Placer County Consolidated Oversight Board
Special Meeting Agenda
August 21, 2019
2:00 P.M.

Board of Supervisors Chambers
175 Fulweiler Avenue
Auburn, CA 95603

Teleconference Location:
County Executive Office
2nd Floor Conference Room
775 North Lake Tahoe Boulevard
Tahoe City, CA 96145

Members of the Board:
Seat 1 – Cindy Gustafson, appointed by Placer County Board of Supervisors
Seat 2 - Ken Broadway (Chair), appointed by City Selection Committee
Seat 3 - Josh Alpine, appointed by Special District Selection Committee
Seat 4 - Martin Fregoso, appointed by County Superintendent of Education
Seat 5 - Erik Skinner (Vice Chair), appointed by Chancellor of the California Community Colleges
Seat 6 – Alex Mourelatos, Public Member appointed by Placer County Board of Supervisors
Seat 7 - Catherine Donovan, former Redevelopment Agency Employee appointed by Placer Public Employees Organization

Call to Order
Flag Salute - Ken Broadway
Roll Call - Clerk

1. Approve Meeting Agenda

Board Member and Staff Reports

Public Comment
Persons may address the Board on items not on this agenda. Please limit comments to 3 minutes per person since the time allocated for Public Comment is 15 minutes. If all comments cannot be heard within the 15-minute time limit, the Public Comment period will be taken up at the end of the regular session. The Board is not permitted to take any action on items addressed under Public Comment.

2. Approve Meeting Minutes from January 16, 2019 Special Meeting
3. Approve Meeting Minutes from June 13, 2019 Special Meeting
4. City of Lincoln Successor Agency / Assumption of Loan Agreement / Property Located at 505 Lincoln Blvd., Lincoln, CA, APN 008-145-010
Adjourn – To next regularly scheduled meeting on October 2, 2019

The above actions of the Consolidated Oversight Board (Board) shall not become effective for five (5) business days, pending any request by the Department of Finance (DOF). If DOF requests review of the above Board actions, it will have forty (40) days from the date of its request to approve the Board action or return it to the Board for reconsideration and action. If action is taken by the Oversight Board, action will not be effective until approved by DOF.

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Placer County Consolidated Oversight Board  
Special Meeting  
January 16, 2019 - 4:00 P.M.  

Placer County Board of Supervisors Chambers  
175 Fulweiler Avenue, Auburn, CA 95603

Members of the Board:
Ken Broadway, appointed by City Selection Committee  
Jennifer Montgomery, appointed by Placer County Board of Supervisors  
Josh Alpine, appointed by Special District Selection Committee  
Martin Fregoso, appointed by County Superintendent of Education  
Erik Skinner, appointed by Chancellor of the California Community Colleges  
Vacant, Public Member appointed by Placer County Board of Supervisors  
Catherine Donovan, former Redevelopment Agency Employee appointed by Placer Public Employees Organization

SUMMARY ACTION

Call to Order: 4:00 PM – Ken Broadway, Chair

Flag Salute: Ken Broadway

Roll Call: Judy McKeig, Clerk of the Board

Members Present: Ken Broadway, Joshua Alpine, Martin Fregoso, Catherine Donovan

Members Absent: Jennifer Montgomery, Erik Skinner

1. Approve Agenda for January 16, 2016 Meeting

Consent Item 8 removed for discussion

Resolution Approving the City of Roseville Successor Agency Recognized Obligation Payment Schedule and Administrative Budget for the Period of July 1, 2019 through June 30, 2020

Remaining Agenda approved with roll call action as indicated

Motion: Fregoso/Alpine/Unanimous Vote 4:0 (Montgomery, Skinner Absent)

Ayes: Broadway, Alpine, Fregoso, Donovan

2. Election of Chair and Vice Chair

Chair Nominated: Ken Broadway

Motion: Fregoso/Alpine/Unanimous Vote 4:0 (Montgomery, Skinner Absent)

Ayes: Broadway, Alpine, Fregoso, Donovan

Vice Chair Nominated: Jennifer Montgomery

Motion: Joshua/Donovan/Unanimous Vote 4:0 (Montgomery, Skinner Absent)

Ayes: Broadway, Alpine, Fregoso, Donovan
Board Member and Staff Reports
Board Member: None
Staff Reports: None

Public Comment: None
Persons may address the Board on items not on this agenda. Please limit comments to 3 minutes per person since the time allocated for Public Comment is 15 minutes. If all comments cannot be heard within the 15-minute time limit, the Public Comment period will be taken up at the end of the regular session. The Board is not permitted to take any action on items addressed under Public Comment.

Consent Items
Motion: Fregoso/Alpine/Unanimous Vote 4:0 (Montgomery, Skinner Absent)
Ayes: Broadway, Alpine, Fregoso, Donovan

3. Approve meeting minutes from December 12, 2018 Special Meeting

4. Resolution Approving the City of Auburn Successor Agency Recognized Obligation Payment Schedule for the Period of July 1, 2019 through June 30, 2020

5. Resolution Approving the City of Lincoln Successor Agency Recognized Obligation Payment Schedule and Administrative Budget for the Period of July 1, 2019 through June 30, 2020

6. Resolution approving the City of Rocklin Successor Agency’s Administrative Budget for the period of January 1, 2019- June 30, 2019

7. Resolution Approving the City of Rocklin Successor Agency Recognized Obligation Payment Schedule and Administrative Budget for the Period of July 1, 2019 through June 30, 2020

8. Removed for Discussion Resolution Approving the City of Roseville Successor Agency Recognized Obligation Payment Schedule and Administrative Budget for the Period of July 1, 2019 through June 30, 2020

9. Resolution Approving the Placer County Successor Agency Recognized Obligation Payment Schedule and Administrative Budget for the Period of July 1, 2019 through June 30, 2020

Consent Item Removed for Discussion
8. Resolution Approving the City of Roseville Successor Agency Recognized Obligation Payment Schedule and Administrative Budget for the Period of July 1, 2019 through June 30, 2020
   Presenter: Melissa Hagan

Ms. Hagan provided an update that a minor error was discovered by Placer County staff subsequent to the City filing the prior period adjustments for FY16-17. Adjustment is being made to item G5. Original number was $136,115, and the corrected number is $146,082.

