

CALL AND NOTICE OF SPECIAL MEETING

CITY OF HUNTINGTON PARK

CALLED BY MAYOR JHONNY PINEDA

**SUCCESSOR AGENCY
TO THE COMMUNITY DEVELOPMENT COMMISSION
OF THE CITY OF HUNTINGTON PARK**



Special Meeting Agenda Tuesday, May 29, 2018

6:30 p.m.
City Hall Council Chambers
6550 Miles Avenue
Huntington Park, CA 90255

CALL TO ORDER

ROLL CALL

Chair Jhonny Pineda
Vice Chair Karina Macias
Board Member Manuel "Manny" Avila
Board Member Graciela Ortiz
Board Member Marilyn Sanabria

PUBLIC COMMENT

Pursuant to Government Code Section 54954.3(a) Members of the public will have an opportunity to address the Board Members on items listed on this agenda. For items on this agenda each speaker will be limited to three minutes per Huntington Park Municipal Code Section 2-1.207. Time limits may not be shared with other speakers and may not accumulate from one period of public comment to another or from one meeting to another.

CONSENT CALENDAR

All matters listed under the Consent Calendar are considered to be routine and will be enacted by one motion. There will be no separate discussion of these items prior to the time the Board votes on the motion unless members of the Board, staff, or the public request specific items to be discussed and/or removed from the Consent Calendar for separate action.

1. Approve Minute(s) of the following Successor Agency Meeting:

1-1 Successor Agency Regular Meeting held Tuesday, May 1, 2018.

REGULAR AGENDA

2. Consideration and Approval of a Resolution to Approve the Incurrence of a Loan (and Related Issuance of a Tax Allocation Note) to Refund Outstanding Indebtedness Incurred in 2007 for the Santa Fe Project Area and the Neighborhood Preservation Project Area

RECOMMENDATION OF ITEM UNDER CONSIDERATION:

1. Adopt Resolution No.SA2018-02, approving the Successor Agency's incurrence of a loan (and related issuance of a tax allocation note) to refund outstanding indebtedness incurred in 2007 for the Santa Fe Project Area and the Neighborhood Preservation Project Area and taking related actions.

ADJOURNMENT

The Successor Agency to the Community Development Commission of the City of Huntington Park will adjourn to a Regular Meeting on Tuesday, June 5, 2018, at 6:00 p.m.

I Donna G. Schwartz, hereby certify under penalty of perjury under the laws of the State of California that the foregoing agenda was posted at City of Huntington Park City Hall and made available at www.hPCA.gov on the 24th of May 2018.


for Donna G. Schwartz, CMC
Secretary

MINUTES
Regular Meeting of the
Successor Agency to the Community Development Commission
Of the City of Huntington Park
Tuesday, May 1, 2018, at 6:00 p.m.

Sergeant at Arms read the Rules of Decorum before the start of both Successor Agency to the Community Development Commission and the City of Huntington Park City Council Regular Meeting.

The regular meeting of the Successor Agency to the Community Development Commission of the City of Huntington Park was called to order at 6:04 p.m. on Tuesday, May 1, 2018, in the Council Chambers of City Hall at 6550 Miles Avenue, Huntington Park, California; Chair Jhonny Pineda presiding.

PRESENT: Board Member(s): (Graciela Ortiz ARRIVED at 6:06 p.m.), Manuel "Manny" Avila, Marilyn Sanabria, Vice Chair Karina Macias and Chair Jhonny Pineda.

CITY OFFICIALS/STAFF: Ricardo Reyes, Interim Executive Director; Cosme Lozano, Chief of Police; Noel Tapia, Assistant City Attorney, Cynthia Norzagaray, Director of Parks and Recreation; Sergio Infanzon, Community Development Director; Daniel Hernandez, Director of Public Works; Nita McKay, Director of Finance and Donna G. Schwartz, Agency Secretary, City Clerk. **ABSENT:** Martha Castillo, Human Resources Director.

PUBLIC COMMENT - None.

CONSENT CALENDAR

Motion: Board Member Macias motioned to approve consent calendar, seconded by Board Member Sanabria. Motion passed 4-0-1, by the following vote:

ROLL CALL:

AYES:	Board Member(s):	Avila, Sanabria, Vice Chair Macias and Chair Pineda
NOES:	Board Member(s):	None
ABSENT:	Board Member(s):	Ortiz

1. Approved Minute(s) of the following Successor Agency Meeting:

1-1 Successor Agency Regular Meeting held Tuesday, April 3, 2018.

REGULAR AGENDA

2. Consideration and Approval of a Resolution to Approve the Incurrence of a Loan (and Related Issuance of a Tax Allocation Note) to Refund Outstanding Indebtedness Incurred in 2007 for the Santa Fe Project Area and the Neighborhood Preservation Project Area

RECOMMENDATION OF ITEM UNDER CONSIDERATION:

1. Adopt Resolution No.SA2018-02, approving the Successor Agency's incurrence of a loan (and related issuance of a tax allocation note) to refund outstanding indebtedness incurred in 2007 for the Santa Fe Project Area and the Neighborhood Preservation Project Area and taking related actions.

Finance Director Nita McKay presented the staff report and announced that Special Counsel was in attendance to answer any questions.

Teresa Ho-Urano, Special Counsel, Richards Watson Gershon who provided additional information.

Motion: Mayor Pineda motioned to table the item to the next meeting, seconded by Vice Mayor Macias. Motion passed 5-0, by the following vote:

ROLL CALL:

AYES: Board Member(s): Ortiz, Avila, Sanabria, Vice Chair Macias and Chair Pineda
NOES: Board Member(s): None

ADJOURNMENT

At 6:13 p.m. Chair Pineda adjourned the Successor Agency to the Community Development Commission of the City of Huntington Park to a Regular Meeting on Tuesday, May 15, 2018, at 6:00 p.m.

Respectfully submitted,

Donna G. Schwartz, CMC
Agency Secretary



CITY OF HUNTINGTON PARK

Finance Department
Successor Agency Agenda Report

May 29, 2018

Honorable Chair and Members of the Successor Agency Board
City of Huntington Park
6550 Miles Avenue
Huntington Park, CA 90255

Dear Members of the Board of Directors of the Successor Agency to the Community Development Commission of the City of Huntington Park:

CONSIDERATION AND APPROVAL OF A RESOLUTION TO APPROVE THE INCURRENCE OF A LOAN (AND RELATED ISSUANCE OF A TAX ALLOCATION NOTE) TO REFUND OUTSTANDING INDEBTEDNESS INCURRED IN 2007 FOR THE SANTA FE PROJECT AREA AND THE NEIGHBORHOOD PRESERVATION PROJECT AREA

IT IS RECOMMENDED THAT THE SUCCESSOR AGENCY BOARD:

1. Adopt Resolution No.SA2018-02, approving the Successor Agency's incurrence of a loan (and related issuance of a tax allocation note) to refund outstanding indebtedness incurred in 2007 for the Santa Fe Project Area and the Neighborhood Preservation Project Area and taking related actions.

PURPOSE/JUSTIFICATION OF RECOMMENDED ACTION

Background

The former Community Development Commission of the City of Huntington Park (the Former CDC) incurred two loans in 2007 (together, the 2007 Loans): (i) one in the principal amount of \$3,037,000, to refund prior loans incurred for the redevelopment of the Santa Fe Project Area (the 2007 Santa Fe Loan), and (ii) one in the principal amount of \$6,700,000, to finance the redevelopment of the Neighborhood Preservation Project Area (the 2007 Neighborhood Preservation Loan).

MUFG Union Bank, N.A. (formerly Union Bank of California, N.A.) (Union Bank) is the lender for both 2007 Loans. The 2007 Loans bear interest at variable rates which adjust

CONSIDERATION AND APPROVAL OF A RESOLUTION TO APPROVE THE INCURRENCE OF A LOAN (AND RELATED ISSUANCE OF A TAX ALLOCATION NOTE) TO REFUND OUTSTANDING INDEBTEDNESS INCURRED IN 2007 FOR THE SANTA FE PROJECT AREA AND THE NEIGHBORHOOD PRESERVATION PROJECT AREA

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on a monthly basis. The Former CDC and Union Bank entered into an interest rate swap in connection with each 2007 Loan. The net effect of the swap agreements is to synthetically fix the annual interest rate on the 2007 Loans at 4.50%.

The 2007 Santa Fe Loan had an original maturity date of February 3, 2014. The 2007 Neighborhood Preservation Loan had an original maturity date of February 1, 2017. On each maturity date, the outstanding principal amount of the related loan would be due as a balloon payment. Each agreement also provides that, upon the Former CDC's request, Union Bank may (but is not obligated to) extend the term of the 2007 Loan periodically.

During the past few years, Union Bank has given the Successor Agency extensions with respect to both 2007 Loans. In January 2018, however, Union Bank indicated that it was agreeing to only one *last* extension to: (i) August 3, 2018 for the 2007 Santa Fe Loan, and (ii) August 1, 2018 for the 2007 Neighborhood Preservation Loan.

As the result, the outstanding principal amount of the Santa Fe Loan (currently \$1.84 million), plus accrued interest, would become due on August 3, 2018. The outstanding principal amount of the Neighborhood Preservation Loan (currently \$3.66 million), plus accrued interest, would become due on August 1, 2018. Furthermore, each swap would terminate on the maturity date of the related 2007 Loan. A swap termination amount would become due at the same time, creating a hardship for the Successor Agency.

Not having sufficient cash on hand by August 2018 to repay the 2007 Loans would place the Successor Agency in default. Because of this, it is necessary for the Successor Agency to seek a refunding of the 2007 Loans to avoid a default.

Proposed Refunding

Successor Agency staff has been working with Public Financial Management, Inc. (PFM), as Municipal Advisor, and Richards Watson & Gershon, as Special Counsel, and HdL Coren, as Fiscal Consultant, on the proposed refunding.

To achieve the best result, it is anticipated that the Successor Agency will incur a single loan (the 2018 Refunding Loan) to refund both 2007 Loans. The 2018 Refunding Loan will bear interest at a fixed rate and have a term of about 10 years. The Successor Agency will issue a tax allocation note (the 2018 Note) to evidence the 2018 Refunding Loan. The terms of the 2018 Refunding Loan will be governed by a loan agreement between the Successor Agency and the lending bank.

Pursuant to discussions between Successor Agency staff and the State Department of Finance (the DOF), the Successor Agency will apply the proceeds, in the amount of

CONSIDERATION AND APPROVAL OF A RESOLUTION TO APPROVE THE INCURRENCE OF A LOAN (AND RELATED ISSUANCE OF A TAX ALLOCATION NOTE) TO REFUND OUTSTANDING INDEBTEDNESS INCURRED IN 2007 FOR THE SANTA FE PROJECT AREA AND THE NEIGHBORHOOD PRESERVATION PROJECT AREA

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approximately \$2 million, from the sale of a property, known as the Carmelita Property, previously acquired with proceeds from the 2007 Neighborhood Preservation Loan, to the loan refunding.

The Successor Agency requested proposals from prospective banks for the loan refunding. Proposals were received from five prospective lenders: Compass Bank, California Bank & Trust, Municipal Finance Corporation, Opus Bank and Umpqua Bank. The indicative interest rates offered by these lenders ranged from 4.10% to 4.65% (as of the proposal date). Compass Bank offered the most favorable rate among the five proposals: an interest rate of 4.10% per annum, subject to adjustment before closing based on LIBOR. Compass Bank is a subsidiary of BBVA Compass Bancshares, Inc. BBVA Compass ranks among the 50 largest banks in the United States by total assets.

Successor Agency staff recommends that the Successor Agency Board adopt the attached Resolution, to authorize the incurrence of the 2018 Refunding Loan and the corresponding issuance of the 2018 Note.

The incurrence of the 2018 Refunding Loan is subject to the review and approval by the Oversight Board and the DOF. The Oversight Board has scheduled a meeting on May 9, 2018, to consider a resolution to approve the 2018 Refunding Loan. After the Oversight Board's action, Staff will submit the Oversight Board resolution to the DOF. By law, the DOF will have an initial 5 business day review period, during which the DOF will have the option, which they will likely exercise, to extend its review by another 60 days. It is expected that the DOF's approval will be received by early July, in time to close the refunding transaction before the 2007 Loans become due.

Because DOF has the option for a long review period, the attached Resolution sets forth parameters for the 2018 Refunding Loan, with respect to the principal amount, interest rate and maturity date that allow for a certain degree of interest rate fluctuations and market contingencies that may occur before the closing.

CONSIDERATION AND APPROVAL OF A RESOLUTION TO APPROVE THE INCURRENCE OF A LOAN (AND RELATED ISSUANCE OF A TAX ALLOCATION NOTE) TO REFUND OUTSTANDING INDEBTEDNESS INCURRED IN 2007 FOR THE SANTA FE PROJECT AREA AND THE NEIGHBORHOOD PRESERVATION PROJECT AREA

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Government Code Section 5852.1 Disclosure

Pursuant to Government Code Section 5852.1, which became effective January 1, 2018, the following good faith estimates from an underwriter, financial adviser, or private lender, must be disclosed at a public meeting before the governing body of a local government entity, including the Successor Agency, for the issuance of debt with a term greater than 13 months:

<i>Information to be disclosed per Government Code Section 5852.1:</i>	<i>Estimates for the 2018 Refunding Loan, per PFM estimates</i>
True interest cost of the debt (the rate necessary to discount the amounts payable on the respective principal and interest payment dates to the purchase price received for the new issue of debt)	4.10%
Finance charge of the debt (the sum of fees and charges paid to third parties)	\$98,500
Amount of proceeds received by the public body from the issuance of the debt, less the finance charge of the debt and any reserves or capitalized interest paid or funded with proceeds of the debt	\$3,871,508
The total payment amount (the sum total of all debt service payments, plus the finance charge not paid from debt proceeds)	\$4,746,716

FISCAL IMPACT/FINANCING

The Successor Agency does not have sufficient cash to repay the 2007 Loans and the swap termination amounts, in full, on their due dates. A successful refunding will allow the Successor Agency to avoid defaulting on these loans.

