk



## REPORT TO THE AGENCY OVERSIGHT BOARD

Special Meeting of November 19, 2015

**Agenda Section:** New Business

**SUBJECT:** **Adopt Resolution Approving the Amendment to the Loan Repayment Agreement between the City of Chowchilla and the City of Chowchilla Successor Agency for Advanced Funding from the General Fund to the Successor Agency to meet Debt Obligations due to Redevelopment Property Tax Trust Fund Shortfall (RPTTF)**

**Prepared By:** Sherri Dueker, Accounting Manager

**Authorized By:** Rod Pruett, Finance Director

**Approved By:** Brian Haddix, Executive Director

### **RECOMMENDATION:**

Adopt the resolution for Amendment to the Loan Agreement, approved on May 14, 2015, to increase loan amount reimbursing the General Fund from Successor Agency due to RPTTF shortfall.

### **HISTORY / BACKGROUND:**

The Successor Agency has experienced RPTTF (Redevelopment Property Tax Trust Fund) shortfalls for ROPS periods 13/14A (7/1 thru 12/31/2013), 13/14B 1/1 thru 6/30/2014, 14/15A 7/1 thru 12/31/2014, which left the Successor Agency unable to meet DOF approved debt obligations. These shortfalls are caused by the difference of RPTTF received by Madera County and what is approved by the DOF. In each of these ROPS periods there was a lack of adequate resources from RPTTF to cover the expenses generated and required the General Fund to fund the difference. The loan repayment request has been submitted and approved, in the 15/16A ROPS, by the Oversight Board in the February 26, 2015 meeting. The amount requested is \$332,233 and is shown in the attached Loan Repayment Agreement, (Attachment A). The Successor Agency again experienced an RPTTF shortfall in the ROPS period 14/15B, in the amount of \$25,159. This increases the total loan repayment amount to \$357,392. It is required by DOF, the City of Chowchilla submit Amendments to original Loan Agreement in order to increase the loan repayment obligation for each period there is a shortfall. The City is increasing the loan amount for the shortfall that occurred in ROPS period 15/16B.

### **FINANCIAL IMPACT:**

None

### **SPECIAL INSTRUCTIONS:**

Approve, Amended Loan Agreement to be forwarded to Department of Finance and County Auditor Controller.

**ATTACHMENTS:**

Amendment to Loan Agreement

Resolution

Original Approved Loan Repayment Agreement, dated May 14<sup>th</sup> 2015 (Attachment A)

## AMENDMENT TO LOAN AGREEMENT

(Between City of Chowchilla and Successor Agency)

This Amendment to Loan Repayment Agreement (“Agreement”) is entered into as of November 11, 2015, by and between the City of Chowchilla, a municipal corporation (“City”) and the Chowchilla Successor Agency, a separate legal entity (“Successor Agency”), in its capacity as the successor in interest to the Redevelopment Agency of the City of Chowchilla (the “Dissolved RDA”) pursuant to Health and Safety Code Section 34173.

### RECITALS

A. The City and the Successor Agency entered into that certain Loan Agreement dated as of May 14, 2015 pursuant to which the City agreed to lend, and the Successor Agency agreed to borrow, a loan in the amount Three Hundred Thirty-Two Thousand Two Hundred Thirty-Three Dollars (\$332,233). Terms used, but not defined, in this First Amendment shall have the meaning set forth in the Agreement.

B. The City and the Successor Agency desire to enter into this First Amendment to amend the Agreement to increase the principal amount of the Loan by Twenty Five Thousand One Hundred Fifty-Nine Dollars (\$25,159) to bring total loan amount to Three Hundred Fifty-Seven Thousand Three Hundred Ninety-Two Dollars (\$357,392). Terms used, but not defined, in this First Amendment shall have the meaning set forth in the Loan Agreement.