Motion: Alpine/Donovan/ Unanimous Vote 4:0 (Montgomery, Skinner Absent)
Ayes: Broadway, Alpine, Fregoso, Donovan
New Business

10. Approval of Purchase and Sale Agreement / Kings Beach Center LLC / Eastern Gateway Property 8776 to 8798 North Lake Boulevard, Kings Beach
Presenter: Eric Findlay, County of Placer Facilities Management, Senior Project Manager

Mr. Findlay provided a presentation outlining the project’s history, a copy of which is attached and becomes part of this Summary Action. Mr. Findlay outlined the project’s history including a previously approved Long Range Property Management Plan for property disposition, and the current status. The project is comprised of 10 vacant parcels totaling approximately 1.3 acres. The property is the site of a former gas station and remediation efforts have resulted in a regulatory closure issuance of No Further Action Required by the California Regional Water Quality Control Board. The project has received an offer to purchase for $1.1 million by the Kings Beach Center LLC. The Buyer intends to build a mixed-use project comprising ground floor commercial with 45 second and third floor residential units (90 beds) for workforce/employee housing. The terms include a tiered two year contingency and escrow period. The same Buyer is currently under contract with Placer County to purchase the nearby Kings Beach Center property. Board questions and discussion included:

a. No compensation while property is in escrow with refundable deposits
b. Clean up to level of low threat closure, confirmation will be part of Buyer’s due diligence
c. Contingency for workforce housing sales credits with Placer County that could be provided to other developers
d. No interest in property from other buyers previously or anticipated in future
e. Appraisals range from $1.5M in 2012, to $1.7M in 2015, and broker’s opinion of value of $1M in 2017.
f. Length of contingency period concerns and non-refundable deposit periods
g. Kings Beach Center project workforce/housing contingencies
h. Employee housing/concentration concerns

No public comment

Resolution – Approval of Purchase and Sale Agreement / Kings Beach Center LLC / Eastern Gateway Property 8776 to 8798 North Lake Boulevard, Kings Beach
Motion: Fregoso/Alpine/Failed Vote 3:1 (Donovan No, Montgomery, Skinner Absent)
Ayes: Broadway, Alpine, Fregoso,
Opposed: Donovan

Adjourn 4:41PM – The next regularly scheduled meeting is April 3, 2019.

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impaired, we have listening devices available. If you have a disability and need a disability-related modification or accommodation to participate in the meeting, please contact the County Executive Office at (530) 886-4627. Contact the Clerk of your needs at least 24 hours prior to the meeting. If requested, the agenda shall be provided in appropriate alternative formats to persons with disabilities. All requests must be in writing and must be received by the Clerk five (5) business days prior to the scheduled meeting for which you are requesting accommodation. Request received after such time will be accommodated on if time permits.
Placer County Consolidated Oversight Board
June 13, 2019
10:00 AM

Board of Supervisors Chambers
175 Fulweiler Avenue
Auburn, CA 95603

Teleconference Location
County Executive Office
2nd Floor Conference Room
775 North Lake Tahoe Boulevard
Tahoe City, CA 96145

Members of the Board
Ken Broadway - Chairman, appointed by City Selection Committee
Erik Skinner – Vice Chairman, appointed by Chancellor of the California Community Colleges
Cindy Gustafson, appointed by Placer County Board of Supervisors
Josh Alpine, appointed by Special District Selection Committee
Martin Fregoso, appointed by County Superintendent of Education
Catherine Donovan, former Redevelopment Agency Employee appointed by Placer Public Employees Organization
Alex Mourelatos, appointed by the Placer County Board of Supervisors

SUMMARY ACTION

Call to Order: 10:06 AM – Ken Broadway, Chairman

Flag Salute: Ken Broadway

Roll Call: Michele Nichols, Clerk of the Board

Members Present: Ken Broadway, Erik Skinner, Cindy Gustafson, Martin Fregoso, Alex Mourelatos, Catherine Donovan (Quorum present)

Members Absent: Joshua Alpine

1. Approve Agenda for the June 13, 2019 Meeting

   Motion: Mr. Skinner moved to approve the Agenda for the June 13, 2019 Consolidated Oversight Board meeting.
   Second: Ms. Gustafson
   Ayes: Broadway, Skinner, Gustafson, Fregoso, Mourelatos, Donovan
   This item is so moved by a unanimous vote 6:0 (Alpine absent)

Board Member and Staff Reports

Board: None

Staff: Matt Levesque provided an informational update related to the item approved on behalf of the Placer County Successor Agency on February 6, 2019, for a Purchase and Sale Agreement for the Eastern Gateway property, Kings Beach. Terms of the agreement allowed for a 90-day contingency period related to property condition. An agreement
was reached to extend that due diligence period for an additional 90 days without requiring a $25,000 deposit. No action required.

Public Comment
Persons may address the Board on items not on this agenda. Please limit comments to 3 minutes per person since the time allocated for Public Comment is 15 minutes. If all comments cannot be heard within the 15-minute time limit, the Public Comment period will be taken up at the end of the regular session. The Board is not permitted to take any action on items addressed under Public Comment.

Public: Andy Sisk presented an informational item discussing the administrative allowance that each of the Successor Agencies can claim. The law was originally written that Successor Agencies could claim three percent (3%) of the amount that is on the Recognized Obligation Payment Schedules (ROPS), or no more than $250,000. The law has subsequently been revised and it now reads no less than $250,000. The Auditor's Association is working with the Department of Finance (DOF) to get that fixed, however they are not getting much traction at this point. In communications to the Oversight Boards, the DOF is reminding the Oversight Boards that they have discretion to lower the administrative costs being claimed. Cities and Counties are aware of this issue. The annual review of presentations from the cities relative to their expenses and their specific ROPS will give the Board an opportunity to address this issue.

2. Selection of Vice Chairperson

Motion: Ms. Donovan nominated Erik Skinner to serve as Vice Chairperson of the Consolidated Oversight Board
Second: Ms. Gustafson
Ayes: Broadway, Skinner, Gustafson, Fregoso, Mourelatos, Donovan
Absent: Alpine
This item is so moved by a unanimous vote 6:0 (Alpine absent)

3. City of Rocklin Successor Agency/Approval of Purchase and Sale Agreement between City of Rocklin and City of Rocklin Successor Agency/Oak and Pine Street Property

Presenter: David Mohlenbrok, Community Development Director, Successor Agency Designee

A presentation was delivered by Mr. Mohlenbrok giving highlights regarding the location (four parcels) of the property, discuss why the City is interested in purchasing the property, the Purchase and Sale Agreement highlights, and the opportunity to provide affordable housing at this location.

- Discussion that it would make sense to purchase the private parcel, however that has yet to be discussed.
- There was a prior PSA that was entered into and ultimately the prospective purchaser backed out.
- It is believed that there is a high level of interest and this will work well for the City.
- This project is in the very early stages. The concept would be a multi-family or mixed-use project.
- They will be reaching out with a Request for Proposal (RFP) to as broad an audience as possible. If they are successful in finding a housing partner they will need to enter an entitlement process at which time it will be publicly noticed.

Motion: Ms. Donovan moved to approve a Resolution to approve the Purchase and Sale Agreement for the Oak and Pine Street property.
Second: Mr. Skinner
Ayes: Broadway, Skinner, Gustafson, Fregoso, Mourelatos, Donovan
Absent: Alpine
This item is so moved by a unanimous vote 6:0 (Alpine absent)

4. Placer County Successor Agency/Approval of Exclusive Real Estate Brokerage Services Agreements/Swiss Mart and Town Center South Properties/Kings Beach, CA
Presenter: Eric Findlay, Senior Project Manager

The action requested is to adopt a Resolution to approve two separate exclusive Real Estate Brokerage Service Agreements with Mancuso Real Properties for the listing and marketing of the Swiss Mart and Town Center South properties in Kings Beach.