Based on current estimates, it is expected that, after application of the sale proceeds of the Carmelita Property, the principal amount of the 2018 Refunding Loan will be approximately \$4 million. The average annual debt service on the 2018 Note is estimated to be approximately \$500,000 per year. In contrast, if the Union Bank had agreed to keep extending the 2007 Loans, the combined average annual debt service on the 2007 Loans

CONSIDERATION AND APPROVAL OF A RESOLUTION TO APPROVE THE INCURRENCE OF A LOAN (AND RELATED ISSUANCE OF A TAX ALLOCATION NOTE) TO REFUND OUTSTANDING INDEBTEDNESS INCURRED IN 2007 FOR THE SANTA FE PROJECT AREA AND THE NEIGHBORHOOD PRESERVATION PROJECT AREA

May 29, 2018

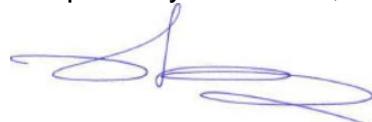
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of approximately \$730,000 over a term of approximately ten years. The final maturity of the 2007 Loans is not being extended in connection with the refunding.

CONCLUSION

Upon Successor Agency Board approval, staff will move forward with seeking the Oversight Board's and the DOF's approval of the refunding. It is hoped and expected that the DOF's approval will be received by early July, in time to close the refunding transaction before the 2007 Loans become due.

Respectfully submitted,



RICARDO REYES
Interim Executive Director



NITA MCKAY
Director of Finance

ATTACHMENT(S)

- A. Resolution No. SA2018-02
- B. Draft Loan Agreement
- C. Municipal Advisor Report Regarding Refunding Estimates, as of April 20, 2018

ATTACHMENT “A”

RESOLUTION NO. SA 2018-02

**A RESOLUTION OF THE BOARD OF DIRECTORS OF THE
SUCCESSOR AGENCY TO THE COMMUNITY DEVELOPMENT
COMMISSION OF THE CITY OF HUNTINGTON PARK APPROVING THE
SUCCESSOR AGENCY'S INCURRENCE OF A LOAN (AND RELATED
ISSUANCE OF A TAX ALLOCATION NOTE) TO REFUND
OUTSTANDING INDEBTEDNESS INCURRED IN 2007 FOR THE SANTA
FE PROJECT AREA AND THE NEIGHBORHOOD PRESERVATION
PROJECT AREA AND TAKING RELATED ACTIONS**

WHEREAS, pursuant to authority granted under California Health and Safety Code ("HSC") Section 34100 et seq., the Community Development Commission of the City of Huntington Park (the "Former CDC") operated as a redevelopment agency under the Community Redevelopment Law (set forth in Part 1 of Division 24 of the HSC); and

WHEREAS, pursuant to AB X1 26 (enacted in June 2011) and the California Supreme Court's decision in *California Redevelopment Association, et al. v. Ana Matosantos, et al.*, 53 Cal. 4th 231 (2011), the Former CDC was dissolved as of February 1, 2012; the Successor Agency to the Community Development Commission of the City of Huntington Park (the "Successor Agency") was constituted as the successor to the Former CDC; and an Oversight Board to the Successor Agency (the "Oversight Board") was established; and

WHEREAS, to refinance redevelopment projects, the Former CDC obtained a loan in 2007 (the "2007 Santa Fe Loan") from MUFG Union Bank, N.A. (formerly, Union Bank of California, N.A.) ("Union Bank"), in the principal amount of \$3,037,000; and

WHEREAS, the 2007 Santa Fe Loan is governed by the terms of a Loan Agreement, dated as of February 1, 2007 (the "Original Santa Fe Loan Agreement"), by and between the Former CDC and Union Bank, as amended by two amendments, each by and between the Successor Agency and Union Bank: (i) an Amendment No. 1 to Loan Agreement, dated as of January 30, 2017, and (ii) an Amendment No. 2 to Loan Agreement, dated as of January 30, 2018 (the Original Santa Fe Loan Agreement, as so amended, being referred to herein as the "2007 Santa Fe Loan Agreement"); and

WHEREAS, pursuant to the 2007 Santa Fe Loan Agreement, the 2007 Santa Fe Loan will mature on August 3, 2018, on which date the full remaining principal amount of \$1,842,552.46, together with accrued interest, would become due and payable; and

WHEREAS, the 2007 Santa Fe Loan bears interest at a variable rate which adjusts on a monthly basis; and

WHEREAS, in connection with the 2007 Santa Fe Loan, the Former CDC and Union Bank entered into an interest rate swap arrangement (the "2007 Santa Fe Swap"), which, by its terms, would terminate concurrently with the 2007 Santa Fe Loan with a swap termination amount (the "2007 Santa Fe Swap Termination Amount") becoming due; and

WHEREAS, to finance redevelopment projects, the Former CDC obtained another loan in 2007 (the “2007 Neighborhood Preservation Loan” and, together with the 2007 Santa Fe Loan, the “2007 Loans”) from Union Bank in the principal amount of \$6,700,000; and

WHEREAS, the 2007 Neighborhood Preservation Loan is governed by the terms of a Loan Agreement, dated as of February 1, 2007 (the “Original Neighborhood Preservation Loan Agreement”), by and between the Former CDC and Union Bank, as amended by three amendments, each by and between the Successor Agency and Union Bank: (i) an Amendment No. 1 to Loan Agreement, dated as of January 30, 2014, (ii) an Amendment No. 2 to Loan Agreement, dated as of January 30, 2017, and (iii) an Amendment No. 3 to Loan Agreement, dated as of January 30, 2018 (the Original Neighborhood Preservation Loan Agreement, as so amended, being referred to herein as the “2007 Neighborhood Preservation Loan Agreement”); and

WHEREAS, pursuant to the 2007 Neighborhood Preservation Loan Agreement, the 2007 Neighborhood Preservation Loan will mature on August 3, 2018, on which date the full remaining principal amount of \$3,657,719.71, together with accrued interest, would become due and payable; and

WHEREAS, the 2007 Neighborhood Preservation Loan bears interest at a variable rate which adjusts on a monthly basis; and

WHEREAS, in connection with the 2007 Neighborhood Preservation Loan, the Former CDC and Union Bank entered into an interest rate swap arrangement (the “2007 Neighborhood Preservation Swap” and, together with the 2007 Santa Fe Swap, the “2007 Swaps”), which, by its terms, would terminate concurrently with the 2007 Neighborhood Preservation Loan with a swap termination amount (the “2007 Neighborhood Preservation Swap Termination Amount” and, together with the 2007 Santa Fe Swap Termination Amount, the “2007 Swap Termination Amounts”) becoming due; and

WHEREAS, pursuant to HSC Section 34177.5(b), the Successor Agency is authorized to incur indebtedness and issue tax allocation bonds (or notes) to finance debt service spikes (including balloon maturities); and

WHEREAS, in light of the upcoming maturity of the 2007 Loans and requirement to settle the 2007 Swap Termination Amounts, it is necessary for the Successor Agency to incur debt to pay (or prepay, if closing can be accomplished before the maturity date) the 2007 Loans and the 2007 Swap Termination Amounts (such refunding transaction being referred to herein as the “Refunding”); and

WHEREAS, in that connection, the Successor Agency will obtain a loan (the “Refunding Loan”) pursuant to a loan agreement (the “Refunding Loan Agreement”), which Refunding Loan will be evidenced by a tax allocation note (the “Tax Allocation Refunding Note”) to be issued in favor of Compass Bank, as the lender (or another bank or lending entity selected by the Executive Director (or Interim Executive Director), in consultation with the Successor Agency’s municipal advisor and legal counsel); and

WHEREAS, repayment of the Refunding Loan will be secured by a pledge of property tax revenues as provided in the Refunding Loan Agreement; and

WHEREAS, pursuant to discussion between Successor Agency Staff and the State Department of Finance representatives, the Successor Agency will apply the proceeds, in the amount of approximately \$2 million, from the sale of a property previously acquired with proceeds from the Neighborhood Preservation Loan (the “Carmelita Property”) to the refunding of the Neighborhood Preservation Loan; and

WHEREAS, the Refunding Loan will be incurred (and the Tax Allocation Refunding Note will be issued) under the authority of HSC Section 34177.5 and Article 11 (commencing with Section 53580) of Chapter 3 of Part 1 of Division 2 of Title 5 of the California Government Code; and

WHEREAS, pursuant to HSC Sections 34177.5(f) and 34180, the incurrence of the Refunding Loan and the related issuance of the Tax Allocation Refunding Note are subject to the Oversight Board’s prior approval;

NOW THEREFORE, THE BOARD OF DIRECTORS OF THE SUCCESSOR AGENCY TO THE COMMUNITY DEVELOPMENT COMMISSION OF THE CITY OF HUNTINGTON PARK, HEREBY FINDS, DECLARES AND RESOLVES AS FOLLOWS:

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

SECTION 2. The incurrence of the Refunding Loan and the related issuance of the Tax Allocation Refunding Note are hereby approved and authorized, subject to the following parameters: (i) the principal amount thereof shall not exceed \$5,000,000; (ii) the interest rate (in absence of any default) shall not exceed 5.00 per annum, and (iii) the last maturity date of the Refunding Loan shall occur not later than the end of calendar year 2028.

SECTION 3. The form of the Refunding Loan Agreement to be executed by the Successor Agency and a lender to be selected by the Executive Director (or Interim Executive Director), in the form on file with the Secretary of the Successor Agency, is hereby approved. Each of the Chair of this Board (or, in the Chair’s absence, the Vice Chair) and the Executive Director of the Successor Agency (together, the “Authorized Officers,” each being an “Authorized Officer”), acting individually, is authorized, for and in the name and on behalf of the Successor Agency, to execute and deliver the Loan Agreement in substantially said form, with such changes therein as the Authorized Officer executing the same may require or approve (such approval to be conclusively evidenced by the execution and delivery thereof).

SECTION 4. In connection with the Refunding, the appointment of the following firms is hereby approved and affirmed: (i) Public Financial Management, Inc., as municipal advisor, (ii) Richards, Watson & Gershon, A Professional Corporation, as special counsel, and (iii) HdL Coren & Cone, as fiscal consultant.

SECTION 5. The Executive Director (or Interim Executive Director) is authorized to execute such written instruments and take other such actions as determined by the Executive Director to be beneficial or necessary to effect the Refunding, to request or affirm the subordination of obligations owing to other parties (including one or more relevant taxing entities) to payments under the Refunding Loan Agreement with respect to the pledge of property tax revenues.

SECTION 6. The application of the proceeds from the sale of the Carmelita Property toward the refunding of the Neighborhood Preservation Loan is hereby approved.

SECTION 7. The Oversight Board is hereby requested to approve this Resolution and approve: (i) the Successor Agency's incurrence of the Refunding Loan and the related issuance of the Tax Allocation Refunding Note; (ii) the Successor Agency's execution and delivery of the Loan Agreement; and (iii) the pledge of the property tax revenues to secure the repayment of the Refunding Loan pursuant to the terms of the Refunding Loan Agreement. The Agency Secretary is hereby directed to transmit this Resolution to the Oversight Board for consideration at the earliest possible date.

SECTION 8. Reference is hereby made to the City of the Huntington Park's Debt Issuance and Management Policy (the "Debt Policy"), as approved by the City Council on the same date as the adoption of this Resolution. It is hereby affirmed that the Debt Policy applies to the Successor Agency, and the incurrence of the 2018 Refunding Loan is consistent with the Debt Policy.

SECTION 9. The Authorized Officers, the Finance Officer, and all other officers of the Successor Agency, are hereby authorized, jointly and severally, to execute and deliver any and all necessary instruments, and to do all things which they may deem necessary or proper, to effectuate the purposes of this Resolution and consummate the Refunding and all such actions previously taken by such officers are hereby ratified.

PASSED AND ADOPTED this 29th day of May, 2018.

Chair

Secretary

ATTACHMENT “B”

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LOAN AGREEMENT

dated as of [July ____], 2018

**SUCCESSOR AGENCY TO THE
COMMUNITY DEVELOPMENT COMMISSION OF THE CITY OF HUNTINGTON PARK**

and

**COMPASS BANK,
as Lender**

Relating to a Loan Evidenced by

\$_____
Successor Agency to the
Community Development Commission of the City of Huntington Park
Taxable Tax Allocation Refunding Note
(Santa Fe & Neighborhood Preservation Redevelopment Projects)
Issue of 2018

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LOAN AGREEMENT

This **Loan Agreement** (this “**Loan Agreement**”), dated as of [July __], 2018, is made and entered into by and between the **Successor Agency to the Community Development Commission of the City of Huntington Park**, a public body, organized and existing under and by virtue of the laws of the State of California (the “**Successor Agency**”), as the successor entity to the Community Development Commission of the City of Huntington Park (the “**Former CDC**”) and **BBVA Compass**, as lender (the “**Bank**”).

RECITALS

A. Pursuant to authority granted under California Health and Safety Code (“**HSC**”) Section 34100 *et seq.*, the Former CDC operated as a redevelopment agency under the Community Redevelopment Law (set forth in Part 1 of Division 24 of the **HSC**).

B. Pursuant to AB X1 26 (enacted in June 2011) and the California Supreme Court’s decision in *California Redevelopment Association, et al. v. Ana Matosantos, et al.*, 53 Cal. 4th 231 (2011), the Former CDC was dissolved as of February 1, 2012; the Successor Agency was constituted; and an Oversight Board to the Successor Agency (the “**Oversight Board**”) was established

C. To refinance redevelopment projects, the Former CDC obtained a loan in 2007 (the “**2007 Santa Fe Loan**”) from MUFG Union Bank, N.A. (formerly, Union Bank of California, N.A.) (“**Union Bank**”), in the principal amount of \$3,037,000.

D. The 2007 Santa Fe Loan was governed by the terms of a Loan Agreement, dated as of February 1, 2007 (the “**Original Santa Fe Loan Agreement**”), by and between the Former CDC and Union Bank, as amended by two amendments, each by and between the Successor Agency and Union Bank: (i) an Amendment No. 1 to Loan Agreement, dated as of January 30, 2017, and (ii) an Amendment No. 2 to Loan Agreement, dated as of January 30, 2018. (The Original Santa Fe Loan Agreement, as so amended, is referred to herein as the “**2007 Santa Fe Loan Agreement**”).

E. Pursuant to the 2007 Santa Fe Loan Agreement, the 2007 Santa Fe Loan matures August 3, 2018, on which date the full remaining principal amount of \$1,842,552.46, together with accrued interest, would become due and payable.