### ARTICLE 1. AMENDMENT TO LOAN

Section 1. Increase in Loan Amount. The amount of the Loan is hereby increased by Twenty Five Thousand One Hundred Fifty-Nine Dollars (\$25,159) total loan in the amount of Three Hundred Fifty-Seven Thousand Three Hundred Ninety-Two Dollars (\$357,392). Notwithstanding any provision of the Loan Documents to the contrary, all references to the Loan shall be deemed to mean the amount of Three Hundred Fifty-Seven Thousand Three Hundred Ninety-Two Dollars (\$357,392).

Section 2. Repayment of Loan. Notwithstanding any provision of the Loan Documents to the contrary, the Successor Agency shall repay the Loan in accordance with the Amended Agreement.

Section 3. No Other Changes to the Agreement. Except as expressly modified by this First Amendment, all other provisions of the Agreement are unmodified and continue in full force and effect.

Section 3. Conflicts with the Agreement. In the event of any conflict between this Amendment and the Agreement, the provisions of this Amendment shall prevail

IN WITNESS WHEREOF, the City and the Successor Agency have caused this Amendment to be executed as of the Effective Date.

CITY OF CHOWCHILLA, a municipal corporation

By: \_\_\_\_\_  
Brian Haddix, City Administrator

Date: \_\_\_\_\_

CHOWCHILLA SUCCESSOR AGENCY, a separate legal entity

By: \_\_\_\_\_  
Brian Haddix, Executive Director

Date: \_\_\_\_\_

**REDEVELOPMENT SUCCESSOR AGENCY OVERSIGHT BOARD RESOLUTION # -15**

**A RESOLUTION OF THE REDEVELOPMENT SUCCESSOR AGENCY OVERSIGHT BOARD OF THE CITY OF CHOWCHILLA, CALIFORNIA, AFFIRMING THE AMENDMENT TO THE LOAN REPAYMENT AGREEMENT FOR REIMBURSEMENT TO GENERAL FUND**

**WHEREAS**, the City of Chowchilla designated itself to be the Successor Agency of the Chowchilla Redevelopment Agency in accordance with AB x1 26; and

**WHEREAS**, the legislation enacted under AB x1 26 requires the Successor Agency to adopt an Amendment to the Loan Repayment Agreement to reimburse City of Chowchilla's General Fund for advancement of funding resources to meet Successor Agency Debt Obligation; and

**WHEREAS**, the Successor Agency of the Chowchilla Redevelopment Agency has approved the proposed Amendment to the Loan Repayment Agreement.

**WHEREAS**, The City of Chowchilla and the RDA Successor Agency are party to a Loan Repayment Agreement previously approved by the RDA Successor Agency Oversight Board through resolution #03-15 on May 14, 2015.

**WHEREAS**, the RDA Successor Agency Oversight Board now wishes to consider the proposed Amendment to the Loan Repayment Agreement.

**NOW THEREFORE, THE REDEVELOPMENT SUCCESSOR AGENCY OVERSIGHT BOARD OF THE CITY OF CHOWCHILLA** does hereby resolve, find and order as follows:

1. The above recitals are true and correct.
2. The Amendment to the Loan Repayment Agreement is hereby affirmed and accepted.
3. This resolution is effective immediately upon adoption.

**PASSED AND ADOPTED** by the Redevelopment Successor Agency Oversight Board of the City of Chowchilla, California, at a special meeting held on the 19th day of November, 2015 by the following vote to wit:

**AYES:**

**NOES:**

**ABSENT:**

**ABSTAIN:**

APPROVED:

\_\_\_\_\_  
Chairman Stell Manfredi

ATTEST:

\_\_\_\_\_  
Joann McClendon, Board Secretary

## LOAN REPAYMENT AGREEMENT

This Loan Repayment Agreement ("Agreement") is entered into as of May 14, 2015, by and between the City of Chowchilla, a municipal corporation ("City") and the Chowchilla Successor Agency, a separate legal entity ("Successor Agency"), in its capacity as the successor in interest to the Redevelopment Agency of the City of Chowchilla (the "Dissolved RDA") pursuant to Health and Safety Code Section 34173.