- Four properties associated with the former Redevelopment Agency
  - Kings Beach Center – County owned under contract, proposed to include hotel, retail space, residential and potentially a public library.
  - Eastern Gateway Property – Successor Agency owned under contract with same buyer as Kings Beach Center, proposed to include workforce housing, office space and commercial property on the ground floor. Workforce housing would be a component that may be required for the development of the Kings Beach Center.
  - Swiss Mart – Successor Agency owned, not under contract and currently there are no interested parties. It is a former remediated gas station sitting on one-third (1/3) acre and is vacant. Use needs to be appropriate for its size and former activity as a gas station.
  - Town Center South – Successor Agency owned, not under contract and currently there are no interested parties. Vacant, just under one acre.

- Two separate Brokerage Agreements
  - Swiss Mart – intended listing of $279K
  - Town Center South – intended listing of $875K
  - Listing Term – one year
  - Broker commission of six percent (6%) to be paid from proceeds of the sale

- Next Steps
  - Successor Agency Officer or designee to execute the two agreements
  - Return to Successor Agency Board and Consolidated Oversight Board for consideration of Purchase and Sale Agreement(s) with potential buyers
  - If properties are sold, net proceeds from the sales are to be distributed to the affected taxing entities, in proportion to each entity’s share of the tax base, as required by the Long-Range Property Management Plan

- Discussions on how the Broker was selected. A year ago, Placer County put out and RFP to get on-call services of Broker services. Three brokers applied, and they are all on our approved on-call list. No Tahoe area brokers applied to get on that list. In reviewing the list, it was felt that none of those Brokers had the expertise that was needed to list these properties in Kings Beach. Janet Triplett has been working on evaluating sites for other county uses. She has contacted many brokers in the Tahoe area looking at properties. From this, Mancuso properties rose to the surface as a viable Broker for these properties.

- Sale price was based upon extensive discussions with Mancuso. There are not a lot of comps available.
  - Swiss Mart – originally acquired for $520,000 in approximately 2006. It was appraised at $440,000 in 2012 and $600,000 in 2015. A bid process was conducted in 2016 with a listed minimum bid of $540,000 and no bids were received at that time. Brokers indicated, unofficially, it was worth $200,000 - $300,000 at that time.
Town Center South – originally acquired for $1,800,000 in 2009. It was appraised at $975,000 in 2012 and $1,075,000 in 2015.

- There was a response to the Request for Information (RFI) process in 2016 and a negation was entered into at that time with one interested party. The unofficial offer was in the range of $700,000.

- It will be listed, and the market will speak.
- Any PSA will be brought back to both Boards to discuss pricing.

- Discussion of a potential kiosk at the entrance of Swiss Mart.
- These properties will be listed with no contingencies.
- Intent is to move forward with the listing process for the next year and see what reasonable offers might be received. Should there be no reasonable offers to bring back to the Boards within a realistic amount of time, or should the Board not approve an offer, a decision can be made at that time as to another disposition of these properties.

Motion: Ms. Gustafson moved to approve the Resolution for two separate, exclusive Real Estate Brokerage Service Agreements with Mancuso Real Properties for the listing and marketing of the Kings Beach, CA properties; Swiss Mart property and Town Center South property.

Second: Mr. Fregoso
Ayes: Broadway, Skinner, Gustafson, Fregoso, Mourelatos, Donovan
Absent: Alpine

This item is so moved by a unanimous vote 6:0 (Alpine absent)

Adjourn – To next regularly scheduled meeting on July 3, 2019

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MEMORANDUM
PLACER COUNTY CONSOLIDATED OVERSIGHT BOARD

TO: Honorable Consolidated Oversight Board

FROM: City of Lincoln Successor Agency
BY: Susan May

DATE: August 21, 2019

SUBJECT: Assumption of Loan Agreement for Property Located at 505 Lincoln Blvd., Lincoln, CA, APN 008-145-010

ACTION REQUESTED
Adopt a resolution approving the action of the City of Lincoln Successor Agency, which action approved an Assumption of Loan Agreement with MLP Family Limited Partnership, et al., and authorized the City Manager to execute said loan agreement, including a promissory note and deed of trust, and all other documents necessary to effectuate the transaction.

BACKGROUND
The former Redevelopment Agency entered into a Loan Agreement dated October 28, 2003 with Jane Tahti, Al Fleming, Jr., Carol Kuntsman and Christine Payne (the “Original Borrowers”), which included a promissory note in the total amount of $120,000, secured by a deed of trust. The Agency approved an additional loan amount on July 13, 2004 in the amount of $80,000, comprising a total obligation with a principal amount of $200,000. The total obligation is referred to as the “2003 Agreement.”

The purpose of the loan was the rehabilitation of the historic building located at 505 G Street (now Lincoln Blvd.), Lincoln, California, known as the Fleming Building. The rehabilitation was to include a streetlight improvement project to be carried out by the Agency.

The total amount of $200,000 was deposited into escrow under terms of the 2003 Agreement. All but $5,047.95 in loan proceeds were disbursed to pay approved project costs and loan expenses. The unspent loan proceeds were disbursed back to the Agency to reduce the principal amount owed under the 2003 Agreement, resulting in the total loan obligation of $194,952.05.

The repayment required under the 2003 Agreement was anticipated to begin upon the completion of the streetlight improvement project by the Agency. The streetlight improvement project was never carried out due to uncertainties about the future of redevelopment agency funding and, ultimately, the dissolution of redevelopment agencies by the State Legislature.

MLP Family Limited Partnership, et al., (“Borrower”) is the successor-in-interest to the Original Borrowers. The Borrower now desires to assume the obligations of the 2003 Agreement and execute a new promissory note, secured by a deed of trust, to repay all principal amounts owed by Borrower to Agency. The promissory note will be paid, with interest at 4% per year, in payments amortized over 15 years. All other terms of the 2003 agreement remain unchanged.
ENVIRONMENTAL STATUS
This is an administrative action, does not constitute a project, and is exempt from environmental review per California Environmental Quality Act Guidelines Section 15378(b)(5).

FISCAL IMPACT
Approving the Assumption of Loan Agreement would result in repayment of a loan amount for which payment is currently not being made. Annual principal and interest payments would be $17,304.48 per year over 15 years. Total interest paid over the term of the loan will be $64,614.57 Repayment will result in a reduction in liability and increase in net revenue for the taxing entities, and the agreement would allow the loan to come off the books quicker and result in a reduced administrative burden.

