**MEETING DATE:** **February 4, 2013**

**AGENDA ITEM:** **Approval of a Loan Agreement between the City of Culver City and the Successor Agency to the Culver City Redevelopment Agency to Address Temporary Cash Flow Needs.**

## ATTACHMENTS

**RESOLUTION NO. 2013-R____**

A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF CULVER CITY APPROVING THE LOAN AGREEMENT BETWEEN THE CITY OF CULVER CITY AND THE SUCCESSOR AGENCY IN ORDER FOR THE SUCCESSOR AGENCY TO PAY CERTAIN OBLIGATIONS AND ADMINISTRATIVE COSTS.

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

WHEREAS, by its Resolution No. 2012-R001, adopted on January 9, 2012, the City Council of the City of Culver City (the "City Council") made an election to serve as the successor agency to the Former CCRA (the "Successor Agency") upon the dissolution of the Former CCRA pursuant to Part 1.85 of the Dissolution Act; and

WHEREAS, on February 6, 2012, the Board of Directors of the Successor Agency adopted Resolution 2012-SA001 naming itself the "Successor Agency to the Culver City Redevelopment Agency," the sole name by which it will exercise its powers and fulfill its duties pursuant to Part 1.85, and establishing itself as a separate legal entity with rules and regulations that will apply to the governance and operations of the Successor 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, under the Dissolution Act, each successor agency shall have an oversight board with fiduciary responsibilities to holders of enforceable obligations and the taxing entities that benefit from distributions of property taxes and other revenues pursuant to Health and Safety Code Section 34188; and

WHEREAS, the oversight board has been established for the Successor Agency (the "Oversight Board") and all seven members have been appointed pursuant to Health and Safety Code Section 34179. The duties and responsibilities of the Oversight Board to oversee the wind down of the Former CCRA are primarily set forth in Health and Safety Code Sections 34179 through 34181 of the Dissolution Act and include approval of a ROPS; and

WHEREAS, the Successor Agency prepared a ROPS for the period between January 1, 2013 and June 30, 2013, which was approved by the Oversight Board on August 27, 2012 pursuant to Resolution No. 2012-OB005 (the "Third ROPS"); and

WHEREAS, the Third ROPS as approved by the Oversight Board showed that the payment of all enforceable obligations of the Successor Agency would require the allocation of $17,401,343 from the Redevelopment Property Tax Trust Fund (the "RPTTF"), containing all property tax increment previously allocated to the Former CCRA, to the Successor Agency, and the Successor Agency's administrative cost allowance would require the allocation of $521,710 from the RPTTF to the Successor Agency, for a total allocation to the Successor Agency's Redevelopment Obligation Retirement Fund (the "RORF") of $17,923,053; and

WHEREAS, on October 12, 2012, the Successor Agency received from the Los Angeles County Auditor-Controller a document entitled "Estimated Redevelopment Property Tax Trust Fund Allocations & Distributions for October 1, 2012 Covering the Period 1/1/2013 through 6/30/2013_Revised 10/12/2012", which document estimated that the Successor Agency's RORF would receive only $13,458,255 from the RPTTF on January 2, 2013 to pay enforceable obligations and administrative costs shown on the Third ROPS; and

WHEREAS, on November 30, 2012 the Los Angeles County Auditor-Controller proposed further reduction in RPTTF to be distributed to the Successor Agency on January 2, 2013 due to the County's review and modifications to the portion of the Third ROPS that consist of a reconciliation of the estimated versus actual payments made on approved enforceable obligations listed in the ROPS for the period January 1, 2012 through June 30, 2012 (the "First ROPS"); and

WHEREAS, in this regard, the Los Angeles County Auditor-Controller attached to its email addressed to the Department of Finance and dated November 30, 2012, a copy of the Third ROPS approved by the Successor Agency and Oversight Board and submitted to the Department of Finance for review, together with the County's inserted adjustments and modifications to certain line item amounts listed therein in connection with the reconciliation of First ROPS items; and

WHEREAS, on December 17, 2012, the Successor Agency received a copy of a letter dated December 17, 2012, prepared by Mr. Szalay on behalf of the Department of Finance and addressed to the County Auditor-Controller, authorizing the adjustment/reduction by the total amount of $11,559,393 to the RPTTF distribution to the Successor Agency on January 2, 2013, as proposed by the County Auditor-Controller; and

WHEREAS, on January 2, 2013, the Successor Agency received from the RPTTF $3,106,429.37 and not the original estimated $13,458,255 of the County-Auditor Controller; 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 One Million Five Hundred Thousand Dollars ($1,500,000) (the "Loan"); and

WHEREAS, subject to Oversight Board approval, the Successor Agency may enter into the proposed Loan Agreement with the City pursuant to the authority granted by California Health and Safety Code Sections 33220, 34173(h), 34178(a) and 34180(h); and

WHEREAS, after reviewing the terms of the proposed Loan Agreement between the City and the Successor Agency, the Loan from the City to the Successor Agency, and the Successor Agency's repayment of such Loan, and after reviewing any written and oral comments from the public relating thereto, the City Council desires, subject to Oversight Board approval, to approve the terms of the Loan and the proposed Loan Agreement and to make the following accompanying findings, resolutions and determinations.