### RECITALS

- A. On February 1, 2012, pursuant to AB1x 26, as amended by AB 1484 (collectively, the "Dissolution Statutes") the Dissolved RDA, along with all redevelopment agencies in the State of California, was dissolved, and all assets and obligations of the Dissolved RDA were transferred by operation of law to the Successor Agency.
- B. The Dissolution Statutes creates an oversight board for each redevelopment agency to oversee the wind down of the Redevelopment Agency ("Oversight Board").
- C. The Dissolution Statutes require that the Successor Agency prepare and the Oversight Board approve a Recognized Obligation Payment Schedule setting forth all Enforceable Obligations (as defined in the Dissolution Statutes) of the Dissolved RDA.
- D. The Successor Agency is responsible for winding down the affairs of the former Dissolved RDA of the City of Chowchilla ("Dissolved RDA") and paying all of the enforceable obligations of the former Dissolved RDA;
- E. As a result of timing issues related to the distribution of funds from the Redevelopment Property Tax Trust Fund and shortfall in tax increment available for the payment of enforceable obligations of the Dissolved RDA, the Successor Agency is short funds for the payment due on indebtedness incurred by the former Dissolved RDA in the approximate amount of Three Hundred Thirty-Two Thousand Two Hundred Thirty-Three Dollars (\$332,233). As summary of the tax increment shortfalls is attached to this agreement as Exhibit A, incorporated herein by this reference.
- F. As allowed under Health and Safety Code Section 34173(h), the City is willing to make a short term cash flow loan to the Successor Agency in order to avoid a default on the understanding that the cash flow loan will be considered an enforceable obligation of the Successor Agency listed on the Recognized Obligations Payment Schedule and subject to distributions from the Redevelopment Property Tax Trust Fund for repayment of the loan.
- G. At its May 14, 2015 meeting the Oversight Board for the Successor Agency authorized the Successor Agency to enter into agreements with the City accepting a short term cash flow loan and authorizing listing the cash flow loan on the Recognized Obligations Payment Schedule as an enforceable obligation.

H. The City and the Successor Agency have determined that entering into the Agreement is in the best interests of the City and the Successor Agency.

NOW THEREFORE, in consideration of the foregoing, and in consideration of the mutual promises of the Parties hereto and for other good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged, the Parties mutually agree as follows::

1. Loan. The City hereby agrees to advance to the Successor Agency Three Hundred Thirty-Two Thousand Two Hundred Thirty-Three Dollars Dollars (\$332,233) to repay indebtedness payments due and payable by the Successor Agency("City Advance") and any such other sums as may be necessary to bridge any future tax increment shortfalls. The amount of the City Advance shall be determined based on the cash flow shortfall of the Successor Agency and shall be made at such times as to ensure that payment due by the Successor Agency are made in a timely fashion.

2. Repayment Obligation. Pursuant to Health and Safety Code 34173(h), the Successor Agency hereby agrees to repay the City Advance and to list the City Advance as an enforceable obligation on any and all subsequent Recognized Obligations Payment Schedules until such time as the full amount of the City Advance is repaid. The Successor Agency shall repay the City Advance from funds distributed to the Successor Agency from the Redevelopment Property Tax Trust Fund for that purpose or from any other funds held by the Successor Agency.

3. Affordable Housing. The City Advance is a loan made directly from the City to the Successor pursuant to Health and Safety Code Section 34173(h) and consequently the repayment restrictions and affordable housing obligations under Health and Safety Code Section 34191.4 are inapplicable.

4. Merger. In executing this Agreement, the City is acting in its capacity as a municipal corporation, while the Successor Agency is acting in its capacity as the successor to the Dissolved RDA and both the City and the Successor Agency are acting pursuant to the specific authority granted under Health and Safety Code 34173(h) and approved by the Oversight Board by Health & Safety Code Sections 34178(a) and 34180(h) authorizing agreements between the City and the Successor Agency. In consequence, the parties to this Agreement are not merged.