F. The 2007 Santa Fe Loan bears interest at a variable rate which adjusts on a monthly basis.

G. In connection with the 2007 Santa Fe Loan, the Former CDC and Union Bank entered into an interest rate swap arrangement (the “**2007 Santa Fe Swap**”), which, by its terms, would terminate concurrently with the 2007 Santa Fe Loan with a swap termination amount (the “**2007 Santa Fe Swap Termination Amount**”) becoming due.

H. To finance redevelopment projects, the Former CDC obtained another loan in 2007 (the “**2007 Neighborhood Preservation Loan**”) from Union Bank in the principal amount of \$6,700,000.

I. The 2007 Neighborhood Preservation Loan was governed by the terms of a Loan Agreement, dated as of February 1, 2007 (the “**Original Neighborhood Preservation Loan Agreement**”), by and between the Former CDC and Union Bank, as amended by three amendments, each by and between the Successor Agency and Union Bank: (i) an Amendment No. 1 to Loan Agreement, dated as of January 30, 2014, (ii) an Amendment No. 2 to Loan Agreement, dated as of January 30, 2017, and (iii) an Amendment No. 3 to Loan Agreement, dated as of January 30, 2018. (The Original Neighborhood Preservation Loan Agreement, as so amended, is referred to herein as the “**2007 Neighborhood Preservation Loan Agreement**”).

J. Pursuant to the 2007 Neighborhood Preservation Loan Agreement, the 2007 Neighborhood Preservation Loan matures August 1, 2018, on which date the full remaining principal amount of \$3,657,719.71, together with accrued interest, would become due and payable.

K. The 2007 Neighborhood Preservation Loan bears interest at a variable rate which adjusts on a monthly basis.

L. In connection with the 2007 Neighborhood Preservation Loan, the Former CDC and Union Bank entered into an interest rate swap arrangement (the “**2007 Neighborhood Preservation Swap**”), which by its terms, would terminate concurrently with the 2007 Neighborhood Preservation Loan with a swap termination amount (the “**2007 Neighborhood Preservation Swap Termination Amount**”) becoming due.

M. Pursuant to HSC Section 34177.5(b), the Successor Agency is authorized to incur indebtedness and issue tax allocation bonds (or notes) to finance debt service spikes (including balloon maturities).

N. The Successor Agency is entering into this Loan Agreement for a loan from the Bank (the “**2018 Loan**”), in the principal amount of \$_____ to finance the debt service spike associated with (i) the 2007 Santa Fe Loan maturity and the related 2007 Santa Fe Swap termination and (ii) the 2007 Neighborhood Preservation Loan maturity and the related 2007 Neighborhood Preservation Swap termination.

O. The 2018 Loan will be evidenced by the Successor Agency’s Tax Allocation Refunding Note, Issue of 2018 (the “**2018 Note**”), to be issued pursuant to the terms of this Loan Agreement.

P. The 2018 Loan is being incurred (and the 2018 Note is being issued) under the authority of HSC Section 34177.5 and Article 11 (commencing with Section 53580) of Chapter 3 of Part 1 of Division 2 of Title 5 of the California Government Code.

Q. Pursuant to HSC Sections 34177.5 and 34180, the incurrence of the 2018 Loan and the issuance of the 2018 Note are subject to the Oversight Board’s prior approval and, pursuant to HSC Sections 34179(h) and 34177.5(f), such Oversight Board action is subject to review by the California State Department of Finance (the “**DOF**”).

R. On _____, 2018, the Oversight Board adopted Resolution No. _____ (the “**Oversight Board Resolution**”), approving the incurrence of the 2018 Loan and the issuance of the 2018 Note.

S. The DOF issued a letter dated _____, 2018, providing the DOF’s approval of the Oversight Board Resolution.

NOW THEREFORE, for fair and valuable consideration, the receipt and adequacy of which are hereby acknowledged, the parties hereto enter into this Loan Agreement:

ARTICLE I **DEFINITIONS; RULES OF CONSTRUCTION**

SECTION 1.01 Definitions. Unless the context otherwise requires, the terms defined in this Section shall for all purposes of this Loan Agreement and the 2018 Note and of any certificate, opinion, report, request or other document herein or therein mentioned have the meanings specified below.

“1990 Merged Project Area” means, collectively, three of the component areas of the Amended Merged Project Area, consisting of the Central Business District Redevelopment Project (originally established by Ordinance No. 66-NS of the City, adopted on December 21, 1971), the Huntington Park Industrial Redevelopment Project (originally established by Ordinance No. 167-NS of the City, adopted on May 25, 1977) and the Huntington Park Northern Redevelopment Project (originally established by Ordinance No. 261-NS of the City, adopted on February 5, 1990) portions of the Amended Merged Project Area. Such three component areas were fiscally merged pursuant to Ordinance No. 468-NS of the City adopted on February 9, 1990.

“2007 Loans” means, together, the 2007 Neighborhood Preservation Loan and the 2007 Santa Fe Loan.

“2007 Neighborhood Preservation Loan” has the meaning ascribed to such term in the Recitals of this Loan Agreement.

“2007 Neighborhood Preservation Loan Agreement” has the meaning ascribed to such term in the Recitals of this Loan Agreement.

“2007 Neighborhood Preservation Swap” has the meaning ascribed to such term in the Recitals of this Loan Agreement.

“2007 Neighborhood Preservation Swap Termination Amount” has the meaning ascribed to such term in the Recitals of this Loan Agreement.

“2007 Santa Fe Loan” has the meaning ascribed to such term in the Recitals of this Loan Agreement.

“2007 Santa Fe Loan Agreement” has the meaning ascribed to such term in the Recitals of this Loan Agreement.

“2007 Santa Fe Swap” has the meaning ascribed to such term in the Recitals of this Loan Agreement.

“2007 Santa Fe Swap Termination Amount” has the meaning ascribed to such term in the Recitals of this Loan Agreement.

“2007 Swaps” means, together, the 2007 Neighborhood Preservation Swap and the 2007 Santa Fe Swap.

“2007 Swap Termination Amounts” means, together, the 2007 Neighborhood Preservation Swap Termination Amount and the 2007 Santa Fe Swap Termination Amount.

“2018 Loan” means the loan, in the original principal amount of \$ _____, by the Bank to the Successor Agency, described in Section 2.01 of this Loan Agreement.

“2018 Note” means the Successor Agency’s Taxable Tax Allocation Refunding Note (Santa Fe & Neighborhood Preservation Redevelopment Projects), Issue of 2018, evidencing the 2018 Loan, as issued and delivered pursuant to this Loan Agreement.

“Amended Merged Project Area” means the Huntington Park Amended Merged Project Area established by Ordinance No. 586-NS of the City of Huntington Park adopted on May 5, 1997.

“Authorized Officer” means, with respect to the Successor Agency, the Chairperson (who is the Mayor of the City), the Vice-Chairperson (who is the Vice-Mayor of the City), the Executive Director of the Successor Agency (who is the City Manager of the City), and the Finance Officer (which is the Finance Director of the City), or any other officer of the Successor Agency duly authorized to act on behalf of the Successor Agency for purposes of this Loan Agreement.

“Bank” means Compass Bank, and its successors and permitted assigns.

“Business Day” means a day other than: (i) a Saturday, (ii) a Sunday, (iii) a day on which the administrative offices of the City is required or authorized to remain closed, or (iv) a day on which banks in the City of Los Angeles are required or authorized to remain closed.

“Certificate of the Successor Agency” means an instrument in writing signed by an Authorized Officer of the Successor Agency.

“City” means the City of Huntington Park, California.

“City 2016-17 Audited Financial Report” means the report containing the audited financial statements of the City, for the fiscal year ended June 30, 2017.

“Closing Date” means _____, 2018.

“Costs of Issuance Disbursement Request” means a Certificate of the Successor Agency, substantially in the form set forth in Appendix B, to be delivered to the Bank before the Closing Date pursuant to Section 2.01, regarding the amount of 2018 Loan proceeds that will be disbursed

for costs and expenses incurred by the Successor Agency in connection with the authorization and incurrence of the 2018 Loan.

“County” means Los Angeles County, California.

“County Auditor-Controller” means the Auditor-Controller of the County.

“Default Rate” means the interest rate equal to the lesser of: (i) the rate otherwise in effect on the 2018 Loan in the absence of the Event of Default plus five percent (5%) per annum, or (ii) the highest rate then permitted by law.

“Dissolution Act” means Parts 1.8 (commencing with Section 34161) and 1.85 (commencing with Section 34170) of Division 24 of the HSC, as previously amended and supplemented and as the same may be further amended and supplemented from time to time.

“DOF Approval Letter” means the letter, dated _____, 2018, issued by the California State Department of Finance approving the Oversight Board Resolution.

“Event of Default” has the meaning ascribed to such term in Section 7.01 of this Loan Agreement.

“Fiscal Consultant” means HdL Coren & Cone, which prepared the Fiscal Consultant Report.

“Fiscal Consultant Tables” means the Tables, attached hereto as Exhibit D, prepared by HdL Coren & Cone, containing historical data and projections regarding assessed value and property tax revenues, and other relevant information of the Neighborhood Preservation Project Area and Santa Fe Project Area.

“Fiscal Year” means the period commencing on July 1 of each year and terminating on the next succeeding June 30, or any other annual accounting period hereafter selected and designated by the Successor Agency as its Fiscal Year and identified in writing to the Bank.

“Former CDC” means the former Community Development Commission of the City of Huntington Park, which was dissolved on February 1, 2012 pursuant to the Dissolution Act.

“Governmental Authority” means any governmental or quasi-governmental entity, including any court, department, commission, board, bureau, agency, administration, central bank, service, district or other instrumentality of any governmental entity or other entity exercising executive, legislative, judicial, taxing, regulatory, fiscal, monetary or administrative powers or functions of or pertaining to government, or any arbitrator, mediator or other person with authority to bind a party at law.

“HSC” means the Health and Safety Code of the State.

“January 2019 RPTTF Disbursement” means the moneys disbursed by the County Auditor-Controller to the Successor Agency in January 2019, to cover enforceable obligations for the ROPS Period from January 2019 through June 2019.

“June 2018 RPTTF Disbursement” means the moneys disbursed by the County Auditor-Controller to the Successor Agency in June 2018, to cover enforceable obligations for the ROPS Period from July 2018 through December 2018.

“Lender Representation Letter” means a letter, substantially in the form set forth in Appendix C, to be delivered to the Successor Agency, by (i) the Bank on or before the Closing Date pursuant to Section 6.02, and (ii) the assignee in connection with each assignment of the 2018 Loan (and the 2018 Note), pursuant to Section 2.05.

“Loan Agreement” means this Loan Agreement, as may be amended from time to time in accordance with the terms hereof.

“Law” means the Community Redevelopment Law of the State of California (being Part 1 of Division 24 of the Health and Safety Code of the State of California, as amended), and all laws amendatory thereof or supplemental thereto, including the Dissolution Act.

“Material Adverse Effect” means an event or occurrence which adversely affects in a material manner (a) the assets, liabilities, condition (financial or otherwise), business, facilities or operations of the Successor Agency; (b) the ability of the Successor Agency to carry out its business in the manner conducted as of the date of this Loan Agreement or to meet or perform its obligations under this Loan Agreement on a timely basis; and (c) the validity or enforceability of this Loan Agreement.

“Material Litigation” means any action, suit, proceeding, inquiry or investigation against the Successor Agency in any court or before any arbitrator of any kind or before or by any Governmental Authority, of which the Successor Agency has received notice or actual knowledge and which, (a) if determined adversely to the Successor Agency, may have a Material Adverse Effect; (b) seek to restrain or enjoin any of the transactions contemplated hereby or by this Loan Agreement; or (c) may adversely affect the ability of the Successor Agency to perform its obligations under this Loan Agreement.

“Neighborhood Preservation Project Area” means the Neighborhood Preservation Redevelopment Project Area as more particularly described in the Neighborhood Preservation Redevelopment Plan.

“Neighborhood Preservation Redevelopment Plan” means the Redevelopment Plan for Neighborhood Preservation Redevelopment Project Area established by Ordinance No. 705-NS of the City adopted on July 15, 2003, together with any amendments thereto.

“Obligations” means obligations of the Successor Agency and includes, without limitation, bonds, notes, interim certificates, debentures or other obligations.

“Oversight Board” means the oversight board of the Successor Agency established pursuant to HSC Section 34179.

“Oversight Board Resolution” has the meaning ascribed to it in the Recitals of this Loan Agreement.

“Payment Date” means, with respect to the 2018 Loan, each February 1 and July 1, on which interest on the Loan is scheduled to be paid, commencing February 1, 2019.

“Redevelopment Obligation Retirement Fund” means the fund by that name established and held by the Successor Agency pursuant to HSC Section 34170.5.

“ROPS” means a Recognized Obligation Payment Schedule, prepared by the Successor Agency pursuant to the Dissolution Act (including HSC Section 34177 and Section 34191.6), on which the Successor Agency’s anticipated payments for enforceable obligations for the upcoming ROPS Payment Period(s) are listed.

“ROPS Period” means the annual fiscal period (commencing on each July 1) covered by a ROPS; provided that if the Dissolution Act is hereafter amended, such that each ROPS covers a fiscal period of a different length, then “ROPS Period” shall mean such other fiscal period per the Dissolution Act, as amended.

“ROPS Payment Period” means the six month fiscal period (commencing on each January 1 and July 1) during which moneys distributed on a RPTTF Distribution Date are permitted to be expended under the Dissolution Act; provided that if the Dissolution Act is hereafter amended, such that each ROPS Payment Period covers a fiscal period of a different length, then “ROPS Payment Period” shall mean such other fiscal period per the Dissolution Act, as amended.

“RPTTF” means the Redevelopment Property Tax Trust Fund established and held by the County Auditor-Controller pursuant to HSC Section 34172(c) and 34170.5, into which the property tax revenues that would have been allocated to the Former CDC pursuant to subdivision (b) of Section 16 of Article XVI of the Constitution of the State are deposited and administered in accordance with the provisions of the Dissolution Act.

“RPTTF Disbursement Date” means each January 2 and June 1 (or such other date(s) as provided in the Dissolution Act) on which the County Auditor-Controller is required pursuant to the Dissolution Act to disburse moneys deposited in the RPTTF to the Successor Agency for payment on enforceable obligations pursuant to an approved ROPS.