ATTACHMENTS
Consolidated Oversight Board Resolution with Exhibits
Before the Placer County Consolidated Oversight Board
County of Placer, State of California

In the matter of:

ADOPTING FINDINGS PURSUANT TO CALIFORNIA HEALTH & SAFETY CODE SECTION 34181(e), AUTHORIZING THE EXECUTION OF AN ASSUMPTION OF LOAN AGREEMENT BETWEEN CITY OF LINCOLN SUCCESSOR AGENCY AND MLP FAMILY LIMITED PARTNERSHIP ET AL., AND APPROVING THE MODIFICATION OF CERTAIN LOAN TERMS

The following Resolution was duly passed by the Placer County Consolidated Oversight Board at a special meeting held on August 21, 2019, with the following vote on roll call:

Ayes:

Noes:

Absent:

Signed and approved by me after its passage.

Attest: Chair, Consolidated Oversight Board

Clerk of said Board

WHEREAS, California Health and Safety Code Section 34181(e) provides that the Consolidated Oversight Board shall make determinations as to whether any contracts, agreements, or other arrangements between a dissolved redevelopment agency and any private parties should be terminated or renegotiated to reduce liabilities and increase net revenues to the taxing entities; and

WHEREAS, the Consolidated Oversight Board has reviewed the information provided in regards to the original Loan Agreement executed by and between the City of Lincoln Redevelopment Agency and Jane Tahti, Al Fleming, Jr., Carol Kuntsman, and Christine Payne (the “Original Borrower”) and the loan documents executed in connection with a $200,000 loan (“Original Loan”) made by the former Redevelopment Agency pursuant to such Loan Agreement; and
WHEREAS, the Original Loan is delinquent, and no payments have been made thereunder; and

WHEREAS, staff to the City of Lincoln Successor Agency (“Successor Agency have indicated that absent modification of the terms of the Original Loan, it is unlikely that the loan will be repaid; and

WHEREAS, the Successor Agency and MLP Family Limited Partnership et al., the successors to the Original Borrower, have proposed execution of a Loan Assumption Agreement and new loan documents that would provide for modified loan terms including the accrual of interest commencing upon the date of execution of the Loan Assumption Agreement, and repayment over a 15-year term; and

WHEREAS, the Successor Agency has requested that the Consolidated Oversight Board review and approve the Successor Agency’s action to approve said Assumption of Loan Agreement and modified loan terms;

NOW, THEREFORE, BE IT RESOLVED by the Oversight Board as follows:

1. That, pursuant to California Health and Safety Code Section 34181(e), the Oversight Board finds that it is in the best interests of the taxing entities to authorize the execution of a Assumption of Loan Agreement between the City of Lincoln Successor Agency and MLP Family Limited Partnership et al., and the modification of terms of the Original Loan, subject to approval by the California Department of Finance in accordance with the relevant statutory authority.

2. That the Oversight Board approves City of Lincoln Successor Agency Resolution 2019-02S, which approves the Assumption of Loan Agreement, adopted on July 9, 2019.

3. Pursuant to California Health and Safety Code Section 34181(e), the Oversight Board finds as follows:

   a. The Successor Agency is currently receiving no payment on a loan that is in default, and the requested actions will result in repayment of the loan together with interest, and will thus result in increased net revenue to the taxing entities due the Successor Agency’s reduced need for RPTTF funds.

   b. The requested actions will reduce liabilities in that they will resolve liabilities associated with a non-performing loan, including a reduction in administrative and legal costs associated with collections actions, such as foreclosure, resulting in a reduced administrative burden.

   c. By permitting the property to remain in productive use, the requested actions have the potential to result in the generation of increased sales and property tax revenues that will accrue to the benefit of the taxing entities.
Attachments
Exhibit 1—Successor Agency Resolution 2019-02S
Exhibit 2—Assumption of Loan Agreement
RESOLUTION NO. 2019-02S

A RESOLUTION OF THE SUCCESSOR AGENCY TO THE DISSOLVED REDEVELOPMENT AGENCY OF THE CITY OF LINCOLN, AUTHORIZING THE CITY MANAGER, ON BEHALF OF THE SUCCESSOR AGENCY, TO EXECUTE THE REQUIRED DOCUMENTS TO COMPLETE THE ASSUMPTION OF LOAN AGREEMENT AND PROMISSORY NOTE BETWEEN CITY OF LINCOLN SUCCESSOR AGENCY AND MLP FAMILY LIMITED PARTNERSHIP, ET AL., UPON REVIEW AND APPROVAL OF THE APPROPRIATE GOVERNING BODIES.

WHEREAS, the former Redevelopment Agency of the City of Lincoln entered into a Loan Agreement dated October 28, 2003 with Jane Tahti, Al Fleming, Jr., Carol Kuntsman and Christine Payne (the "Original Borrowers"), which included a Promissory Note in the total amount of $120,000, secured by a Deed of Trust. The Agency approved an additional loan amount on July 13, 2004 in the amount of $80,000, comprising a total obligation with a principal amount of $200,000. The total obligation is referred to as the "2003 Agreement"; and

WHEREAS, the total amount of $200,000 was deposited into escrow under the 2003 Agreement, and the unspent loan proceeds were disbursed back to the Agency to reduce the principal amount owed under the 2003 Agreement, reducing the total obligation $194,952.05; and

WHEREAS, MLP Family Limited Partnership, et al, (the "Borrower") is the successor-in-interest to the Original Borrowers, and the Borrower now desires to execute an Assumption of Loan Agreement and a new Promissory Note to repay all principal amounts owed by Borrower to Agency.

NOW, THEREFORE, BE IT RESOLVED by the Successor Agency of the City of Lincoln as follows:

1. The Assumption of Loan Agreement between the City of Lincoln Successor Agency and MLP Family Limited Partnership, et al. is approved, subject to review and approval of the appropriate governing bodies.

2. The City of Lincoln City Manager is authorized to execute the Assumption of Loan Agreement and all required documents necessary to effectuate the transaction.

PASSED AND ADOPTED this 9th day of July, 2019.

AYES: MEMBERS: Karleskint, Gilbert, Andreatta, Silhi, Joiner

NOES: MEMBERS: 

ABSENT: MEMBERS: 

Paul Joiner, Chair

ATTEST:

Gwen Scanlon, Agency Secretary
ASSUMPTION OF LOAN AGREEMENT

(Fleming Properties)

THIS ASSUMPTION OF LOAN AGREEMENT ("Agreement") is entered into as of _____________, 2019 by and between the CITY OF LINCOLN SUCCESSOR AGENCY ("Agency"), and

_______________________________________ ("Borrower"). Agency and Borrower may be referred to herein collectively as the “Parties.”

RECITALS

A. The Agency entered into a Loan Agreement dated October 28, 2003 with Jane Tahti, Al Fleming, Jr., Carol Kuntsman and Christine Payne (the "Original Borrowers"), which included a Promissory Note in the total amount of $120,000, secured by a Deed of Trust. Agency approved an additional loan amount on July 13, 2004 in the amount of $80,000, comprising a total obligation with a principal amount of $200,000. The total obligation is referred to as the "2003 Agreement."