NOW, THEREFORE, the City Council of the City of Culver City, California, DOES HEREBY RESOLVE as follows:

SECTION 1. The foregoing recitals are true and correct and are a substantive part of this Resolution.

SECTION 2. The City Council hereby finds and determines that the proposed Loan Agreement and the Loan are necessary for the Successor Agency to meet its fiduciary responsibilities for the purpose of paying the obligations set forth in the Loan Agreement.

SECTION 3. The City Council hereby approves: (i) the proposed Loan Agreement as an enforceable obligation under the Dissolution Act, wherein the City would provide the Loan to the Successor Agency for the purpose of paying the obligations set forth in the Loan Agreement; and (ii) the Successor Agency's repayment of the Loan from the City in each six (6) month period with a pledge of property taxes payable from the Redevelopment Property Tax Trust Fund, at an interest rate on the Loan equal to the rate applicable to funds on deposit in the Local Agency Investment Fund.

SECTION 4. The City Council hereby authorizes the City Manager to execute the proposed Loan Agreement with the Successor Agency consistent with the terms of the Loan Agreement and the Loan approved by this Resolution, including without limitation the City's advance of the Loan in the amount not to exceed One Million Five Hundred Thousand Dollars ($1,500,000); and (ii) the Successor Agency's repayment of the Loan from the City in each six (6) month period with a pledge of property taxes payable from the Redevelopment Property Tax Trust Fund, at an interest rate on the Loan equal to the rate applicable to funds on deposit in the Local Agency Investment Fund.

SECTION 5. This Resolution shall take effect at the time and in the manner prescribed in Health and Safety Code Section 34179(h).

/ / /

/ / /

/ / /

/ / /

/ / /

/ / /

/ / /

SECTION 6. The City Clerk shall certify as to the adoption of this Resolution.

APPROVED AND ADOPTED, this _____ day of ________________, 2013.

____________________________________
ANDREW WEISSMAN, Mayor
City of Culver City

ATTEST:

____________________________________
MARTIN R. COLE, City Clerk

APPROVED AS TO FORM:

____________________________________
for CAROL SCHWAB, City Attorney

A13-00051

**RESOLUTION NO. 2013-SA____**

A RESOLUTION OF THE BOARD OF DIRECTORS OF THE SUCCESSOR AGENCY TO THE CULVER CITY REDEVELOPMENT AGENCY APPROVING THE LOAN AGREEMENT BETWEEN THE CITY OF CULVER CITY AND THE SUCCESSOR AGENCY IN ORDER FOR THE SUCCESSOR AGENCY TO PAY CERTAIN OBLIGATIONS AND ADMINISTRATIVE COSTS.

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

WHEREAS, by its Resolution No. 2012-R001, adopted on January 9, 2012, the City Council of the City of Culver City (the "City Council") made an election to serve as the successor agency to the Former CCRA (the "Successor Agency") upon the dissolution of the Former CCRA pursuant to Part 1.85 of the Dissolution Act; and

WHEREAS, on February 6, 2012, the Board of Directors of the Successor Agency adopted Resolution 2012-SA001 naming itself the "Successor Agency to the Culver City Redevelopment Agency," the sole name by which it will exercise its powers and fulfill its duties pursuant to Part 1.85, and establishing itself as a separate legal entity with rules and regulations that will apply to the governance and operations of the Successor 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, under the Dissolution Act, each successor agency shall have an oversight board with fiduciary responsibilities to holders of enforceable obligations and the taxing entities that benefit from distributions of property taxes and other revenues pursuant to Health and Safety Code Section 34188; and

WHEREAS, the oversight board has been established for the Successor Agency (the "Oversight Board") and all seven members have been appointed pursuant to Health and Safety Code Section 34179. The duties and responsibilities of the Oversight Board to oversee the wind down of the Former CCRA are primarily set forth in Health and Safety Code Sections 34179 through 34181 of the Dissolution Act and include approval of a ROPS; and

