

**BEFORE THE OVERSIGHT BOARD OF THE SUCCESSOR AGENCY
OF THE FORMER KINGS COUNTY REDEVELOPMENT AGENCY
COUNTY OF KINGS, STATE OF CALIFORNIA**

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IN THE MATTER OF DECLARING
KINGS COUNTY AGREEMENT NO. 09-112
(REDEVELOPMENT AGREEMENT NO. 09-004)
AN ENFORCEABLE OBLIGATION /

RESOLUTION NO. 12-001

WHEREAS, the Kings County Redevelopment Agency (“Redevelopment Agency”) was a redevelopment agency organized under the California Community Redevelopment Law (Health & Safety Code § 33000 *et seq.*, hereinafter “Redevelopment Law”) and Kings County Ordinance number 631 until February 1, 2012, at which time it was dissolved pursuant to AB1X 26 (Stats. 2011, chap. 5, “AB1X 26”); and

WHEREAS, on February 1, 2012, the County of Kings became the Successor Agency to the former Redevelopment Agency pursuant to Section 34171(j) and Section 34173 of the Redevelopment Law (as added by Part 1.85); and

WHEREAS, the former Redevelopment Agency adopted a redevelopment plan for the Kettleman City Redevelopment Project through Kings County Ordinance number 635, to eliminate blight within Kettleman City by facilitating the design, development and construction of a water treatment plant and commercial storage tank on parcels of real property within the Project Area located in Kettleman City, California; and

WHEREAS, on December 22, 2009, the County of Kings and the Redevelopment Agency entered into an agreement entitled “Loan Agreement Between the County of Kings and the Kings County Redevelopment Agency” (Kings County Agreement number 09-112, Kings County Redevelopment Agreement number 09-004, hereinafter said “Agreement”); and

WHEREAS, said Agreement authorized a loan of \$3,000,000.00 from the County of Kings to the Kings County Redevelopment Agency for use in the Kettleman City Redevelopment Project Area for facilitating the development, improvement, expansion, and modernization of a water treatment plant, commercial storage tank and other water distribution facilities (hereinafter the “Project”); and

WHEREAS, said Agreement stated that the loan from the County was necessary to assist the Kettleman City Community Services District in securing additional government

financing for the Project and said loan would be repaid from tax increment accruing to the Redevelopment Agency after completion of the Project; and

WHEREAS, the Redevelopment Agency subsequently entered into an agreement with the Kettleman City Community Services District (Redevelopment Agreement number 09-003) to provide the District with funds as needed to meet the costs incurred by the Project; and

WHEREAS, the dissolution of redevelopment agencies through AB1X 26 provided that “all agency loans, advances, or indebtedness, and interest thereon, shall be deemed extinguished and paid; provided, however, that nothing herein is intended to absolve the successor agency of payment or other obligations due or imposed pursuant to the enforceable obligations; and provided further, that nothing in the act adding this part is intended to be construed as an action or circumstance that may give rise to an event of default under any of the documents governing the enforceable obligation” (Health & Safety Code section 34174(a)) ; and

WHEREAS, Section 34171(d)(2), excludes from the definition of enforceable obligation agreements between the county that created the redevelopment agency and the former redevelopment agency, except that “written agreements entered into at the time of issuance, but in no event later than December 31, 2010, of indebtedness obligations, and solely for the purpose of securing or repaying those indebtedness obligations may be deemed enforceable obligations”; and

WHEREAS, the Agreement between the County and the former Redevelopment Agency was entered into on December 22, 2009, and was for the purpose creating a repayable loan to facilitate the construction of the Kettleman City Redevelopment Project; and

WHEREAS, Section 34178(a) allows the Oversight Board to approve the entering or reentering of agreements the county and the former redevelopment agency, thus creating valid binding agreements that are deemed enforceable obligations; and

WHEREAS, on January 31, 2012, the County of Kings, as the Successor Agency to the Redevelopment Agency adopted an Enforceable Obligation Payment Schedule listing the Agreement as the sole enforceable obligation of the former Redevelopment Agency; and

WHEREAS, on April 10, 2012, the County of Kings, as the Successor Agency to the former Redevelopment Agency adopted two Recognized Obligation Payment Schedules (“ROPS”), one covering from February 1, 2012 through June 30, 2012 and the second covering from July 1, 2012 through December 31, 2012, and both schedules listed said

Agreement as an enforceable obligation.

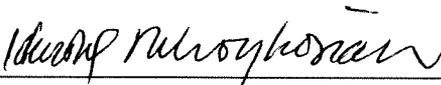
NOW, THEREFORE, IT IS HEREBY RESOLVED by the Oversight Board of the County of Kings, State of California, as follows:

1. This Board finds that the Loan Agreement between the County of Kings and the Kings County Redevelopment Agency entered into on December 22, 2009 ("Agreement"), qualifies an enforceable obligation pursuant to Health and Safety Code section 34171(d)(2) as it was entered into before December 31, 2010, and was solely for the purpose of securing or repaying the indebtedness obligation of the loan for the Project.

2. This Board hereby reenters into the Agreement with the County of Kings pursuant to Health and Safety Code section 34178 and ratifies the Agreement as a valid binding enforceable obligation.

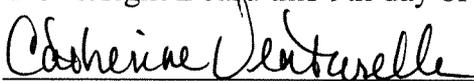
The foregoing resolution was adopted upon motion by Board Member Warkentin, seconded by Board Member Corl, at a special meeting held on the 9th day of May, 2012 by the following vote:

AYES: Warkentin, Corl, Ware, West, Dial, Nikoghosian
NOES: None
ABSENT: Valle
ABSTAIN: None



Harold Nikoghosian, Vice-Chairman
Kings County Oversight Board
County of Kings, State of California

WITNESS my hand and seal of said Oversight Board this 9th day of May, 2012.



Catherine Venturillo
Clerk of said Oversight Board