“Santa Fe Project Area” means the Santa Fe Redevelopment Project Area portion of the Amended Merged Project Area established by Ordinance No. 66-NS of the City Council of the City on December 3, 1984, as more specifically described in the Santa Fe Redevelopment Plan.

“Santa Fe Redevelopment Plan” means the Redevelopment Plan for Santa Fe Redevelopment Project Area portion of the Amended Merged Project Area.

“Special Fund” means the Special Fund held by the Successor Agency pursuant to Section 3.02.

“Special Fund Deposit Requirement” has the meaning ascribed to it in Section 3.02(d).

“State” means the State of California.

“State Department of Finance” means the California Department of Finance.

“Successor Agency Authorizing Resolution” means Resolution No. _____, adopted on _____, 2018, by the Board of Directors of the Successor Agency.

“Successor Agency” means the Successor Agency to the Community Development Commission of the City of Huntington Park, which was established pursuant to the Dissolution Act as the successor to the Former CDC.

“Tax Revenues” has the following meaning:

(a) All property taxes required to be deposited from time to time into the RPTTF (consisting of all property tax revenues that would have been allocated to the Former CDC pursuant to subdivision (b) of Section 16 of Article XVI of the Constitution of the State and that are deposited and administered in accordance with the provisions of the Dissolution Act), but excluding therefrom: (i) any such amounts attributable to the 1990 Merged Project Area, (ii) administrative costs of the County Auditor-Controller deducted as required by HSC Section 34183(a), and (iii) amounts payable to affected taxing entities pursuant to the Law (including payments under HSC Sections 33676, 33607.5 or 33607.7 or pass-through agreements per HSC Section 33401, as applicable) with respect to the Santa Fe Project Area and the Neighborhood Project Area, except to the extent such payment to a taxing entity has been subordinated to the 2018 Loan.

(b) In the event that the provisions of the Dissolution Act are invalidated because of a final judicial decision or a change in law, such that property tax revenues described above are no longer deposited into the RPTTF, then Tax Revenues shall mean all revenues derived from taxes levied on properties that would have been allocated to the Former CDC pursuant to Section 16(b) of Article XVI of the California Constitution, subject to the exclusions stated in paragraph (a) above, as such exclusions are then in effect pursuant to law of such time.

“Union Bank” means MUFG Union Bank, National Association, as the lender of the 2007 Loans and counterparty of the 2007 Swaps.

SECTION 1.02 Rules of Construction.

(a) Unless the context otherwise indicates, words expressed in the singular shall include the plural and vice versa and the use of the neuter, masculine, or feminine gender is for convenience only and shall be deemed to include the neuter, masculine or feminine gender, as appropriate.

(b) Headings of articles and sections in and the table of contents of this Loan Agreement are solely for convenience of reference, do not constitute a part hereof and shall not affect the meaning, construction or effect hereof.

(c) Unless otherwise indicated, all references herein to “Articles”, “Sections” and other subdivisions are to the corresponding Articles, Sections or subdivisions of this Loan Agreement; the words “herein”, “hereof”, “hereby”, “hereunder” and other words of similar import refer to this Loan Agreement as a whole and not to any particular Article, Section or subdivision hereof.

ARTICLE II
2018 LOAN; 2018 NOTE; GENERAL LOAN TERMS

SECTION 2.01 2018 Loan; 2018 Note; Costs of Issuance Disbursement Request.

(a) Subject to the conditions precedent set forth in Section 6.01, the Bank shall loan to the Successor Agency the amount of _____ **Dollars (\$_____)** on the Closing Date for disbursement as follows:

	<i>Purpose:</i>	<i>Amount to be applied from 2018 Loan proceeds</i>	<i>Other amounts to be wired by Successor Agency</i>	<i>Total</i>
(i)	Payment of 2007 Neighborhood Preservation Loan	\$_____	[(A) \$_____ from June 2018 RPTTF Disbursement*; and (B)] \$[2,124,745] from other moneys held by the Successor Agency from sale of property financed by 2007 Neighborhood Preservation Loan	\$_____
(ii)	Payment of 2007 Neighborhood Preservation Swap Termination Amount	\$_____	--	\$_____
(iii)	Payment of 2007 Santa Fe Loan	\$_____	[\$_____ from June 2018 RPTTF Disbursement**]	\$_____
(iv)	Payment of 2007 Santa Fe Swap Termination Amount	\$_____	--	\$_____
(v)	Costs of Issuance Disbursement Request	\$_____	--	\$_____

* Equals to a portion of the June 2018 RPTTF Disbursement approved for payments relating to the 2007 Neighborhood Preservation Loan (the total of such amount being \$71,326); see Section 3.02(f) regarding the deposit of the remaining portion for the February 2019 payment on the 2018 Loan.

** Equals to a portion of the June 2018 RPTTF Disbursement approved for payments relating to the 2007 Santa Fe Loan (the total of such amount being \$191,891); see Section 3.02(g) regarding the deposit of the remaining portion for the February 2019 payment on the 2018 Loan.

(b) The loan described in Section 2.01 shall constitute the 2018 Loan hereunder. The 2018 Loan shall be evidenced by the 2018 Note, being a tax allocation note designated the Successor Agency's **Taxable Tax Allocation Refunding Note (Santa Fe & Neighborhood Preservation Redevelopment Projects), Issue of 2018**. The 2018 Note shall be substantially in the form set forth in Exhibit A hereto, dated the Closing Date, duly executed and delivered to the Bank as of the Closing Date.

SECTION 2.02 General Terms of 2018 Loan.

(a) The 2018 Loan shall bear interest at the rate of **[4.10]** percent per annum (calculated on the basis of a 360-day year of twelve 30-day months), and shall be payable on each Payment Date in the principal amounts set forth below:

Payment Date	Principal	Interest	Total
2/1/2019			
8/1/2019			
2/1/2020			
8/1/2020			
2/1/2020			
8/1/2021			
2/1/2021			
8/1/2022			
2/1/2022			
8/1/2023			
2/1/2023			
8/1/2024			
2/1/2025			
8/1/2025			
2/1/2026			
8/1/2026			
2/1/2027			
8/1/2027			
2/1/2028			
Total			

(b) Notwithstanding the foregoing, upon the occurrence of an Event of Default and so long as it is continuing and remains uncured, the 2018 Loan shall bear interest at the Default Rate.

SECTION 2.03 No Prepayment. None of the principal of the 2018 Loan shall be subject to prepayment before the respective due dates set forth in Section 2.02(a).

SECTION 2.04 Method of Payment.

(a) On or before each Payment Date, the Successor Agency shall cause to be sent, in lawful money of the United States of America, the amount of principal and interest then due to the Bank, by wire, to the following account:

Compass Bank
8333 Douglas Avenue, 2nd Floor
Dallas, Texas 75225
Attention: Global Risk Management

ABA#: 113-010-547
For Credit to: Account 90124099
bbi: DO NOT POST. CONTACT:
LDFCPublicFinance.us@bbva.com
Reference: Successor Agency to the Community Development Commission of the
City of Huntington Park – [Insert Loan # Included on Invoice]

The Bank may designate, in writing, a receiving account that is different from the above from time to time; provided, with respect to any Payment Date, such change (together with the detailed information regarding the new account) must be sent to the Successor Agency no later than ten Business Days before such Payment Date.

(b) Whenever a scheduled Payment Date is not a Business Day, such payment may be made on the next succeeding Business Day; provided, that in such case, the extension shall be included in the computation of interest hereunder.

(c) Any other moneys due to the Bank under this Agreement shall be paid in lawful money of the United States of America, to the account indicated above, unless otherwise designated in writing by the Bank before the relevant payment date.

SECTION 2.05 Restriction on Transfer. The Bank represents to the Successor Agency that the Bank is entering into this Loan Agreement for its own account and not with a view to, or for resale in connection with any distribution of its rights under this Loan Agreement or the 2018 Note, or any beneficial interest therein. By acceptance of the 2018 Note, the Bank and each assignee (and subsequent assignee) thereof, if any, agree that any transfer of interests in the 2018 Loan (and the 2018 Note) shall be subject to the restrictions set forth in this Loan Agreement and the Lender Representations Letter delivered by such assignee to the Successor Agency. *An assignment of the 2018 Loan (and corresponding transfer of the 2018 Note) shall be in whole only. No assignment of the 2018 Loan (and corresponding transfer of the 2018 Note) shall be effective unless and until the transferee has furnished to the Successor Agency a Lender Representations Letter, substantially in the form of Appendix C.*

ARTICLE III **PLEDGE OF TAX REVENUES**

SECTION 3.01 Pledge of Tax Revenues. All the Tax Revenues and all moneys in the Special Fund established and maintained pursuant to this Loan Agreement, whether held by the Successor Agency or the County Auditor-Controller, are hereby irrevocably pledged to the punctual payment of the interest on and principal of the 2018 Loan until their release pursuant to the terms of this Loan Agreement. The Tax Revenues and such other money shall not be used for any other purpose while any of the 2018 Loan remains Outstanding, subject to the provisions of this Loan Agreement permitting application thereof for the purposes and on the terms and conditions set forth in this Loan Agreement. This pledge shall constitute a first lien on the Tax Revenues and such other money for the payment of the 2018 Loan in accordance with the terms hereof. The Successor Agency hereby represents that, as of the Closing Date, the Successor Agency does not have any other outstanding indebtedness secured by Tax Revenues which is ranked senior to or on a parity with 2018 Loan.

SECTION 3.02 Special Fund; Receipt and Deposit of Tax Revenues.

(a) There is hereby established the “Special Fund” held by the Successor Agency.

(b) The Successor Agency shall include in each ROPS to be submitted after the effective date of this Loan Agreement, a request for the County Auditor-Controller to disburse from the RPTTF to the Successor Agency on each RPTTF Disbursement Date, the principal and interest due on the 2018 Loan during the applicable ROPS Payment Period.

(c) The Successor Agency shall also include on the periodic ROPS for approval by the Oversight Board and State Department of Finance, to the extent necessary and permitted under the Dissolution Act, the amounts to be held as a reserve until the next ROPS Payment Period, as contemplated by HSC Section 34171(d)(1)(A), if the next property tax allocation is projected to be insufficient to pay all obligations due under this Loan Agreement during that next ROPS Payment Period. To that end, whenever the Successor Agency is preparing a ROPS, the Successor Agency shall, based on information obtained from the County Auditor-Controller, review the amount of dollars deposited in the RPTTF on the two immediately prior RPTTF Disbursement Dates. For the purposes of complying with this paragraph (i.e., projecting whether the next property tax allocation will be sufficient to pay all obligations due under this Loan Agreement during the next ROPS Period), the Successor Agency shall assume that the property tax revenue collection (and thus, the dollar amount to be deposited in the RPTTF) will be consistent with the pattern shown during the last two ROPS Payment Periods, but without any assumed increase to the assessed value of the taxable properties in the Neighborhood Preservation Project Area and the Santa Fe Project Area.

(d) Upon the Successor Agency’s receipt of Tax Revenues on each RPTTF Disbursement Date, the Successor Agency shall apply the Tax Revenues pursuant to the ROPS (as approved by the State Department of Finance) and deposit the Tax Revenues received for the

payment of debt service of the 2018 Loan into the Special Fund. During each ROPS Payment Period, the Successor Agency shall deposit such moneys in the Special Fund until such time as the amount in the Special Fund is at least equal to the aggregate amount of principal and interest payment due on the 2018 Loan due during such ROPS Payment Period.

(e) During any ROPS Payment Period, if and only at such time that, the moneys deposited in the Special Fund is at least equal to the amount required to be deposited therein pursuant to Section 3.02(d) (the “Special Fund Deposit Requirement”), then the Tax Revenues in excess of the Special Fund Deposit Requirement shall be released from the pledge and lien hereunder and such excess Tax Revenues may be applied for other lawful purposes. So long as any portion of the 2018 Loan remains outstanding and unpaid, the Successor Agency shall not have any beneficial right or interest in the moneys on deposit in the Special Fund, except as may be provided in this Loan Agreement.

(f) With regard to the moneys received by the Successor Agency from the June 2018 RPTTF Disbursement, \$71,326 was approved and intended for the payment for the 2007 Neighborhood Preservation Loan. The Successor Agency shall apply such money as follows (pursuant to the DOF’s concurrence, as set forth in the DOF Approval Letter, that the Successor Agency may use a portion of such moneys for payment of the debt incurred to refund the 2007 Neighborhood Preservation Loan):

(1) Apply \$_____ to the payment of the 2007 Neighborhood Preservation Loan pursuant to Section 2.01(a)(i); and

(2) Deposit \$_____ into the Special Fund to pay for a portion of the February 1, 2019 payment due on the 2018 Loan.

(g) With regard to the moneys received by the Successor pursuant to the June 2018 RPTTF Disbursement, \$191,891 was approved and intended for the payment of the 2007 Santa Fe Loan. The Successor Agency shall apply such money as follows (pursuant to the DOF’s concurrence, as set forth in the DOF Approval Letter, that the Successor Agency may use a portion of such moneys for payment of the debt incurred to refund such 2007 Santa Fe Loan):

(1) Apply \$_____ to the payment of the 2007 Santa Fe Loan pursuant to Section 2.01(a)(iii); and

(2) Deposit \$_____ into the Special Fund to pay for a portion of the February 1, 2019 payment due on the 2018 Loan.

(h) Upon receipt of the January 2019 RPTTF Disbursement, the Successor Agency shall promptly deposit Tax Revenues into the Special Fund in the amount, which together with the moneys deposited therein pursuant to Section 3.02(f)(2) and Section 3.02(g)(2), shall be sufficient to pay in full the February 2019 payment on the 2018 Loan.

ARTICLE IV **REPRESENTATIONS AND WARRANTIES**

SECTION 4.01 Bank Representations and Warranties. The Bank hereby represents and warrants as follows:

(a) The Bank is a banking corporation, and has been duly organized and is validly existing under the laws of the State of Alabama.

(b) The Bank has full legal right and power, and is authorized, to: (i) enter into this Loan Agreement, (ii) comply with the provisions hereof and perform all of its obligations hereunder; (iii) execute and deliver the Lender Representations Letter in connection with the 2018 Loan, and (iv) accept the 2018 Note.