B. The purpose of the loan was the rehabilitation of the historic building located at 505 G Street, Lincoln, California, Assessor's Parcel Number 008-145-010 "Property," known as the Fleming Building, which improvements were carried out by the Original Borrowers. The rehabilitation was to include a streetlight improvement project by the Agency.

C. The total amount of $200,000 was deposited into escrow under the 2003 Agreement. All but $5,047.95 in loan proceeds were disbursed to pay approved project costs and loan expenses. The unspent loan proceeds were disbursed back to the Agency to reduce the principal amount owed under the 2003 Agreement, reducing the total obligation $194,952.05.

D. The repayment required under the 2003 Agreement was anticipated to begin upon the completion of the streetlight improvement project by the Agency. The project was never carried out due to the dissolution of redevelopment agencies and no payment was made by Original Borrowers.

E. Borrower is the successor in interest to the Original Borrowers and Borrower now wishes to repay the principal amount due under 2003 Agreement, with interest accruing from the effective date of a Loan Agreement and Promissory in the amount of $194,952.05 ("2019 Agreement"), secured by a Deed of Trust in favor of the Agency.
NOW, THEREFORE, THE AGENCY AND BORROWER AGREE AS FOLLOWS:

Section 1. Loan Commitment.

A. In consideration for the Borrower rehabilitating the Property and entering into this Agreement, Borrower shall assume the obligation for the repayment of the principal sum of ONE HUNDRED NINETY FOUR THOUSAND NINE HUNDRED FIFTY TWO and 05/100 DOLLARS ($194,952.05) (the "Loan"), subject to the terms and conditions hereinafter set forth.

B. The Loan shall be evidenced by and repaid pursuant to a promissory note (the "Note") in substantially the form of the document attached as Exhibit B to this Agreement.

Section 2. Deed of Trust. As security for performance of Borrower's obligations to the Agency under this Agreement, including, but not limited to Borrower's payment of all amounts due under the Note, Borrower shall grant to the Agency a deed of trust (the "Deed of Trust") of its fee interest in the Property. The Deed of Trust shall be executed and delivered in substantially the form attached as Exhibit C to this Agreement, and shall be recorded against the Property.

Section 3. Conditions to Agency Executing Agreement. As a condition precedent and prior to Agency executing this Agreement, Borrower shall submit to the Agency the following, all of which shall be subject to the approval of the Agency:

A. Preliminary title report issued by a title company acceptable to the Agency, showing that the Borrower is the fee owner of the Property.

B. The Promissory Note, fully executed by Borrower (Exhibit B to this Agreement).

C. The Deed of Trust, fully executed by Borrower, in recordable form (Exhibit C to this Agreement).

D. CLTA Standard Form Lenders Policy of Title Insurance, issued by a title company acceptable to the Agency, insuring the Loan as a valid first priority lien against the Property, subject and subordinate only to Items A to and including E.2 in the Preliminary Title Report dated [date], and other matters approved by the Agency in writing.

[Pending Preliminary Title Report.]

If the Borrower fails to satisfactorily complete all the of the conditions precedent set forth above by [DATE], then the Agency, in its sole discretion,
may terminate this Agreement by delivering written notice of such termination to the Borrower. Following such termination, neither party shall have any further rights, duties or obligations hereunder, and the Agency shall have no obligation to execute the Termination Agreement.

Section 4. Closing Costs. Concurrent with execution of the Termination Agreement, the Agency shall record, or cause the recordation of, the Deed of Trust in the Official Records of the County of Placer. The Borrower shall pay all fees, charges and costs related to the Loan, including without limitation all closing costs and fees and the premium for the Lender's Title Policy required under Section 3.D., above.

Section 5. Indemnification. Borrower shall defend, assume all responsibility for and hold the Agency and the City, and their respective officers and employees, harmless from all demands, claims, actions and damages to any person or property arising out of or caused by any of Borrower's activities under this Agreement, whether such activities or performance thereof be by Borrower or anyone directly or indirectly employed or contracted with by Borrower and whether such damage shall accrue or be discovered before or after completion of the Rehabilitation Project.


A. Maintenance of Records.

Borrower shall maintain all necessary books and records, including property, personal and financial records, in accordance with requirements prescribed by Agency with respect to all matters covered by this Agreement. Such records shall be maintained for a period of three (3) years after receipt of the final payment under this Agreement.

B. Access by Agency.

Borrower, at such time and in such forms as Agency may require, shall furnish to Agency statements, records, reports, data and information pertaining to matter covered by this Agreement. Upon request for examination by Agency, Borrower at any time during normal business hours, shall make available all of his records with respect to all matters covered by this Agreement. Borrower shall permit the Agency to audit, examine and make excerpts or transcripts from these records.
Section 7. Nondiscrimination. Borrower, for itself and its successors and assigns, agrees that in the performance of the rehabilitation work provided for in this Agreement, the Borrower will not discriminate, and will not allow any discrimination against any employee or applicant for employment because of race, color, creed, religion, sex, marital status, ancestry or national origin.

Borrower covenants by and for itself and any successors in interest that there shall be no discrimination against or segregation of any person or group of persons on account of race, color, creed, religion, sex, marital status, ancestry or national origin in the sale, lease, sublease, transfer, use, occupancy, tenure or enjoyment of the Property, nor shall the Borrower itself or any person claiming under or through it establish or permit any such practice or practices of discrimination or segregation with reference to the selection, location, number, use or occupancy of tenants, lessees, subtenants, sublessees or vendees of the Property.

Section 8. Default.

A. Defaults.

Any one or all of the following events shall constitute a default by Borrower:

1. Any material misleading statement, misrepresentation or warranty of Borrower herein or in any other writing at any time furnished by Borrower to Agency;

2. Nonperformance when due of any of the obligations described herein, or failure to perform any obligation or covenant contained herein;

3. The filing by or against Borrower of a petition for relief under the Bankruptcy Reform Act of 1978 or any bankruptcy or debtor relief law;

4. A general assignment by Borrower for the benefit of creditors or the appointment of any receiver or trustee of all or any portion of the assets of Borrower;

5. A determination by Agency based upon evidence that there exists, or the actual existence of, any deterioration or impairment in the ability of Borrower to meet Borrower's obligations to the Agency under this Agreement or the Note and Deed of Trust evidencing the Loan;
6. The filing of any liens, levy, attachment, executions, tax assessments or similar processes against Borrower's interest in the Property not released within twenty (20) days, except as permitted in the Deed of Trust; or

7. The transfer or assignment of this Loan Agreement, the Note or the Deed of Trust without approval by the Agency.

B. Remedies.

Upon the occurrence of a default, the Agency, at its option, may declare this Agreement to be in default and, in such event, the Agency shall have all of the rights and remedies prescribed in the Note and the Deed of Trust and at law or in equity.