WHEREAS, the Successor Agency prepared a ROPS for the period between January 1, 2013 and June 30, 2013, which was approved by the Oversight Board on August 27, 2012 pursuant to Resolution No. 2012-OB005 (the "Third ROPS"); and

WHEREAS, the Third ROPS as approved by the Oversight Board showed that the payment of all enforceable obligations of the Successor Agency would require the allocation of $17,401,343 from the Redevelopment Property Tax Trust Fund (the "RPTTF"), containing all property tax increment previously allocated to the Former CCRA, to the Successor Agency, and the Successor Agency's administrative cost allowance would require the allocation of $521,710 from the RPTTF to the Successor Agency, for a total allocation to the Successor Agency's Redevelopment Obligation Retirement Fund (the "RORF") of $17,923,053; and

WHEREAS, on October 12, 2012, the Successor Agency received from the Los Angeles County Auditor-Controller a document entitled "Estimated Redevelopment Property Tax Trust Fund Allocations & Distributions for October 1, 2012 Covering the Period 1/1/2013 through 6/30/2013_Revised 10/12/2012", which document estimated that the Successor Agency's RORF would receive only $13,458,255 from the RPTTF on January 2, 2013 to pay enforceable obligations and administrative costs shown on the Third ROPS; and

WHEREAS, on November 30, 2012 the Los Angeles County Auditor-Controller proposed further reduction in RPTTF to be distributed to the Successor Agency on January 2, 2013 due to the County's review and modifications to the portion of the Third ROPS that consist of a reconciliation of the estimated versus actual payments made on approved enforceable obligations listed in the ROPS for the period January 1, 2012 through June 30, 2012 (the "First ROPS"); and

WHEREAS, in this regard, the Los Angeles County Auditor-Controller attached to its email addressed to the Department of Finance and dated November 30, 2012, a copy of the Third ROPS approved by the Successor Agency and Oversight Board and submitted to the Department of Finance for review, together with the County's inserted adjustments and modifications to certain line item amounts listed therein in connection with the reconciliation of First ROPS items; and

WHEREAS, on December 17, 2012, the Successor Agency received a copy of a letter dated December 17, 2012, prepared by Mr. Szalay on behalf of the Department of Finance and addressed to the County Auditor-Controller, authorizing the adjustment/reduction by the total amount of $11,559,393 to the RPTTF distribution to the Successor Agency on January 2, 2013, as proposed by the County Auditor-Controller; and

WHEREAS, on January 2, 2013, the Successor Agency received from the RPTTF $3,106,429.37 and not the original estimated $13,458,255 of the County-Auditor Controller; 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 One Million Five Hundred Thousand Dollars ($1,500,000) (the "Loan"); and

WHEREAS, subject to Oversight Board approval, the Successor Agency may enter into the proposed Loan Agreement with the City pursuant to the authority granted by California Health and Safety Code Sections 33220, 34173(h), 34178(a) and 34180(h); and

WHEREAS, after reviewing the terms of the proposed Loan Agreement between the City and the Successor Agency, the Loan from the City to the Successor Agency, and the Successor Agency's repayment of such Loan, and after reviewing any written and oral comments from the public relating thereto, the Successor Agency Board desires, subject to Oversight Board approval, to approve the terms of the Loan and the proposed Loan Agreement and to make the following accompanying findings, resolutions and determinations.

NOW, THEREFORE, the Board of Directors of the Successor Agency to the Culver City Redevelopment Agency DOES HEREBY RESOLVE as follows:

SECTION 1. The foregoing recitals are true and correct and are a substantive part of this Resolution.

SECTION 2. The Successor Agency Board hereby finds and determines that the proposed Loan Agreement and the Loan are necessary for the Successor Agency to meet its fiduciary responsibilities for the purpose of paying the obligations set forth in the Loan Agreement.

SECTION 3. The Successor Agency Board hereby approves: (i) the proposed Loan Agreement as an enforceable obligation under the Dissolution Act, wherein the City would provide the Loan to the Successor Agency for the purpose of paying the obligations set forth in the Loan Agreement; and (ii) the Successor Agency's repayment of the Loan from the City in each six (6) month period with a pledge of property taxes payable from the Redevelopment Property Tax Trust Fund, at an interest rate on the Loan equal to the rate applicable to funds on deposit in the Local Agency Investment Fund.

SECTION 4. The Successor Agency Board hereby authorizes the Executive Director to execute the proposed Loan Agreement with the City consistent with the terms of the Loan Agreement and the Loan approved by this Resolution, including without limitation the City's advance of the Loan in the amount not to exceed One Million Five Hundred Thousand Dollars ($1,500,000); and (ii) the Successor Agency's repayment of the Loan from the City in each six (6) month period with a pledge of property taxes payable from the Redevelopment Property Tax Trust Fund, at an interest rate on the Loan equal to the rate applicable to funds on deposit in the Local Agency Investment Fund.