(c) The Bank's execution and delivery of this Loan Agreement has been authorized by all necessary actions on the part of the Bank.

(d) Assuming due authorization, execution and delivery on the part of the Successor Agency, this Loan Agreement constitutes the legal, valid and binding agreement of the Bank, enforceable in accordance with its terms, except as the enforcement thereof may be limited by bankruptcy, insolvency, moratorium, reorganization, fraudulent conveyance or other laws affecting the enforcement of creditors' rights generally and the application of equitable principles.

(e) To best knowledge of the Bank officer executing this Loan Agreement, after due inquiry, no action, suit, proceeding or investigation at law or in equity before or by any court of governmental agency or body is pending or threatened in any way affecting the existence of the Bank or seeking to restrain or to enjoin the Bank's execution and delivery of this Loan Agreement or the Bank's compliance with the provisions hereunder.

SECTION 4.02 Successor Agency Representations and Warranties. The Successor Agency hereby represents and warrants as follows:

(a) The Successor Agency is a public entity existing under the laws of the State.

(b) The Successor Agency has full legal right and power, and is authorized, to: (i) enter into this Loan Agreement, (ii) comply with the provisions hereof and perform all of its obligations hereunder; and (iii) execute and deliver the 2018 Note.

(c) The Successor Agency's execution and delivery of this Loan Agreement and the 2018 Note have been authorized by all necessary action on the part of the Successor Agency.

(d) Assuming due authorization, execution and delivery on the part of the Bank, this Loan Agreement constitutes the legal, valid and binding agreement of the Successor Agency, enforceable in accordance with its terms, except as the enforcement thereof may be limited by bankruptcy, insolvency, moratorium, reorganization, fraudulent conveyance or other laws affecting the enforcement of creditors' rights generally and the application of equitable principles,

to the exercise of judicial discretion in appropriate cases and by the application of equitable principles if sought and by the limitations on legal remedies imposed on actions against public entities in the State.

(e) The Successor Agency has furnished to the Bank a copy of the City 2016-17 Audited Financial Report, within which the financial information related to the Successor Agency were reported. The audited financial statements contained in City 2016-17 Audited Financial Report were prepared in conformity with generally accepted accounting principles. With respect to the information therein with respect to the Successor Agency, the City 2016-17 Audited Financial Report is fair and accurate in all material respects. Since the dated date of the City 2016-17 Audited Financial Report, there has been no material adverse change in the condition or operations the Successor Agency not disclosed therein and no event has occurred which materially adversely affects the Successor Agency's ability to perform its obligation under this Loan Agreement.

(f) The Successor Agency is not in breach of or default under any applicable law or administrative regulation of the State or any department, division, agency or instrumentality thereof, or of the United States, or any applicable judgment or decree or any loan agreement, note, resolution, certificate, agreement or other instrument to which the Successor Agency is a party or is otherwise subject, which breach or default would materially and adversely affect the Successor Agency or its ability to perform its duties and obligations under this Loan Agreement, and the execution and delivery of this Loan Agreement and the issuance of the 2018 Note. The Successor Agency's compliance with the provisions of this Loan Agreement and the 2018 Note will not conflict with or constitute a breach of or default under any applicable law or administrative regulation of the State or under any certificate, agreement or other instrument to which the Successor Agency is a party or is otherwise subject, which conflict breach or default would materially and adversely affect the Successor Agency or its ability to perform its duties and obligations under this Loan Agreement and the 2018 Note.

(g) No action, suit, proceeding or investigation at law or in equity before or by any court of governmental agency or body is pending and notice of which has been received by the Successor Agency or, to the knowledge of the Successor Agency, threatened in any way affecting the existence of the Successor Agency or the title of the members of the governing body to their respective offices or seeking to restrain or to enjoin the execution and delivery of this Loan Agreement, the issuance of the 2018 Note, or the payment or collection of any amounts pledged or to be pledged to pay the principal of and interest on the 2018 Note, or in any way contesting or affecting the validity or enforceability of this Loan Agreement or the 2018 Note, or contesting the powers of the Successor Agency with respect to this Loan Agreement or the 2018 Note.

(h) Since its formation by law, the Successor Agency has never defaulted with respect to any payment obligations on the Successor Agency's outstanding debt instruments or contractual obligations.

(i) As of the Closing Date, upon the prepayment in full of the 2007 Loans and the 2007 Swap Termination Amounts, the Successor Agency will not have any outstanding indebtedness which indebtedness is secured by a lien on the Tax Revenues superior to or on a

parity with the lien on the Tax Revenues for the benefit of the 2018 Loan provided for in this Loan Agreement.

ARTICLE V **OTHER SUCCESSOR AGENCY COVENANTS**

SECTION 5.01 Punctual Payment. The Successor Agency shall punctually pay the interest on and principal of and prepayment premium, if any, to become due with respect to the 2018 Loan, but only from Tax Revenues, in conformity with the terms of this Loan Agreement and shall faithfully satisfy, observe and perform all conditions, covenants and requirements of this Loan Agreement.

SECTION 5.02 No Senior or Parity Obligations; Other Obligations. The Successor Agency covenants that it will not incur any Obligations payable, either as to principal or interest, from the Tax Revenues, that will have any lien upon the Tax Revenues on a parity with or superior to the lien under this Loan Agreement for the 2018 Loan. Nothing herein shall be deemed to prohibit the Successor Agency from incurring Obligations which: (i) will have a lien on Tax Revenues junior to the Bonds; or (ii) will be payable in whole or in part from sources other than the Tax Revenues pledged under this Loan Agreement.

SECTION 5.03 Records and Accounts; Continuing Disclosure to Bank.

(a) The Successor Agency covenants that it will at all times keep, or cause to be kept, proper and current books and accounts in which complete and accurate entries are made of the financial transactions and records of the Successor Agency, including all transactions relating to the Tax Revenues and the Special Fund. Such books of record and accounts shall at all times during business hours be subject, upon prior written request, to the reasonable inspection of the Bank.

(b) After the close of each Fiscal Year, the Successor Agency shall cause an independent certified public accountant to prepare an audit of the financial transactions and records of the Successor Agency for such Fiscal Year. To the extent permitted by law, such audit may be included within the annual audited financial statements of the City.

(c) No later than [seven] months after the close of each Fiscal Year, the Successor Agency shall furnish to the Bank the following:

(i) a copy of the audited financial report referenced in Section 5.03,

(ii) A report, consisting of updated tables, substantially in the form of the Fiscal Consultant Tables set forth in Exhibit D, showing such information for the most recently completed four fiscal years and the fiscal year during which the Report is being submitted,

(iii) to the extent not already covered by a notice submitted pursuant to Section 5.03(d), a description of any event to which the Successor Agency has actual knowledge which has resulted (or can be reasonably expected to result) in a material adverse change to the

Successor Agency's ability to repay the 2018 Loan on a timely manner or comply with the provisions hereunder.

(d) The Successor Agency shall provide prompt written notice to the Bank upon the Successor Agency's actual knowledge of any event which has resulted (or can be reasonably expected to result) in a material adverse change to the Successor Agency's ability to repay the 2018 Loan, including but not limited to any Material Litigation or investigation by a Governmental Authority.

(e) The Successor Agency agrees and will cooperate in good faith to provide such additional information pertaining to the Successor Agency's finances and affairs pertinent to the security of the 2018 Loan, as the Bank shall request from time to time.

SECTION 5.04 Compliance with Dissolution Act; ROPS Filings.

(a) The Successor Agency shall comply with all applicable requirements of the Dissolution Act, so as to not materially adversely affect the payment of and security for the 2018 Loan.

(b) In the event that the Successor Agency fails to provide the ROPS to the DOF by the statutory deadlines relating to the 2018 Note, the Successor Agency designates the Bank as its attorney in fact with the power to make such a request relating to the 2018 Note. The Bank shall also have the right to file a writ of mandate to compel the Successor Agency to file the ROPS.

SECTION 5.05 Indemnity. Subject to applicable law (including but not limited to State law concerning contribution and enforceability of indemnifications), the Successor Agency shall indemnify the Bank against and hold the Bank harmless from any and all claims, actions, suits, proceedings, damages, liabilities, reasonable costs, reasonable expenses (collectively, "Claims"), including reasonable attorneys' fees, arising out of, connected with or resulting from any acts or omission to act by the Successor Agency (or the Successor Agency's employees and agents) in connection with the 2018 Loan; provided, however, that the Successor Agency shall not be required to indemnify the Bank for any Claims that are caused by the gross negligence, bad faith or willful misconduct of the Bank.

SECTION 5.06 Costs and Expenses. Subject to the following sentence, the Successor Agency agrees to pay the reasonable out-of-pocket expenses and disbursements of the Bank and the necessary and reasonable fees, expenses and disbursements of counsel to the Bank in connection with: (A) obtaining by the Successor Agency of any waiver or consent under this Loan Agreement (whether or not the transactions contemplated thereby shall be consummated) or any Event of Default hereunder, (B) the preparation, execution, delivery, administration, defense and enforcement or preservation of rights in connection with a workout, restructuring or waiver with respect to the 2018 Loan, and (C) the occurrence of an Event of Default and collection and other enforcement proceedings resulting therefrom.

SECTION 5.07 Protection of Security and Rights od Bank; Further Assurances. The Successor Agency will preserve and protect the security of the 2018 Note and the rights of the Bank. From and after the date of issuance of the 2018 Note, the Successor Agency will not contest

the validity or enforceability of the 2018 Note or this Loan Agreement. The Successor Agency shall adopt, make, execute and deliver any and all such further instruments and assurances as may be reasonably necessary or proper to carry out the intention or to facilitate the performance of this Loan Agreement, and for the better assuring and confirming unto the Bank of its rights and benefits provided in this Loan Agreement.

ARTICLE VI **CONDITIONS PRECEDENT**

SECTION 6.01 Conditions Precedent to 2018 Loan Disbursement. The Bank shall not be obligated to make any 2018 Loan disbursement unless on or before the Closing Date, the Bank shall have received each of the following (unless such item has been waived in writing by the Bank):

- (a) an executed copy of this Loan Agreement,
- (b) a certified copy of the Successor Agency Authorizing Resolution,
- (c) a certified copy of the Oversight Board Resolution,
- (d) a copy of the DOF Approval Letter.
- (e) a certificate of Fiscal Consultant, to the effect that nothing has come to Fiscal Consultant's attention which would cause it to believe that the statements and information contained in the Fiscal Consultant Tables, were inaccurate in any material respect as of its dated date; and that no event known to the Fiscal Consultant Report has occurred since the dated date of the Fiscal Consultant Tables which would materially and adversely affect the accuracy or completeness of the information presented in the Fiscal Consultant Tables,
- (f) a Certificate of the Successor Agency certifying the names and true signatures of the officials of the Successor Agency authorized to execute this Loan Agreement and the 2018 Note on behalf of the Successor Agency,
- (g) a Certificate of the Successor Agency to the effect that the representations and warranties of the Successor Agency contained in this Loan Agreement are true and correct in all material respects on and as of the Closing Date as if made on the Closing Date,
- (h) an opinion of General Counsel to the Successor Agency to the effect that:
 - (i) the Successor Agency is a public body duly constituted and validly existing under the laws of the State, with full right, power, and authority to enter into this Loan Agreement, adopt the Successor Agency Authorizing Resolution authorizing the issuance of the 2018 Note and enter into this Loan Agreement and to take all other actions on the part of the Successor Agency relating thereto, to issuance, sale, and delivery of the 2018 Note to the Bank, and to carry out and consummate the transactions on its part contemplated by this Loan Agreement;
 - (ii) the Successor Agency Authorizing Resolution was duly adopted at a meeting of the governing board of the Successor Agency called and held pursuant to law, with

all public notice required by law and at which quorum was present and acting throughout; and the Successor Agency Authorizing Resolution is in full force and effect and has not been modified amended or rescinded since its adoption date;

(iii) to the best of such counsel's knowledge, the Successor Agency is not, in any material respect, in breach of or in default under any applicable constitutional provision, law, or administrative rule or regulation of the State or the United States, or any applicable judgment or decree or any trust agreement, loan agreement, bond, note, resolution, ordinance, agreement, or other instrument to which the Successor Agency is a party or is otherwise subject, and no event has occurred and is continuing which, with the passage of time or the giving of notice, or both, would constitute a default or event of default under any such instrument which breach, default, or event could have a materially adverse effect on the Successor Agency's ability to perform its obligations under this Loan Agreement and the 2018 Note; and, as of the Closing Date, the authorization, execution, and delivery of this Loan Agreement and the 2018 Note and compliance by the Successor Agency with the provisions of each of such agreements or instruments does not and will not, in any material respect, conflict with or constitute a breach of or default under any applicable constitutional provision, law, or administrative rule or regulation of the State or the United States, or any applicable judgment, decree, license, permit, trust agreement, loan agreement, bond, note, resolution, ordinance, agreement, or other instrument to which the Successor Agency (or any of its officers in their respective capacities as such) is subject, or by which it or any of its properties is bound, nor will any such authorization, execution, delivery, or compliance result in the creation or imposition of any lien, charge, or other security interest or encumbrance of any nature whatsoever upon any of its assets or properties or under the terms of any such law, regulation or instrument, except as may be provided by the Successor Agency Documents;

(iv) to the best of such counsel's knowledge, there is no litigation or proceeding, pending and served upon the Successor Agency, or threatened, challenging the creation, organization or existence of the Successor Agency, or the validity of the Loan Agreement or the 2018 Note or seeking to restrain or enjoin any of the transactions referred to therein or contemplated thereby, or under which a determination adverse to the Successor Agency would have a material adverse effect upon the financial condition or the revenues of the Successor Agency, or which, in any manner, questions the right of the Successor Agency to execute and deliver this Loan Agreement and the 2018 Note or to use the Tax Revenues for repayment of the 2018 Loan or affects in any manner the right or ability of the Successor Agency to collect or pledge the Tax Revenues; and

(v) all authorizations, approvals, licenses, permits, consents, elections, and orders of or filings with any governmental authority, legislative body, board, agency, or commission having jurisdiction in the matters which are required by the Closing Date for the due authorization of, or which would constitute a condition precedent to, or the absence of which would materially adversely affect the due performance by the Successor Agency of, its obligations in connection with this Loan Agreement or the 2018 Note have been duly obtained or made and are in full force and effect.