C. No Liability of Agency Member.

No member, official or employee of the Agency or City shall be personally liable to Borrower, or any successor in interest, in the event of any default or breach by Agency under this Agreement or for any amount which may become due to Borrower or any successor or on any obligations under the terms of this Agreement.


A. Transfer or Assignment.

As long as any balance of the Note is remaining to be paid, the Borrower shall not transfer or assign this Agreement, the Note, the Deed of Trust, or the ownership of the Property without prior written approval by the Agency. Approval of any such transfer or assignment shall be at the sole discretion of the Agency.

B. Interest of Members of Agency.

No member of the governing body of the Agency and no other officer, employee or agent of the Agency who exercises any functions or responsibilities in connection with the carrying out of the Agency's work shall have any personal interest, direct or indirect, in the Agreement.

C. Charges Incurred Under Agreement.

All advances, charges, costs and expenses incurred or paid by the Agency in exercising any rights, power or remedy conferred by this
Agreement or in the enforcement thereof, shall be paid to the Agency by Borrower within ten (10) days and without demand, with interest thereon at the highest rate allowed by law, or ten percent (10%) per annum, whichever is greater.

D. Compliance With Governmental Regulations.

Borrower shall, at his sole cost and expense, comply with all applicable municipal, county, state and federal laws, rules, regulations and ordinances now in force, or which may hereafter be in force, pertaining to any and all activities contemplated under this Agreement.

E. Governing Law.

This Agreement shall be governed by and construed in accordance with the laws of the State of California, to the jurisdiction of which the parties hereto submit. Venue for any dispute shall be the Superior Court for the County of Placer.

F. Time of the Essence.

Time is of the essence of each and every provision of this Agreement.

G. Notices.

Notices or other communications given under this Agreement shall be in writing and shall be served personally or transmitted by first class mail, postage prepaid. Notices shall be deemed received either at the time of actual receipt or, if mailed in accordance herewith, on the third (3rd) business day after mailing, whichever occurs first. Notices shall be directed to the parties at the following addresses or at such other addresses as the parties may indicate by notice:

Agency: City of Lincoln Successor Agency
600 Sixth Street
Lincoln, CA 92648
Attention: City Manager

Borrower: ______________________
____________________
____________________
____________________
H. **Headings.**

The titles and headings of the various sections of this Agreement are intended solely for reference and are not intended to explain, modify or place any interpretation upon any provision of this Agreement.

I. **Severability.**

Whenever possible, each provision of this Agreement shall be interpreted in such manner as to be effective and valid under applicable law, but if any provision of this Agreement shall be prohibited or invalid under applicable law, such provision shall be ineffective to the extent of such prohibition or invalidity without invalidating the remainder of such or the remaining provisions of this Agreement.

J. **Waiver.**

No waiver of any provision of this Agreement shall be deemed or shall constitute a waiver of any other provision, whether or not similar, nor shall any waiver constitute a continuing waiver. No waiver shall be binding unless executed in writing by the party making the waiver.

K. **Number and Gender.**

As used in this Agreement, the masculine, feminine or neuter gender, and the singular or plural number, shall each include the others whenever the context so indicates or requires.

L. **Further Assurances.**

The parties shall execute, acknowledge, file or record such other instruments and statements and shall take such additional action as may be necessary to carry out the purpose and intent of this Agreement.

M. **Binding Effect.**

This Agreement shall be binding upon and inure to the benefit of the parties' respective heirs, legal representatives, successors and assigns.

N. ** Entire Agreement.**
Any Exhibits referenced herein are incorporated by reference, and they, together with the Agreement, together constitute the entire agreement between the parties and supersede all prior or contemporaneous agreements, representations, warranties and understandings of the parties concerning the subject matter contained herein, written or oral. No change, modification, addendum or amendment to any provision of this Agreement shall be valid unless executed in writing by each party hereto.

0. **Attorneys' Fees.**

In the event of any litigation arising out of this Agreement, the prevailing party in such action shall be entitled to recover its reasonable costs and expenses, including, without limitation, reasonable attorneys' fees and costs paid or incurred in good faith. The "prevailing party" for purposes of this Agreement, shall be deemed to be that party who obtains substantially the result sought, whether by settlement, dismissal or judgment.

IN WITNESS WHEREOF, the parties hereto have executed this instrument as of the day and year first written above.

**AGENCY:**

CITY OF LINCON SUCCESSOR AGENCY

By:  __________________________________

Jennifer Hanson, City Manager

**BORROWER:**

NAME OF BORROWER

By:  __________________________________

APPROVED AS TO FORM

By:  __________________________________

Kristine L. Mollenkopf, City Attorney
EXHIBIT A

DESCRIPTION OF THE PROPERTY

Commercial site located at 5th and G streets in Lincoln, CA. Address of site is 505 Lincoln Boulevard, APN 008-145-010-000. Building was constructed in late 1800's and consists of one lower single tenant retail businesses.
For value received, ________________________ ("Borrower"), promises to pay the CITY OF LINCOLN SUCCESSOR AGENCY, a public body, corporate and politic, duly organized and existing under the laws of the State of California (the "Agency"), at 600 Sixth Street, Lincoln, California 95648, or such other place as the Agency may from time to time designate in writing, the principal sum of ONE HUNDRED NINETY FOUR THOUSAND NINE HUNDRED FIFTY TWO and 05/100 DOLLARS ($194,952.05) or as much as has been advanced to Borrower, together with interest from the date hereof, at a simple interest rate of four percent (4%) per year on the unpaid principal balance, until fully paid, in lawful money of the United States of America, subject to the terms, conditions and limitations contained in this Note.

1. This Note is being given in consideration of Borrower's obligations under that certain Loan Agreement by and between the Agency and Borrower dated ______________, 2019 (the "Loan Agreement"). This Note is to be construed in conjunction with the Loan Agreement.

2. So long as Borrower is not in default under the Loan Agreement, this Note or the Deed of Trust securing this Note, and subject to the limitations in this Note, the principal and accrued interest shall be due and payable in equal annual payments amortized over Fifteen (15) years. The first monthly payment shall be due on the 1st day of the month following execution of this Note. A schedule of payments due hereunder is set forth in Exhibit A to this Note.

3. Any notice to Borrower provided for in this Note shall be given by personal delivery or by mailing such notice by first class or certified mail, return receipt requested, addressed to Borrower at the address stated below, or to such other address Borrower may designate by written notice to the Agency. Any notice to the Agency shall be given by personal delivery or by mailing such notice by first class or certified mail, return receipt requested, to the Agency at the address stated above, or at such other address as may have been designated by written notice to Borrower. Mailed notices shall be deemed delivered and received three (3) days after deposit in accordance with this provision in the United States mails.

