LOAN AGREEMENT
(City Advance to Successor Agency)

This Loan Agreement (the "**Loan Agreement**") is made and entered into as of ______________, 2015, by and between the City of Culver City, a charter city of the State of California (the "**City**"), and the Successor Agency to the Culver City Redevelopment Agency ("**Successor Agency**").

RECITALS

WHEREAS, on February 1, 2012, pursuant to Assembly Bill No. 1x 26 ("**AB 26**"), the Culver City Redevelopment Agency (the "**Former Agency**"), along with all redevelopment agencies in the State of California, was dissolved, and all assets and obligations of the Former Agency were transferred by operation of law to the Successor Agency; and

WHEREAS, on January 9, 2012, the City Council (the "**City Council**") of the City of Culver City adopted a resolution accepting for the City the role of Successor Agency to the Former Agency; and

WHEREAS, AB 26, as amended by Assembly Bill No. 1484 (collectively referred to hereinafter as the "**Dissolution Act**") requires that the Successor Agency prepare a Recognized Obligation Payment Schedule ("**ROPS**") for each six-month period setting forth all enforceable obligations (as defined in the Dissolution Act) of the Successor Agency; and

WHEREAS, the Dissolution Act creates an oversight board for each redevelopment agency to oversee the wind down of the Former Agency (the "**Oversight Board**"), including approval of a ROPS; and

WHEREAS, the Successor Agency has prepared a ROPS for the period between January 1, 2016 and June 30, 2016 ("ROPS 15-16B"); and

WHEREAS, during the January through June ROPS period, all Redevelopment Property Tax Trust Fund (the "RPTTF") monies received are first pledged to pay annual debt service on outstanding Former CCRA tax allocation bonds prior to other obligations; and;

WHEREAS, based on prior year allocations, the amount of RPTTF received for the January through June ROPS period will not be sufficient to pay the annual debt service on outstanding Former CCRA tax allocation bonds; and

WHEREAS, to enable the Successor Agency to meet its fiduciary responsibilities to holders of enforceable obligations and for the Successor Agency to have adequate funds for administration costs and other obligations, the City desires to loan to the Successor Agency an amount not to exceed Two Hundred Six Thousand Seven Hundred and Fifty Dollars ($206,750) (the "Loan"); and

WHEREAS, at its September ___, 2015 meeting, the Oversight Board for the Successor Agency did authorize the Successor Agency to enter into this Loan Agreement with the City pursuant to the authority granted by California Health & Safety Code Sections 33220, 34173(h), 34178(a) and 34180(h); and

WHEREAS, the City and the Successor Agency have determined that entering into this Loan Agreement is in the best interests of the City and the Successor Agency.

NOW, THEREFORE, the parties hereto do mutually agree as follows:

ARTICLE I.

Section 1.01 **Recitals**. The recitals above are an integral part of this Loan Agreement and set forth the intentions of the parties and premises on which the parties have decided to enter into this Loan Agreement.

ARTICLE II.

LOAN PROVISIONS

Section 2.01 **Loan**. The City hereby agrees to lend to the Successor Agency the principal amount of Two Hundred Six Thousand Seven Hundred and Fifty Dollars ($206,750) (the "**Loan**") for the purposes set forth in Section 2.03.

Section 2.02 **Interest**.

(a) Interest. Interest on the Loan shall accrue as of the Effective Date, continuing until such time as the Loan is repaid in full, at a rate equal to the interest rate applicable to funds on deposit in the Local Agency Investment Fund, compounded annually.

(b) Default Interest. In the event of a Default, interest on the Loan shall begin to accrue as of the date of Default and continuing until such time as the Loan is repaid in full or the Default is cured, at the default rate of the lesser of eight percent (8%) per annum, compounded annually (the "**Default Rate**") or the highest rate permitted by law.

Section 2.03 **Use of Loan Funds.** The Successor Agency shall use the Loan for the purpose of paying costs as detailed in the table below:

ROPS / Item #	Payee	Amount
ROPS 15-16B		
Item 8	Bond Logistix LLC	$6,750
Item 10	Kane Ballmer and Berkman	$200,000
Total		**$206,750**

Section 2.04 **Condition to Disbursement**. The City shall have no obligation to disburse the Loan funds to the Successor Agency until the California Department of Finance approves this Loan Agreement or is otherwise deemed approved pursuant to the Dissolution Act or State law.

Section 2.05 **Repayment of Loan**.

(a) The Loan is an enforceable obligation of the Successor Agency and is payable on June 1 and January 2 of each year from the Redevelopment Property Trust Fund ("**RPTTF**") maintained by the Los Angeles County Auditor-Controller for the purpose of paying enforceable obligations of the Successor Agency. The obligation of the Successor Agency to repay the Loan shall be payable solely from the RPTTF, and is not and shall not be a pledge of or obligation payable through the City's general fund.