(i) an opinion of Special Counsel to the Successor Agency to the effect that: assuming due authorization, execution and delivery of the Loan Agreement by the Bank, each of

this Loan Agreement and the 2018 Note constitutes the legal, valid and binding obligation of the Successor Agency, enforceable in accordance with its terms, except as the enforcement thereof may be limited by bankruptcy, insolvency, moratorium, reorganization, fraudulent conveyance or other laws affecting the enforcement of creditors' rights generally and the application of equitable principles, to the exercise of judicial discretion in appropriate cases and by the application of equitable principles if sought and by the limitations on legal remedies imposed on actions against public entities in the State of California; and that this Loan Agreement creates the valid pledge which it purports to create of the Tax Revenues, subject to the provisions of this Loan Agreement permitting the application thereof for the purposes and on the terms and conditions set forth in this Loan Agreement;

- (j) the Costs of Issuance Disbursement Request;
- (k) Such additional certificates, instruments and other documents as the Bank may reasonably request.

If the Successor Agency shall be unable to satisfy the conditions set forth in this Section 6.01, or if the Successor Agency shall determine in good faith (and provide written notice to the Bank) that legislation has been introduced or proposals made by the Governor of the State which if enacted and effective would impose additional limitations or burdens on the Successor Agency by reason of the issuance of the 2018 Note or which purport to prohibit the issuance of the 2018 Note, then this Loan Agreement shall terminate and the Successor Agency and the Bank shall be under no further obligation hereunder; provided, that the Successor Agency shall be pay the Bank, but solely from funds legally available therefor, \$_____.

SECTION 6.02 Conditions Precedent to Delivery of 2018 Note. Prior to delivery of the 2018 Note to the Bank, the Successor Agency shall have received: (a) an executed copy of this Loan Agreement, and (b) the Lender Representations Letter, duly executed by the Bank.

ARTICLE VII **EVENTS OF DEFAULT AND REMEDIES**

SECTION 7.01 Events of Default. The occurrence of any of the following events shall constitute an "Event of Default" hereunder:

- (a) The Successor Agency shall have failed to make a payment required hereunder when due and a 10-day grace period has expired;
- (b) Failure by the Successor Agency to observe and perform any covenant, condition or agreement on its part to be observed or performed, other than as referred to in Section 7.01(a), for a period of 30 days after written notice, specifying such failure and requesting that it be remedied, is given to the Successor Agency by the Bank, unless the Bank agrees in writing to an extension of such time prior to its expiration; provided, if the failure stated in the notice cannot be corrected within the applicable period, the Bank will not unreasonably withhold its consent to

an extension of such time if corrective action is instituted by the Successor Agency within the applicable period and diligently pursued until the default is corrected; or

(c) If the Successor Agency files a petition or answer seeking reorganization or arrangement under the federal bankruptcy laws or any other applicable law of the United States of America, or if a court of competent jurisdiction shall approve a petition, filed with or without the consent of the Successor Agency, seeking reorganization under the federal bankruptcy laws or any other applicable law of the United States of America, or if, under the provisions of any other law for the relief or aid of debtors, any court of competent jurisdiction shall assume custody or control of the Successor Agency or of the whole or any substantial part of the Successor Agency's property.

SECTION 7.02 Default Rate; Acceleration. Pursuant to Section 2.02(b), upon the occurrence of an Event of Default and so long as it is continuing and remains uncured, the 2018 Loan shall bear interest at the Default Rate. Upon the occurrence of an Event of Default, the Bank may, by notice in writing to the Successor Agency, declare the principal of the 2018 Loan then outstanding, and the interest accrued thereon, to be due and payable immediately, and upon any such declaration, the same shall become and shall be immediately due and payable, anything contained in this Loan Agreement or in the 2018 Note to the contrary notwithstanding.

SECTION 7.03 Other Remedies. The Bank may take whatever other action at law or in equity may appear necessary or desirable to enforce its rights under this Loan Agreement.

SECTION 7.04 Remedies Not Exclusive. No remedy conferred upon or reserved to the Bank in this Loan Agreement 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 under this Loan Agreement or now or hereafter existing, at law or in equity or by statute or otherwise, and may be exercised without exhausting and without regard to any other remedy conferred by law.

SECTION 7.05 Non-Waiver by Either Party. A waiver of any default or breach of duty or contract by either party hereunder shall not affect any subsequent default or breach of duty or contract, or impair any rights or remedies on any such subsequent default or breach. No delay or omission by a party hereunder to exercise any right or power accruing upon any default shall impair any such right or power or shall be construed to be a waiver of any such default or an acquiescence in such default, and every power and remedy conferred upon the party by law or by this Loan Agreement may be enforced and exercised from time to time and as often as shall be deemed expedient by such party.

SECTION 7.06 Restoration of Positions. If a suit, action or proceeding to enforce any right or exercise any remedy is abandoned or determined adversely to the Bank, the Successor Agency and the Bank shall be restored to their former positions, rights and remedies as if such suit, action or proceeding had not been brought or taken, subject to any court directions or agreements by the parties.

ARTICLE VIII

MISCELLANEOUS

SECTION 8.01 Liability of Successor Agency Limited to Tax Revenues. Notwithstanding anything contained in this Loan Agreement, the Successor Agency shall not be required to advance any money derived from any source of income other than the Tax Revenues for the payment of the interest on or the principal of the 2018 Loan. The Successor Agency may, however, advance funds for any such purpose, provided that such funds are derived from a source legally available for such purpose. The 2018 Loan is the limited obligation of the Successor Agency and is repayable, as to interest on and principal, exclusively from the Tax Revenues. The Successor Agency is not obligated to pay them except from the Tax Revenues. The 2018 Loan is not a debt of the City, the State or any of its political subdivisions, and none of the City, the State nor any of its political subdivisions is liable therefor, nor in any event shall the 2018 Loan be payable out of any funds or properties other than those of the Successor Agency. The 2018 Loan does not constitute an indebtedness within the meaning of any constitutional or statutory limitation or restriction, and neither the members of the Successor Agency nor any persons executing this Loan Agreement or the 2018 Note are personally liable therefor.

SECTION 8.02 Benefits of Loan Agreement Limited to Parties. Nothing in this Loan Agreement, expressed or implied, is intended to give to any person other than the Successor Agency and the Bank any right, remedy or claim under or by reason of this Loan Agreement.

SECTION 8.03 Inurement. The benefits of this Loan Agreement shall inure to the successors and permitted assigns of the Bank and the Successor Agency, as applicable; provided, that any assignment by the Bank shall be subject to the provisions of Section 2.05, and any assignment by the Successor Agency shall not be effective unless the Bank has given its prior written consent.

SECTION 8.04 Amendments. This Agreement may be amended only in writing signed by the parties hereto.

SECTION 8.05 Severability. If any term of this Loan Agreement is held by a court of competent jurisdiction to be invalid, void or unenforceable, the remainder of the provisions shall continue in full force and effect unless the rights and obligations of the parties have been materially altered or abridged by such invalidation, voiding or unenforceability.

SECTION 8.06 Integration. This Loan Agreement, together with all attachments hereto, constitutes the entire understanding and agreement of the parties with respect to the subject matters hereof, and integrates all of the terms and conditions mentioned herein or incidental thereto, and supersedes all prior or contemporaneous negotiations, discussions and previous agreements between the Bank and the Successor Agency concerning all or any part of the subject matter of this Loan Agreement.

SECTION 8.07 Notices. Any notice, request, complaint, demand or other communication under this Loan Agreement shall be given by first class mail or personal delivery to the party entitled thereto at its address set forth below, by overnight mail, as a .pdf attachment

to electronic mail, or by telecopy or other form of telecommunication, confirmed by telephone at its number set forth below. Notice shall be effective either (i) upon transmission by telecopy or other form of telecommunication, (ii) 48 hours after deposit in the United States mail, postage prepaid, (iii) in the case of overnight mail, upon delivery to the addressed destination, or (iv) in the case of personal delivery to any person, upon actual receipt. Each entity below may, by written notice to the other party from time to time, modify the address or number to which communications are to be given under this Loan Agreement:

If to the Successor Agency: Successor Agency to the Community Development Commission of the City of Huntington Park
6550 Miles Avenue
Huntington Park, CA 90255
Attention: Executive Director
Telephone: (323) 582-6223

If to the Bank: Compass Bank
Los Angeles Commercial Banking
801 S. Figueroa Street, #1100
Los Angeles, CA 90017
Attention: Anthony Deluca, Senior Vice President
Telephone: (213) 457-2046
Email: Anthony.deluca@bbva.com

with a copy to: Compass Mortgage Corporation
c/o Compass Bank
8333 Douglas Avenue, 2nd Floor
Dallas, Texas 75225
Attention: Global Risk Management

Any of the foregoing persons may, by notice given under this Section, designate any further or different addresses, telephone or facsimile transmission numbers or e-mail addresses to which subsequent notices, certificates, requests or other communications shall be directed.

SECTION 8.08 Execution in Several Counterparts. This Loan Agreement may be executed in any number of counterparts and each of such counterparts shall for all purposes be deemed to be an original; and all such counterparts, or as many of them as the Successor Agency and the Trustee shall preserve undestroyed, shall together constitute but one and the same instrument.

SECTION 8.09 Business Days. Subject to Section 2.04(a), when any action is provided for in this Loan Agreement to be done on a day named or within a specified time period, and the day or the last day of the period falls on a day other than a Business Day, such action may be performed on the next ensuing Business Day with the same effect as though performed on the appointed day or within the specified period.

SECTION 8.10 Governing Law. This Loan Agreement shall be governed and construed in accordance with the laws of the State of California.

(Loan Agreement)

IN WITNESS WHEREOF, each of the Successor Agency and Bank has caused this Loan Agreement to be signed in its name by its duly authorized representative(s), all as of the date and year first above written.

**SUCCESSOR AGENCY TO THE
HUNTINGTON PARK REDEVELOPMENT
AGENCY**

By: _____

(Print) Name: _____

Title: _____

Attest:

Secretary

COMPASS BANK

By: _____

(Print) Name: _____

Title: _____

By: _____

(Print) Name: _____

Title: _____

APPENDIX A
FORM OF 2018 NOTE

Transfer of this 2018 Note is subject to the restrictions set forth in the Loan Agreement referred to below. A transfer of this 2018 Note is limited to certain parties that qualify under the requirements of the Loan Agreement, which include the requirement that the transferee has such knowledge and experience in financial and business matters that it is capable of evaluating the merits and risks of its prospective investment in this 2018 Note. This 2018 Note has not been registered with any federal or state securities agency or commission.

**SUCCESSOR AGENCY TO THE HUNTINGTON PARK REDEVELOPMENT AGENCY
TAXABLE ALLOCATION REFUNDING NOTE
ISSUE OF 2018**

Interest Rate*	Maturity Date	Dated Date
[4.10]%	1, 20	, 2018

PRINCIPAL SUM: _____ **DOLLARS**

The **Successor Agency to the Community Development Commission of the City of Huntington Park**, a public body duly organized and existing under and pursuant to the laws of the State of California (the “**Successor Agency**”), for value received hereby promises to pay to the order of **Compass Bank** (the “**Bank**”), on the payment dates specified below, principal amounts totaling the sum indicated stated above, together with interest on such principal from the Dated Date until the principal shall have been paid in full; provided, that such amounts payable are subject to prepayment pursuant to the Loan Agreement (defined below).

This note (the “**2018 Note**”) is issued pursuant to the Loan Agreement, dated as of _____, 2018, by and between the Successor Agency and the Bank (as the same may be amended or supplemented from time to time pursuant to the terms thereof, the “**Loan Agreement**”), and evidences the loan (the “**2018 Loan**”) made by the Bank to the Successor Agency thereunder. Capitalized terms used but not otherwise defined herein have the meanings ascribed to them in the Loan Agreement.

Interest shall be calculated on the basis of a 360-day year of twelve 30-day months. The 2018 Loan shall bear interest at the rate per annum set forth above; provided, upon the occurrence of an Event of Default and so long as it is continuing and remains uncured, the 2018 Loan shall bear interest at the Default Rate. The “Default Rate” is the interest rate equal to the lower of: (i)

* Subject to adjustment upon an Event of Default as described herein and in the Loan Agreement.

the rate otherwise in effect on the 2018 Loan in the absence of the Event of Default plus ____ percent per annum, or (ii) the highest rate then permitted by law.

The 2018 Loan shall be payable on each Payment Date in the principal amounts set forth below (subject to any adjustment in the event of a prepayment or an Event of Default):

Payment Date	Principal	Interest	Total
2/1/2019			
8/1/2019			
2/1/2020			
8/1/2020			
2/1/2020			
8/1/2021			
2/1/2021			
8/1/2022			
2/1/2022			
8/1/2023			
2/1/2023			
8/1/2024			
2/1/2025			
8/1/2025			
2/1/2026			
8/1/2026			
2/1/2027			
8/1/2027			
2/1/2028			
Total			

Interest on and principal of the 2018 Loan are payable in lawful money of the United States of America.

None of the principal of the 2018 shall be subject to prepayment before the respective due dates.

Upon the occurrence of an Event of Default, the Bank may, by notice in writing to the Successor Agency, declare the principal of the 2018 Loan then outstanding, and the interest accrued thereon, to be due and payable immediately, and upon any such declaration, the same shall become and shall be immediately due and payable, anything contained in the Loan Agreement or in the 2018 Note to the contrary notwithstanding. The Bank may take whatever other action at law or in equity may appear necessary or desirable to enforce its rights under this Loan Agreement.

An assignment of the 2018 Loan (and corresponding transfer of this 2018 Note) shall be in whole only. No assignment of the 2018 Loan (and corresponding transfer of the 2018 Note)

shall be effective unless and until the transferee has furnished to the Successor Agency a Lender Representations Letter, substantially in the Loan Agreement.

The Successor Agency incurred the 2018 Loan for the purpose of effecting a refunding of certain outstanding loans incurred by the former Community Development Commission of the City of Huntington Park (the “**Former CDC**”), which were incurred to finance and refinance the costs of redevelopment within the Neighborhood Preservation Project Area and the Santa Fe Project Area.

The 2018 Loan is incurred and this 2018 Note is issued under the provisions of Section 34177.5 of the California Health and Safety Code and Article 11 (commencing with Section 53580) of Chapter 3 of Part 1 of Division 2 of Title 5 of the California Government Code, and pursuant to the provisions of the Loan Agreement.