4. The occurrence of any of the following shall constitute an event of
default under this Note: (a) Borrower fails to pay any amount due hereunder within ten (10) days of its due date; or (b) any default by Borrower under the Deed of Trust or the Loan Agreement. Upon the occurrence of any event of default, or at any time thereafter, at the option of the Agency, the entire unpaid principal and interest owing on this Note shall become immediately due and payable. This option may be exercised at any time following any such event, and the acceptance of one or more installments thereafter shall not constitute a waiver of Agency's option. Agency's failure to exercise such option shall not constitute a waiver of such option with respect to any subsequent event. Agency's failure in the exercise of any other right or remedy hereunder or under any agreement which secures the indebtedness or its related thereto shall not affect any right or remedy and no single or partial exercise of any such right or remedy shall preclude any further exercise thereof.

5. At all times when Borrower is in default hereunder by reason of Borrower's failure to pay amounts due under this Note, the interest rate on the sums as to which Maker is in default (including principal, if Borrower has elected to declare it immediately due and payable), shall be the lower of the highest rate then allowed by law or two percent (2%) over the prime interest rate announced by Bank or America, as of the date of the default.

6. Borrower agrees to pay the following costs, expenses and attorneys' fees paid or incurred by the Agency or adjudged by a Court: (a) reasonable costs of collection, costs and expenses, and attorneys' fees paid or incurred in connection with the collection or enforcement of this Note or any part of it or of any covenant of this Note, whether or not suit is filed; (b) costs of suit and such sum as the Court may adjudge as attorneys' fees in any action to enforce payment of this Note or any part of it; and (c) costs of suit and such sum as the Court may adjudge as attorneys' fees in any other litigation or controversy connected with this Note, including, but not limited to actions for declaratory relief that the Agency is required to prosecute and defend and actions for relief based on rescission, or actions to cancel this Note that the Agency is required to defend.

7. This Note is nonnegotiable and not transferable by the Borrower. The Agency, at its sole option, may negotiate transfer or assumption of this Note.

8. The individuals comprising the "Borrower" under this Note shall be jointly and severally liable for repayment of the Loan evidenced by this Note. Borrower and any endorsers hereof and all others who may become liable for all or any part of this obligation, severally waive presentment for payment, demand and protest and notice of protest, and of dishonor and nonpayment of this Note, and expressly consent to any extension of the time of payment hereof or of any installment hereof, to the release of any party liable for this obligation, and any
such extension or release may be made without notice to any of said parties and without any way affecting or discharging this liability.

9. The Borrower shall have the right to prepay, at any time and from time to time, all or any portion of the amounts owing under this Note without any premium or penalty.

10. This Note and all of the covenants, promises and agreements contained in it shall be binding upon and inure to the benefit of the respective legal and personal representatives, devises, heirs, successors and assigns of the Agency and Borrower.

11. This Note shall be construed in accordance with and be governed by the laws of the State of California.

12. This Note is secured by a lien of the Agency on the Property under a deed of trust (the "Deed of Trust") of even date, in the form set forth in the Loan Agreement. The Deed of Trust shall secure the Borrower's performance of the obligation contained therein and in the Loan Agreement.

Executed at Lincoln, California, on this __________ day of __________, 2019.

BORROWER:

NAME OF BORROWER

By: _________________________________
RECORDING REQUESTED BY:
City of Lincoln Successor Agency

AND WHEN RECORDED MAIL TO:
City of Lincoln Successor Agency
600 Sixth Street
Lincoln, CA 95648
Attn: City Manager

EXHIBIT C

THIS SPACE FOR RECORDER'S USE ONLY:

A.P. # 008-145-010-000

LONG FORM DEED OF TRUST AND ASSIGNMENT OF RENTS

THIS DEED OF TRUST, made _________________, 2019 between
_____________________________________________________I, herein called Trustor,
whose address is: ___________________________________________ and

Stewart Title Company, herein called Trustee, and City of Lincoln Successor Agency, herein called BENEFICIARY,

WITNESSETH: That Trustor IRREVOCABLY GRANTS, TRANSFERS AND ASSIGNS to TRUSTEE IN TRUST, WITH
POWER OF SALE that property in PLACER County, California, described as:
LEGAL DESCRIPTION ATTACHED HERETO AS EXHIBIT "A" AND MADE A PART HEREOF

Also Known as: 505 Lincoln Boulevard, Lincoln

TOGETHER WITH the rents, issues and profits thereof, SUBJECT, HOWEVER, to the right power and authority given to
and conferred upon Beneficiary by paragraph (10) of the provisions incorporated herein by reference to collect and apply
such rents, issues and profits.

For the Purpose of Securing: 1. Performance of each agreement of Trustor incorporated by reference or contained
herein. 2. Payment of the indebtedness evidenced by one promissory note of even date herewith, and any extension or
renewal thereof, in the principal sum of $194,952.05 executed by Trustor in favor of Beneficiary or order. 3. Payment of
such further sums as the then record owner of said property may borrow from Beneficiary, when evidenced by another
note (or notes) reciting it is so secured.

INITIALS: ______ ________ ________ ________
TO PROTECT THE SECURITY OF THIS DEED OF TRUST, TRUSTOR AGREES:

1. To keep said property in good condition and repair; not to remove or demolish any building thereon; to complete or restore promptly and in good and workmanlike manner any building which may be constructed, damaged or destroyed thereon and to pay when due all claims for labor performed and material furnished therefor; to comply with all laws affecting said property or requiring any alterations or improvements to be made thereon; not to commit or permit waste thereof; not to commit, suffer or permit any act upon said property in violation of law; to cultivate, irrigate, fertilize, fumigate, prune and do all other acts which from the character or use of said property may be reasonably necessary, the specific enumerations herein not excluding the general.

2. To provide, maintain and deliver to Beneficiary fire insurance satisfactory to and with loss payable to Beneficiary. The amount collected under any fire or other insurance policy may be applied by Beneficiary upon any indebtedness secured hereby and in such order as Beneficiary may determine, or at option of Beneficiary the entire amount so collected or any part thereof may be released to Trustor. Such application or release shall not cure or waive any default or notice of default hereunder or invalidate any act done pursuant to such notice.

3. To appear in and defend any action or proceeding purporting to affect the security hereof or the rights or powers of Beneficiary or Trustee; and to pay all costs and expenses, including cost of evidence of title and attorney's fees in a reasonable sum, in any such action or proceeding in which Beneficiary or Trustee may appear, and in any suit brought by Beneficiary to foreclose this Deed.

4. To pay; at least ten days before delinquency all taxes and assessments affecting said property, including assessments on appurtenant water stock; when due, all encumbrances, charges and liens, with interest, on said property or any part thereof, which appear to be prior or superior hereto; all costs, fees and expenses of this Trust.