SECTION 5. This Resolution shall take effect at the time and in the manner prescribed in Health and Safety Code Section 34179(h).

/ / /

/ / /

/ / /

/ / /

/ / /

/ / /

/ / /

SECTION 6. The Successor Agency Secretary shall certify as to the adoption of this Resolution.

APPROVED AND ADOPTED, this _____ day of ________________, 2013.

_______________________________
ANDREW WEISSMAN, Chair
Successor Agency to the Culver City
Redevelopment Agency

ATTEST:

_______________________________
MARTIN R. COLE, Secretary

APPROVED AS TO FORM:

_______________________________
for CAROL SCHWAB, Successor Agency
Counsel

A13-00052

**EXHIBIT A**

**LOAN AGREEMENT**

[BEHIND THIS PAGE]

**LOAN AGREEMENT**
**(City Advance to Successor Agency)**

This Loan Agreement (the "**Loan Agreement**") is made and entered into as of February 14, 2013, 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 prepared a ROPS for the period between January 1, 2013 and June 30, 2013 and approved by the Oversight Board on August 27, 2012 pursuant to Resolution No. 2012-OB005 (the "**Third ROPS**"); and

WHEREAS, the Third ROPS as approved by the Oversight Board and subsequently approved by the Department of Finance on October 9, 2012 pursuant to the Dissolution Act showed that the payment of all enforceable obligations of the Successor Agency would require the allocation of $17,401,343 from the Redevelopment Property Tax Trust Fund (the "**RPTTF**"), containing all property tax increment previously allocated to the Former Agency, to the Successor Agency, and the Successor Agency's administrative cost allowance would require the allocation of $521,710 from the RPTTF to the Successor Agency, for a total allocation to the Successor Agency's Redevelopment Obligation Retirement Fund (the "**RORF**") of $17,923,053; and

WHEREAS, on October 12, 2012, the Successor Agency received from the Los Angeles County Auditor-Controller a document entitled "*Estimated Redevelopment Property Tax Trust Fund Allocations & Distributions for October 1, 2012 Covering the Period 1/1/2013 through 6/30/2013_Revised 10/12/2012*", which document estimated that the Successor Agency's RORF would receive only $13,458,255 from the RPTTF on January 2, 2013 to pay enforceable obligations and administrative costs shown on the Third ROPS; and

WHEREAS, on November 30, 2012 the Los Angeles County Auditor-Controller proposed further reduction in RPTTF to be distributed to the Successor Agency on January 2, 2013 due to the County's review and modifications to the portion of the Third ROPS that consists of a reconciliation of the estimated versus actual payments made on approved enforceable obligations listed in the ROPS for the period January 1, 2012 through June 30, 2012 (the "**First ROPS**"); and

WHEREAS, in this regard, the Los Angeles County Auditor-Controller attached to its email addressed to the Department of Finance and dated November 30, 2012, a copy of the Third ROPS approved by the Successor Agency and Oversight Board and submitted to the Department of Finance for review, together with the County's inserted adjustments and modifications to certain line item amounts listed therein in connection with the reconciliation of First ROPS items; and

WHEREAS, on December 17, 2012, the Successor Agency received a copy of a letter dated December 17, 2012, prepared by Mr. Szalay on behalf of the Department of Finance and addressed to the County Auditor-Controller, authorizing the adjustment/reduction by the total amount of $11,559,393 to the RPTTF distribution to the Successor Agency on January 2, 2013, as proposed by the County Auditor-Controller; and

WHEREAS, on January 2, 2013, the Successor Agency received from the RPTTF $3,106,429.37 and not the original estimated $13,458,255 of the County-Auditor Controller; 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 One Million Five Hundred Thousand Dollars ($1,500,000); and

WHEREAS, at its February 14, 2013 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 One Million Five Hundred Thousand Dollars ($1,500,000) (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 administrative costs and a portion of the debt service due for the enforceable obligations as set forth in Items 1 through 9 and 14 through 18 on the Third ROPS.

**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, 2013 through December 31, 2013 (the "**Fourth ROPS**"). It shall be due and payable in full from the Successor Agency's Redevelopment Obligation Retirement Fund ("**RORF**") following the June 1, 2013 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 Fourth ROPS, 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:__________________________
Michael O'Leary
Mayor

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:__________________________
Michael O'Leary
Chair

ATTEST:

By: __________________________
Martin R. Cole
Secretary

APPROVED AS TO FORM:

By:________________________________
Carol Schwab
Agency Counsel