5. Invalidity. If any provision of this Agreement shall be invalid, illegal or unenforceable, the validity, legality and enforceability of the remaining portions hereof shall not in any way be affected or impaired thereby.

6. Effect. This Agreement shall take effect from and after the date of execution of this Agreement by both parties.

7. Counterparts; Multiple Originals. This Agreement may be signed in counterparts, and in multiple originals each of which shall constitute one and the same instrument.

8. Headings; Interpretations. The headings used in this Agreement are for convenience only and shall be disregarded in interpreting the substantive provisions of this Agreement. The Parties agree that this Agreement has been prepared by all of the Parties and that any rule of construction to the effect that ambiguities are to be resolved against the drafting party shall not apply to the interpretation of this Agreement (including, but not limited to, California Civil Code Section 1654, as may be amended from time to time).

9. Attorney's Fees. If any attorney is engaged by any party hereto and an action is filed to enforce or defend any provision of this Agreement, the prevailing Party shall be entitled to costs and reasonable attorneys' fees.

10. Further Acts. Each of the Parties, upon the request of any other, agrees to perform such further acts and to execute and deliver such other documents as are reasonably necessary to carry out the provisions of this Agreement.

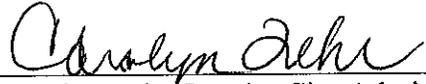
11. Amendments. No provision of this Agreement may be amended, changed or waived except by a written instrument signed by all of the Parties (or, in the case of a waiver, by the Party against whom enforcement of the waiver is sought). The parties agree and acknowledge that this Agreement may be amended to allow for additional sums to be borrowed by the Successor Agency to cover any future shortfalls of tax increment and that such amendments may be made subject to approval by the Oversight Board and City Council.

12. Successors and Assigns. This Agreement shall apply to and bind the successors and assigns of the Parties hereto.

*[Signature Page Follows]*

IN WITNESS WHEREOF, this Agreement has been executed by the parties hereof as of the date first written above.

CITY OF CHOWCHILLA, a municipal corporation

By:   
Carolyn Lehr, Interim City Administrator

CHOWCHILLA SUCCESSOR AGENCY, a  
separate legal entity

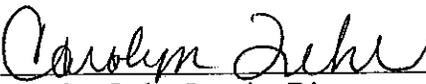
By:   
Carolyn Lehr, Interim Director

EXHIBIT A

Summary of Tax Increment Shortfalls

Period	Submitted by City	Approved RPTTF by DOF	Approved RPTTF Admin by DOF	Total Approval	Paid by County	Difference of DOF approval vs County payment	Debt Service Payments	Diff RPTTF vs Debt Service payments F-H	Other Expenditures	Admin Expenditures	Total Expenditures	Difference F-L	Balance
13/14A (7/1 thru 12/31/2013)	\$ 555,707.00	\$ 472,553	\$ 125,000	\$ 597,553	\$ 257,581	\$ (339,972)	\$ 341,663	\$ (84,082)	\$ 5,224	\$ 138,000	\$ 484,887	\$ (227,306)	\$ (127,212)
13/14B 1/1 thru 6/30/2014	\$ 813,913.00	\$ 590,268	\$ 101,340	\$ 691,608	\$ 179,573	\$ (512,035)	\$ 173,388	\$ 6,186	\$ 69,984	\$ 101,340	\$ 344,711	\$ (165,138)	\$ (292,350)
14/15A 7/1 thru 12/31/2014	\$ 581,838.00	\$ 434,838	\$ 135,000	\$ 569,838	\$ 284,636	\$ (285,202)	\$ 343,388	\$ (58,752)	\$ 3,877	\$ 45,347	\$ 392,612	\$ (107,976)	\$ (400,327)
14/15B 1/1 thru 6/30/2015	\$ 351,604.00	\$ 194,513	\$ 129,091	\$ 323,604	\$ 205,842	\$ (117,762)	\$ 169,713	\$ 36,130	\$ 24,801	\$ 129,091	\$ 323,604	\$ (117,762)	\$ (518,089)