Should Trustor fail to make any payment or to do any act as herein provided, then Beneficiary or Trustee, but without obligation so to do and without notice to or demand upon Trustor and without releasing Trustor from any obligation hereof, may: make or do the same in such manner and to such extent as either may deem necessary to protect the security hereof, Beneficiary or Trustee being authorized to enter upon said property for such purpose; appear in and defend any action or proceeding purporting to affect the security hereof or the rights or powers of Beneficiary or Trustee; pay, purchase, contest or compromise any encumbrance, charge or lien which in the judgment of either appears to be prior or superior hereto; and, in exercising any such powers, pay necessary expenses, employ counsel and pay his reasonable fees.

5. To pay immediately and without demand all sums so expended by Beneficiary or Trustee, with interest from date of expenditure at the amount allowed by law in effect at the date hereof, and to pay for any statement provided for by law in effect at the date hereof regarding the obligation secured hereby any amount demanded by the Beneficiary not to exceed the maximum allowed by law at the time when said statement is demanded.

6. That any award of damages in connection with any condemnation for public use of or injury to said property or any part thereof is hereby assigned and shall be paid to Beneficiary who may apply or release such money(ies) received by him in any manner or for any purpose which is consistent with the intent of this Trust.

7. That by accepting payment of any sum secured hereby its due date, Beneficiary does not waive his right either to require prompt payment when due of all other sums so secured or to declare default for failure so to pay.

8. That at any time or from time to time, without liability therefor and without notice, upon written request of Beneficiary and presentation of this Deed and said note for endorsement, and without affecting the personal liability of any person for payment of the indebtedness secured hereby, Trustee may: reconvey any part of said property; consent to the making of any map or plat thereof; join in granting any easement thereon; or join in any extension agreement or any agreement subordinating the lien or charge hereof.

9. That upon written request of Beneficiary stating that all sums secured hereby have been paid, and upon surrender of this Deed and said note to Trustee for cancellation and retention and upon payment of its fees, Trustee shall reconvey, without warranty, the property then held hereunder. The recitals in such reconveyance of any matters or facts shall be conclusive proof of the truthfulness thereof. The grantee in such reconveyance may be described as "the person or persons legally entitled thereto." Five years after issuance of such full reconveyance, Trustee may destroy said note and this Deed (unless directed in such request to retain them).

10. That as additional security, Trustor hereby gives to and confers upon Beneficiary the right, power and authority, during the continuance of these Trusts, to collect the rents, issues and profits of said property, reserving unto Trustor the right, prior to any default by Trustor in payment of any indebtedness secured hereby or in performance of any agreement hereunder, to collect and retain such rents, issues and profits as they become due and payable. Upon any such default, Beneficiary may at any time without notice, either in person, by agent, or by a receiver to be appointed by a court, and without regard to the adequacy of any security for the indebtedness hereby secured, enter upon and take possession of said property or any part thereof, in his own name sue for or otherwise collect such rents, issues and profits, including those past due and unpaid, and apply the same, less costs and expenses of operation and collection, including reasonable attorney's fees, upon any indebtedness

INITIALS: _______ _______ _______ _______
secured hereby, and in such order as Beneficiary may determine. The entering upon and taking possession of said property, the collection of such rents, issues and profits and the application thereof as aforesaid, shall not cure or waive any default or notice of default hereunder or invalidate any act done pursuant to such notice.

11. That upon default by Trustor in payment of any indebtedness secured hereby or in performance of any agreement hereunder, Beneficiary may declare all sums secured hereby immediately due and payable by delivery to Trustee of written declaration of default and demand for sale and of written notice of default and of election to cause to be sold said property, which notice Trustee shall cause to be filed for record. Beneficiary also shall deposit with Trustee this Deed, said note and all documents evidencing expenditures secured hereby.

After the lapse of such time as may then be required by law following the recordation of said notice of default, and notice of sale having been given as then required by law, Trustee, without demand on Trustor, shall sell said property at the time and place fixed by it in said notice of sale, either as a whole or in separate parcels, and in such order as it may determine, at public auction to the highest bidder for cash in lawful money of the United States, payable at time of sale. Trustee may postpone sale of all or any portion of said property by public announcement at such time and place of sale, and from time to time thereafter may postpone such sale by public announcement at the time fixed by the preceding postponement. Trustee shall deliver to such purchaser its deed conveying the property so sold, but without any covenant or warranty express or implied. The recitals in such deed of any matters or facts shall be conclusive proof of the truthfulness thereof. Any person, including Trustor, Trustee, or Beneficiary as hereinafter defined, may purchase at such sale.

After deducting all costs, fees and expenses of Trustee and of this trust, including cost of evidence of title in connection with sale, Trustee shall apply the proceeds of sale to payment of; all sums expended under the terms hereof not then repaid, with accrued interest at the amount allowed by law in effect at the date hereof; all other sums then secured hereby; and the remainder, if any, to the person or persons legally entitled thereto.

12. Beneficiary, or any successor in ownership of any indebtedness secured hereby, may from time to time, by instrument in writing, substitute a successor or successors to any Trustee named herein or acting hereunder, which instrument, executed by the Beneficiary and duly acknowledged and recorded in the office of the recorder of the county or counties where said property is situated, shall be conclusive proof of proper substitution of such successor Trustee or Trustees, who shall without conveyance from the Trustee predecessor, succeed to all its title, estate, rights, powers and duties. Said instrument must contain the name of the original Trustor, Trustee and Beneficiary hereunder, the book and page where this Deed is recorded and the name and address of the new Trustee.

13. That this Deed applies to, inures to the benefit of, and binds all parties hereto, their heirs, legatees, devisees, administrators, executors, successors and assigns. The term Beneficiary shall mean the owner and holder, including pledgees, of the note secured hereby whether, or not named as Beneficiary herein. In this Deed, whenever the context so requires, the masculine gender includes the feminine and/or neuter, and the singular number includes the plural.

14. That Trustee accepts this Trust when this Deed, duly executed and acknowledged, is made a public record as provided by law. Trustee is not obligated to notify any party hereto of pending sale under any other Deed of Trust or of any action or proceeding in which Trustor, Beneficiary or Trustee shall be a party unless brought by Trustee.

The undersigned Trustor requests that a copy of any Notice of Default and of any Notice of Sale hereunder be mailed to him at his address hereinbefore set forth.

Dated __________ - 2019

________________________________________

________________________________________
STATE OF CALIFORNIA
COUNTY OF ____________________________
On ____________________________ before me, ____________________________________________
A Notary Public personally appeared ____________________________ who proved to me on the basis of satisfactory evidence to be the person(s) whose name(s) is/are subscribed to the within instrument and acknowledged to me that he/she/they executed the same in his/her/their authorized capacity(ies), and that by his/her/their signature(s) on the instrument the person(s), or the entity upon behalf of which the person(s) acted, executed the instrument.
I certify under PENALTY OF PERJURY under the laws of the State of California that the foregoing paragraph is true and correct.
WITNESS my hand and official seal.

Signature ____________________________ (Seal)