(b) The Loan shall be set forth in full as an enforceable obligation of the Successor Agency on the Fourth ROPS for the period from July 1, 2016 through December 31, 2016 (the "**ROPS 16-17A**"). It shall be due and payable in full from the Successor Agency's Redevelopment Obligation Retirement Fund ("**RORF**") following the June 1, 2016 payment to the RORF by the Los Angeles County Auditor-Controller. However, should the Successor Agency receive insufficient funds from the RPTTF to pay all costs shown on the ROPS 16-17A, then the amount due and payable on the Loan shall equal the amount deposited into the RORF less all other costs shown on the Fourth ROPS, and the balance of any principal and interest due on the Loan shall be due and payable in full on the next ROPS.

(c) The procedure described in subsection (b) of this Section shall continue to be followed for each ROPS until the principal and interest due on the Loan are paid in full. Any remaining principal and interest due on the Loan shall continue to be shown as an enforceable obligation on each ROPS until the Successor Agency has received sufficient funds to pay all principal and interest due on the Loan.

(d) All Loan payments shall first be used to pay all accrued interest and then to reduce the principal balance.

Section 2.06 **Optional Prepayment of the Loan**. The Successor Agency shall have the right to prepay the unpaid principal and interest of the Loan at any time.

Section 2.07 Books and Accounts; Financial Statements. The Successor Agency will keep, or cause to be kept, proper books of record and accounts showing the use of the Loan funds, interest due on the Loan, Loan repayments, and principal and interest outstanding.

ARTICLE III.

DEFAULT AND REMEDIES

Section 3.01 Event of Default. Failure by the Successor Agency to pay the principal or interest on the Loan when due and payable shall constitute a default (referred to herein as a "**Default**").

Section 3.02 No Waiver. A waiver of any Default by the City shall not affect any subsequent Default or impair any rights or remedies on the subsequent default.

Section 3.03 Remedies Not Exclusive. No remedy herein conferred upon or reserved to the City is intended to be exclusive of any other remedy. Every such remedy shall be cumulative and shall be in addition to every other remedy given hereunder or now or hereafter existing, at law or in equity or by statute or otherwise.

ARTICLE IV.

MISCELLANEOUS

Section 4.01 No Merger. In entering into this Loan Agreement, the City is acting in its capacity as a charter city, while the Successor Agency is acting in its capacity as the successor to the Former Agency; and both the City and the Successor Agency are acting pursuant to the specific authority granted by the Oversight Board and by California Health & Safety Code Sections 33220, 34173(h), 34178(a) and 34180(h) authorizing agreements between the City and the Successor Agency. In consequence, the parties to this Loan Agreement are not merged.

Section 4.02 Successor is Deemed Included in All References to Predecessor. Whenever in this Loan Agreement either the Successor Agency or the City is named or referred to, such reference shall be deemed to include the successors or assigns thereof, and all the covenants and agreements in this Loan Agreement contained by or on behalf of the Successor Agency or the City shall bind and inure to the benefit of the respective successors and assigns thereof whether so expressed or not.

Section 4.03 Amendment. This Loan Agreement may be amended by the parties hereto but only by a written instrument signed by both parties and with the approval of the Oversight Board.

Section 4.04 **Effective Date.** This Loan Agreement shall take effect upon approval by the Oversight Board and, following that approval, at the time and in the manner prescribed in California Health & Safety Code Section 34179(h) (the "**Effective Date**").

Section 4.05 **Severability.** If any Section, paragraph, sentence, clause or phrase of this Loan Agreement shall for any reason be held illegal, invalid or unenforceable, such holding shall not affect the validity of the remaining portions of this Loan Agreement. The City and the Successor Agency hereby declare that they would have adopted this Loan Agreement and each and every other Section, paragraph, sentence, clause or phrase hereof and authorized the Loan irrespective of the fact that any one or more Sections, paragraphs, sentences, clauses, or phrases of this Loan Agreement may be held illegal, invalid or unenforceable.

IN WITNESS WHEREOF, the City of Culver City and the Successor Agency to the Culver City Redevelopment Agency have caused this Loan Agreement to be signed by their respective officers all as of the day and year first above written.

"CITY"
THE CITY OF CULVER CITY, CALIFORNIA

By:________________________
John Nachbar
City Manager

ATTEST:

By: ________________________
Martin R. Cole
City Clerk

APPROVED AS TO FORM:

By: ________________________
Carol Schwab
City Attorney

"SUCCESSOR AGENCY"
SUCCESSOR AGENCY TO THE CULVER CITY REDEVELOPMENT AGENCY

By:________________________
John Nachbar
Executive Director

ATTEST:

By: ________________________
Martin R. Cole
Secretary

APPROVED AS TO FORM:

By: ________________________
Carol Schwab
Agency General Counsel