The 2018 Loan is the limited obligation of the Successor Agency and is repayable, as to interest on and principal, exclusively from the Tax Revenues and the funds pledged therefor under the Loan Agreement. So long as any portion of the 2018 Loan remains outstanding, the Successor Agency may not incur any additional obligations which are secured by and payable from Tax Revenues which rank senior to or on a parity with the 2018 Loan.

The 2018 Loan is not a debt of the City, the State or any of its political subdivisions, and none of the City, the State nor any of its political subdivisions is liable therefor, nor in any event shall the 2018 Loan be payable out of any funds or properties other than those of the Successor Agency. The 2018 Loan does not constitute an indebtedness within the meaning of any constitutional or statutory limitation or restriction, and neither the members of the Successor Agency nor any persons executing the Loan Agreement or the 2018 Note are personally liable therefor.

It is hereby certified that all of the acts, conditions and things required to exist, to have happened or to have been performed precedent to and in the issuance of this 2018 Note do exist, have happened and have been performed in due time, form and manner as required by law and that the amount of the 2018 Loan, together with all other indebtedness of the Successor Agency, does not exceed any limit prescribed by the Constitution or laws of the State, and is not in excess of the amount of 2018 Loan under the Loan Agreement.

IN WITNESS WHEREOF, the Successor Agency to the Community Development Commission of the City of Huntington Park has caused this 2018 Note to be executed in its name and on its behalf by its Chairperson and attested by its Secretary, and has caused this Note to be dated the date first written above.

**SUCCESSOR AGENCY TO THE
HUNTINGTON PARK REDEVELOPMENT
AGENCY**

By: _____
Chairperson

Attest:

Secretary

APPENDIX B
FORM OF
COSTS OF ISSUANCE DISBURSEMENT REQUEST

Date: _____, 2018

To: Compass Bank (the “**Bank**”)

Reference is made to that certain Loan Agreement, dated _____, 2018 (the “**Loan Agreement**”), by and between the Successor Agency to the Community Development Commission of the City of Huntington Park (the “**Successor Agency**”) and the Bank. Capitalized terms not defined herein have the meanings ascribed to them in the Loan Agreement.

The Successor Agency hereby requests that the Bank, as part the 2018 Loan disbursement pursuant to Section 2.01(b) of the Loan Agreement, send by wire transfer on the Closing Date the amounts shown on Schedule I attached hereto to the parties indicated in Schedule I in accordance with the payment instructions set forth in Schedule I or in the attached invoices pertaining thereto.

The Successor Agency hereby certifies that such payments have been lawfully incurred in connection with the authorization and incurrence of the 2018 Loan. The Bank will be sending such payments on behalf of the Successor Agency. The Bank may rely on this Costs of Issuance Disbursement Request and has no duty to investigate or inquire as to the authenticity of the invoice or the payment instructions contained therein.

**SUCCESSOR AGENCY TO THE HUNTINGTON
PARK REDEVELOPMENT AGENCY**

By: _____
[Title]

APPENDIX C
FORM OF LENDER REPRESENTATIONS LETTER

Successor Agency to the Community Development Commission
of the City of Huntington Park
Huntington Park, California

Re: Loan Agreement, dated as of _____, 2018 (the “**Loan Agreement**”), by and between the Successor Agency to the Community Development Commission of the City of Huntington Park and _____

Ladies and gentlemen:

The undersigned (the “**Bank**”) is hereby delivering this letter pursuant to the above-referenced Loan Agreement. Capitalized terms used but not defined herein have the meanings ascribed to them in the Loan Agreement.

The Successor Agency issued the 2018 Note to evidence the 2018 Loan incurred under the Loan Agreement. The Successor Agency is obligated to make repayments, which are secured by a pledge of Tax Revenues, pursuant to the Loan Agreement.

The Bank hereby represents and agrees as follows:

1. The Bank has the authority and is duly authorized to [execute and deliver the Loan Agreement] [accept the assignment and assume of the obligation of _____ with respect to the Loan Agreement].
2. The undersigned officer of the Bank is duly appointed, qualified and acting representative of the Bank and authorized to make the certifications, representations and warranties contained herein on behalf of the Bank.
3. The Bank understands that: (A) the 2018 Loan is the limited obligation of the Successor Agency and is repayable, as to interest on and principal, exclusively from the Tax Revenues; (B) the Successor Agency is not obligated to pay them except from the Tax Revenues; (C) the 2018 Loan is not a debt of the City, the State or any of its political subdivisions, and none of the City, the State nor any of its political subdivisions is liable therefor, nor in any event shall the 2018 Loan be payable out of any funds or properties other than those of the Successor Agency; and (D) the 2018 Loan does not constitute an indebtedness within the meaning of any constitutional or statutory limitation or restriction, and neither the members of the Successor Agency nor any persons executing the Loan Agreement or the 2018 Note are personally liable therefor.
4. The Bank is: (A) a “qualified institutional investor” as that term is defined in Rule 144A under the Securities Act of 1933, as amended (the “**Securities Act**”), or (B) an “accredited investor” as that term is defined in Regulation D under the Securities Act. The Bank is duly and

validly organized under the laws of its jurisdiction of incorporation or organization, and it can bear the economic risk of entering into the financial arrangements contemplated by the Loan Agreement.

5. The Bank has such knowledge and experience in financial and business matters in general, and in transactions such as the financial arrangements contemplated by the Loan Agreement in particular, that it is capable of evaluating and has evaluated the merits and risks of entering into the financial arrangements contemplated by the Loan Agreement and the Bank is capable and prepared to bear such risks.

6. The Bank acknowledges that it has either been supplied with or been given access to information, financial statements and other financial information, which it has requested from the Successor Agency and to which the Bank attaches significance evaluate the merits and risks of entering into the financial arrangements contemplated by the Loan Agreement. The Bank has had the opportunity to ask questions and receive answers from knowledgeable individuals, including its own counsel, concerning the Successor Agency and the 2018 Loan and the security therefor to make a decision to entering into the Loan Agreement.

7. The Bank is entering into the Loan Agreement for its own account and not with a present view to, or for resale in connection with, any distribution of its rights under the Loan Agreement, or with respect to the 2018 Loan or the 2018 Note or any beneficial interest therein. The Bank intends at this time to retain such rights or beneficial interests for its own account, for an indefinite period of time, and does not intend at this time to dispose of all or any part of its rights to the Loan Agreement, the 2018 Loan or the 2018 Note, or any beneficial interest therein. The Bank understands that it may need to bear the risks of entering into the Loan Agreement for an indefinite period of time, because any transfer or assignment of its rights under the Loan Agreement (and the 2018 Loan and the 2018 Note) or any beneficial interest therein prior to the maturity of the 2018 Loan may not be possible due to a variety of potential circumstances and reasons.

8. The Bank understands and agrees that its rights under the Loan Agreement (and the 2018 Loan and the 2018 Note) may not be transferred except in accordance with this Letter and Section 2.05 of the Loan Agreement.

9. The Bank agrees that the 2018 Note is not, and is not intended to be, registered under the Securities Act and that such registration is not legally required as of the date hereof, and further understands that the 2018 Note: (a) is not being registered or otherwise qualified for sale under the “Blue Sky” laws and regulations of any state, (b) will not be listed in any stock or other securities exchange, (c) will not carry a rating from any rating agency, and (d) will be delivered in a form that will not be readily marketable. The Successor Agency has not prepared any offering document (in the form of an official statement or otherwise) with respect to the 2018 Note. The Bank has made its own inquiry and analysis with respect to the 2018 Loan and the security therefor, and other material factors affecting the security and payment of the Note. The Bank is aware that there are certain economic and regulatory variables and risks that could adversely affect the security for the 2018 Loan.

10. The Bank has complied with all law applicable to it with respect to the Bank's [execution and delivery of the Loan Agreement][acceptance of the assignment of the interest in the Loan Agreement (and the 2018 Loan and the 2018 Note)].

11. In the event of an assignment of the Bank's interest under the Loan Agreement (and the 2018 Loan and the 2018 Note), as between the Bank and any assignee on the one hand, and the Successor Agency on the other, the Bank and the assignee shall be responsible for ensuring that each such assignment complies with all applicable law (including but not limited to securities law, to the extent applicable), and the Successor Agency shall have no responsibility or liability whatsoever in connection with any such non-compliance.

12. The interpretation of the provisions hereof shall be governed and construed in accordance with California law without regard to principles of conflicts of laws.

13. All representations of the Bank contained in this Lender Representations Letter shall survive the [issuance of the 2018 Note][acceptance of the assignment of the interest in the Loan Agreement (and the 2018 Loan and the 2018 Note)] as representations of fact existing as of the date of execution and delivery of this Lender Representations Letter.

Date: _____

Very truly yours,

[BANK]

By: _____

Name: _____

Title: _____

APPENDIX D
FISCAL CONSULTANT TABLES

[to be attached]

ATTACHMENT "C"

Attachment C

Municipal Advisor's Analysis

Successor Agency to the Community Development Commission of the City of Huntington Park
Authorizing Refunding of Neighborhood Preservation and Santa Fe Indebtedness
April 20, 2018

City of Huntington Park, California

Successor Agency to the Community
Development Commission of the City of
Huntington Park

Taxable Allocation Refunding Note,
2018 (Santa Fe & Neighborhood
Preservation Redevelopment Projects)
("2018 Note")

Summary Refunding Analysis

The 2018 Note will refund two loans entered into between the former Community Development Commission of Huntington Park and Union Bank in 2007 (the “2007 Loans”). The 2007 Loans were structured with initial stated maturity dates between seven and 10-years after issuance and a nominal maturity structure that extended through calendar year 2027. While the 2007 Loans were expected to be extended periodically, the lender has provided non-renewal notice, resulting in the 2007 Loans having stated maturity dates of August 1, 2018 (\$3.66 million) and August 3, 2018 (\$1.84 million), necessitating a refinancing.

The following table provides a summary of the nominal maturity structure of the 2007 Loans that will be refunded with proceeds of the 2018 Note. This reflects the maturity structure that would have been otherwise been due had the 2007 Loans been extended through final nominal maturity, as contemplated when the loans were executed in 2007.

Summary of Bonds Refunded

2007 Loan Agreement (Neighborhood Preservation)

Component	Maturity	Par Amount
Serial Bond	2/1/2019	\$346,338
Serial Bond	2/1/2020	360,018
Serial Bond	2/1/2021	374,239
Serial Bond	2/1/2022	389,021
Serial Bond	2/1/2023	404,387
Serial Bond	2/1/2024	420,361
Serial Bond	2/1/2025	436,965
Serial Bond	2/1/2026	454,225
Serial Bond	2/1/2027	472,167
Total		\$3,657,720

2007 Loan Agreement (Santa Fe)

Component	Maturity	Par Amount
Serial Bond	10/1/2018	\$150,434
Serial Bond	10/1/2019	157,098
Serial Bond	10/1/2020	164,057
Serial Bond	10/1/2021	171,325
Serial Bond	10/1/2022	178,915
Serial Bond	10/1/2023	186,841
Serial Bond	10/1/2024	195,118
Serial Bond	10/1/2025	203,762
Serial Bond	10/1/2026	212,788
Serial Bond	10/1/2027	222,215
Total		\$1,842,552

Preliminary Refunding Debt Service Comparison

The 2007 Loans were structured with generally level debt service, taking into account the nominal maturity structure and the effect of two interest rate swaps. The debt service of the 2018 Note is structured to mirror the prior debt service of the 2007 Loans and includes the use of approximately \$2.1 million of property sale proceeds to reduce the size of the 2018 Note.

The table below shows a comparison of the debt service on the 2007 Loans to the estimated debt service on the 2018 Note.

Prior Debt Service ¹				County Tax Increment ²	2018 Note ³	Net Savings
Bond Year	NHB Loan	Santa Fe Loan	Total			
2/1/2019	442,353	196,544	638,897	-647,627	512,234	774,290
2/1/2020	509,030	230,887	739,917		502,346	237,571
2/1/2021	507,050	230,673	737,723		507,308	230,415
2/1/2022	504,992	230,449	735,440		501,549	233,891
2/1/2023	502,852	230,215	733,067		500,275	232,792
2/1/2024	500,628	229,971	730,599		493,589	237,010
2/1/2025	498,316	229,716	728,032		491,285	236,747
2/1/2026	495,913	229,450	725,362		493,363	231,999
2/1/2027	493,414	229,172	722,586		489,617	232,969
2/1/2028		228,881	228,881		255,150	-26,269
Total	4,454,547	2,265,956	6,720,503	(647,627)	4,746,716	2,621,414

¹ Prior debt service reflects nominal amortization of the 2007 Loans and includes the net payments under the interest rate swap agreements, which effectively fixed the interest rate on the 2007 Loans at 4.5% per annum.

² Anticipated RPTTF receipts in June 2018 and January 2019.

³ Pro forma debt service on the 2018 Note. Includes the use of approximately \$2.1 million of property sale proceeds applied to the refinancing to reduce the size of the 2018 Note.



Attachment

Preliminary Refunding Detailed Cash Flows

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Successor Agency to the Community Development Commission of the City of Huntington Park
 Taxable Tax Allocation Refunding Note, 2018
 PRELIMINARY SUBJECT TO CHANGE

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SOURCES AND USES OF FUNDS

Successor Agency to the Community Development Commission of the City of Huntington Park
 Taxable Tax Allocation Refunding Note, 2018
 PRELIMINARY SUBJECT TO CHANGE

Sources:

Bond Proceeds:	
Par Amount	3,970,000.00
Other Sources of Funds:	
Property Sale Proceeds (Cash)	2,124,745.00
County Tax Increment (June Payment)	<u>71,326.00</u>
	2,196,071.00
	<hr/>
	6,166,071.00
	<hr/>

Uses:

Refunding Escrow Deposits:	
Cash Deposit	5,512,647.78
Delivery Date Expenses:	
Cost of Issuance	98,492.50
Swap Termination Fee	<u>554,383.00</u>
	652,875.50
Other Uses of Funds:	
Additional Proceeds	547.72
	<hr/>
	6,166,071.00
	<hr/>

Notes:

- a. Interest rates are based on BBVA terms indexed to 5-year LIBOR + 1.24%
- b. Property sale proceeds assumed to be \$2,124,745 per DOF ROPs Letter dated March 5, 2017
- c. Assumes accrued interest and swap terminations are paid with loan proceeds

SOURCES AND USES OF FUNDS

Successor Agency to the Community Development Commission of the City of Huntington Park
 Taxable Tax Allocation Refunding Note, 2018
 PRELIMINARY SUBJECT TO CHANGE

Sources:	Neighborhood Preservation Refunding 2018	Santa Fe Refunding 2018	Total
Bond Proceeds:			
Par Amount	1,885,000.00	2,085,000.00	3,970,000.00
Other Sources of Funds:			
Property Sale Proceeds (Cash)	2,124,745.00		2,124,745.00
County Tax Increment (June Payment)	71,326.00		71,326.00
	<hr/> 2,196,071.00	<hr/>	<hr/> 2,196,071.00
	4,081,071.00	2,085,000.00	6,166,071.00
Uses:	Neighborhood Preservation Refunding 2018	Santa Fe Refunding 2018	Total
Refunding Escrow Deposits:			
Cash Deposit	3,665,949.58	1,846,698.20	5,512,647.78
Delivery Date Expenses:			
Cost of Issuance	46,765.33	51,727.17	98,492.50
Swap Termination Fee	364,430.00	189,953.00	554,383.00
	<hr/> 411,195.33	<hr/> 241,680.17	<hr/> 652,875.50
Other Uses of Funds:			
Additional Proceeds	3,926.09	-3,378.37	547.72
	4,081,071.00	2,085,000.00	6,166,071.00

Notes:

- a. Interest rates are based on BBVA terms indexed to 5-year LIBOR + 1.24%
- b. Property sale proceeds assumed to be \$2,124,745 per DOF ROPs Letter dated March 5, 2017
- c. Assumes accrued interest and swap terminations are paid with loan proceeds

SUMMARY OF REFUNDING RESULTS

Successor Agency to the Community Development Commission of the City of Huntington Park
 Taxable Tax Allocation Refunding Note, 2018
 PRELIMINARY SUBJECT TO CHANGE

	Neighborhood Preservation Refunding 2018	Santa Fe Refunding 2018	Total
Dated Date	07/19/2018	07/19/2018	07/19/2018
Delivery Date	07/19/2018	07/19/2018	07/19/2018
Arbitrage Yield	4.119646%	4.119646%	4.119646%
Escrow Yield			
Value of Negative Arbitrage			
Bond Par Amount	1,885,000.00	2,085,000.00	3,970,000.00
True Interest Cost	4.119615%	4.119670%	4.119646%
Net Interest Cost	4.120000%	4.120000%	4.120000%
Average Coupon	4.120000%	4.120000%	4.120000%
Average Life	4.333	5.124	4.749
Par amount of refunded bonds	3,657,719.71	1,842,552.46	5,500,272.17
Average coupon of refunded bonds	4.500000%	4.500000%	4.500000%
Average life of refunded bonds	4.791	5.056	4.880
PV of prior debt	3,730,242.96	1,880,554.19	5,610,797.15
Net PV Savings	59,242.94	21,836.97	81,079.91
Percentage savings of refunded bonds	1.619669%	1.185148%	1.474107%
Percentage savings of refunding bonds	3.142862%	1.047337%	2.042315%

SUMMARY OF BONDS REFUNDED

Successor Agency to the Community Development Commission of the City of Huntington Park
 Taxable Tax Allocation Refunding Note, 2018
 PRELIMINARY SUBJECT TO CHANGE

Bond	Maturity Date	Interest Rate	Par Amount	Call Date	Call Price
2007 Loan Agreement, NP_2007:					
BOND	02/01/2019	4.500%	346,337.54	07/19/2018	100.000
	02/01/2020	4.500%	360,017.87	07/19/2018	100.000
	02/01/2021	4.500%	374,238.58	07/19/2018	100.000
	02/01/2022	4.500%	389,021.00	07/19/2018	100.000
	02/01/2023	4.500%	404,387.33	07/19/2018	100.000
	02/01/2024	4.500%	420,360.63	07/19/2018	100.000
	02/01/2025	4.500%	436,964.88	07/19/2018	100.000
	02/01/2026	4.500%	454,224.99	07/19/2018	100.000
	02/01/2027	4.500%	<u>472,166.89</u>	07/19/2018	100.000
			3,657,719.71		
Santa Fe Loan Agreement, SF_2007:					
BOND	10/01/2018	4.500%	150,433.77	07/19/2018	100.000
	10/01/2019	4.500%	157,097.99	07/19/2018	100.000
	10/01/2020	4.500%	164,057.43	07/19/2018	100.000
	10/01/2021	4.500%	171,325.18	07/19/2018	100.000
	10/01/2022	4.500%	178,914.88	07/19/2018	100.000
	10/01/2023	4.500%	186,840.81	07/19/2018	100.000
	10/01/2024	4.500%	195,117.86	07/19/2018	100.000
	10/01/2025	4.500%	203,761.58	07/19/2018	100.000
	10/01/2026	4.500%	212,788.22	07/19/2018	100.000
	10/01/2027	4.500%	<u>222,214.74</u>	07/19/2018	100.000
			1,842,552.46		
			5,500,272.17		

BOND SUMMARY STATISTICS

Successor Agency to the Community Development Commission of the City of Huntington Park
 Taxable Tax Allocation Refunding Note, 2018
 PRELIMINARY SUBJECT TO CHANGE

Dated Date	07/19/2018
Delivery Date	07/19/2018
Last Maturity	08/01/2027
Arbitrage Yield	4.119646%
True Interest Cost (TIC)	4.119646%
Net Interest Cost (NIC)	4.120000%
All-In TIC	8.667290%
Average Coupon	4.120000%
Average Life (years)	4.749
Duration of Issue (years)	4.234
Par Amount	3,970,000.00
Bond Proceeds	3,970,000.00
Total Interest	776,716.13
Net Interest	776,716.13
Total Debt Service	4,746,716.13
Maximum Annual Debt Service	512,234.13
Average Annual Debt Service	525,466.73
Underwriter's Fees (per \$1000)	
Average Takedown	
Other Fee	
Total Underwriter's Discount	
Bid Price	100.000000

Bond Component	Par Value	Price	Average Coupon	Average Life
Bond Component	3,970,000.00	100.000	4.120%	4.749
	3,970,000.00			4.749

	TIC	All-In TIC	Arbitrage Yield
Par Value	3,970,000.00	3,970,000.00	3,970,000.00
+ Accrued Interest			
+ Premium (Discount)			
- Underwriter's Discount			
- Cost of Issuance Expense		-98,492.50	
- Other Amounts		-554,383.00	
Target Value	3,970,000.00	3,317,124.50	3,970,000.00
Target Date	07/19/2018	07/19/2018	07/19/2018
Yield	4.119646%	8.667290%	4.119646%

BOND PRICING

Successor Agency to the Community Development Commission of the City of Huntington Park
 Taxable Tax Allocation Refunding Note, 2018
 PRELIMINARY SUBJECT TO CHANGE

Bond Component	Maturity Date	Amount	Rate	Yield	Price
Bond Component:					
	02/01/2019	425,000	4.120%	4.120%	100.000
	08/01/2019	180,000	4.120%	4.120%	100.000
	02/01/2020	180,000	4.120%	4.120%	100.000
	08/01/2020	190,000	4.120%	4.120%	100.000
	02/01/2021	190,000	4.120%	4.120%	100.000
	08/01/2021	195,000	4.120%	4.120%	100.000
	02/01/2022	195,000	4.120%	4.120%	100.000
	08/01/2022	205,000	4.120%	4.120%	100.000
	02/01/2023	200,000	4.120%	4.120%	100.000
	08/01/2023	205,000	4.120%	4.120%	100.000
	02/01/2024	210,000	4.120%	4.120%	100.000
	08/01/2024	215,000	4.120%	4.120%	100.000
	02/01/2025	215,000	4.120%	4.120%	100.000
	08/01/2025	225,000	4.120%	4.120%	100.000
	02/01/2026	225,000	4.120%	4.120%	100.000
	08/01/2026	235,000	4.120%	4.120%	100.000
	02/01/2027	230,000	4.120%	4.120%	100.000
	08/01/2027	250,000	4.120%	4.120%	100.000
	02/01/2028		4.120%	4.120%	100.000
3,970,000					
Dated Date		07/19/2018			
Delivery Date		07/19/2018			
First Coupon		02/01/2019			
Par Amount		3,970,000.00			
Original Issue Discount					
Production		3,970,000.00		100.000000%	
Underwriter's Discount					
Purchase Price		3,970,000.00		100.000000%	
Accrued Interest					
Net Proceeds		3,970,000.00			

BOND DEBT SERVICE

Successor Agency to the Community Development Commission of the City of Huntington Park
 Taxable Tax Allocation Refunding Note, 2018
 PRELIMINARY SUBJECT TO CHANGE

Period Ending	Principal	Coupon	Interest	Debt Service	Annual Debt Service
02/01/2019	425,000	4.120%	87,234.13	512,234.13	512,234.13
08/01/2019	180,000	4.120%	73,027.00	253,027.00	
02/01/2020	180,000	4.120%	69,319.00	249,319.00	502,346.00
08/01/2020	190,000	4.120%	65,611.00	255,611.00	
02/01/2021	190,000	4.120%	61,697.00	251,697.00	507,308.00
08/01/2021	195,000	4.120%	57,783.00	252,783.00	
02/01/2022	195,000	4.120%	53,766.00	248,766.00	501,549.00
08/01/2022	205,000	4.120%	49,749.00	254,749.00	
02/01/2023	200,000	4.120%	45,526.00	245,526.00	500,275.00
08/01/2023	205,000	4.120%	41,406.00	246,406.00	
02/01/2024	210,000	4.120%	37,183.00	247,183.00	493,589.00
08/01/2024	215,000	4.120%	32,857.00	247,857.00	
02/01/2025	215,000	4.120%	28,428.00	243,428.00	491,285.00
08/01/2025	225,000	4.120%	23,999.00	248,999.00	
02/01/2026	225,000	4.120%	19,364.00	244,364.00	493,363.00
08/01/2026	235,000	4.120%	14,729.00	249,729.00	
02/01/2027	230,000	4.120%	9,888.00	239,888.00	489,617.00
08/01/2027	250,000	4.120%	5,150.00	255,150.00	
02/01/2028					255,150.00
	3,970,000		776,716.13	4,746,716.13	4,746,716.13

NET DEBT SERVICE

Successor Agency to the Community Development Commission of the City of Huntington Park
 Taxable Tax Allocation Refunding Note, 2018
 PRELIMINARY SUBJECT TO CHANGE

Date	Total Debt Service	Increment from County	Tax General Fund	Net Debt Service
07/01/2018		-191,891	-191,891.00	
01/01/2019		-455,736	-455,736.00	
02/01/2019	512,234.13		512,234.13	
08/01/2019	253,027.00		135,392.87	117,634.13
02/01/2020	249,319.00			249,319.00
08/01/2020	255,611.00			255,611.00
02/01/2021	251,697.00			251,697.00
08/01/2021	252,783.00			252,783.00
02/01/2022	248,766.00			248,766.00
08/01/2022	254,749.00			254,749.00
02/01/2023	245,526.00			245,526.00
08/01/2023	246,406.00			246,406.00
02/01/2024	247,183.00			247,183.00
08/01/2024	247,857.00			247,857.00
02/01/2025	243,428.00			243,428.00
08/01/2025	248,999.00			248,999.00
02/01/2026	244,364.00			244,364.00
08/01/2026	249,729.00			249,729.00
02/01/2027	239,888.00			239,888.00
08/01/2027	255,150.00			255,150.00
	4,746,716.13	-647,627	0.00	4,099,089.13

SAVINGS

Successor Agency to the Community Development Commission of the City of Huntington Park
 Taxable Tax Allocation Refunding Note, 2018
 PRELIMINARY SUBJECT TO CHANGE

Date	Prior Debt Service	Refunding Debt Service	Refunding Expenses	Refunding Net Cash Flow	Savings	Present Value to 07/19/2018 @ 4.1196464%
02/01/2019	638,896.97	512,234.13	-647,627.00	-135,392.87	774,289.84	767,124.07
02/01/2020	739,916.94	502,346.00		502,346.00	237,570.94	224,288.82
02/01/2021	737,722.53	507,308.00		507,308.00	230,414.53	208,512.76
02/01/2022	735,440.26	501,549.00		501,549.00	233,891.26	202,930.21
02/01/2023	733,066.85	500,275.00		500,275.00	232,791.85	193,563.04
02/01/2024	730,598.64	493,589.00		493,589.00	237,009.64	189,021.11
02/01/2025	728,031.78	491,285.00		491,285.00	236,746.78	180,933.89
02/01/2026	725,362.21	493,363.00		493,363.00	231,999.21	169,885.38
02/01/2027	722,585.99	489,617.00		489,617.00	232,968.99	163,462.16
02/01/2028	228,881.22	255,150.00		255,150.00	-26,268.78	-19,192.16
	6,720,503.39	4,746,716.13	-647,627.00	4,099,089.13	2,621,414.26	2,280,529.28

Savings Summary

PV of savings from cash flow	2,280,529.28
Less: Prior funds on hand	-2,196,071.00
Plus: Refunding funds on hand	-3,378.37
 Net PV Savings	 81,079.91

BOND DEBT SERVICE

Successor Agency to the Community Development Commission of the City of Huntington Park
Neighborhood Preservation Refunding 2018

Period Ending	Principal	Coupon	Interest	Debt Service	Annual Debt Service
02/01/2019	260,000	4.120%	41,419.73	301,419.73	301,419.73
08/01/2019	90,000	4.120%	33,475.00	123,475.00	
02/01/2020	90,000	4.120%	31,621.00	121,621.00	245,096.00
08/01/2020	95,000	4.120%	29,767.00	124,767.00	
02/01/2021	95,000	4.120%	27,810.00	122,810.00	247,577.00
08/01/2021	100,000	4.120%	25,853.00	125,853.00	
02/01/2022	95,000	4.120%	23,793.00	118,793.00	244,646.00
08/01/2022	100,000	4.120%	21,836.00	121,836.00	
02/01/2023	100,000	4.120%	19,776.00	119,776.00	241,612.00
08/01/2023	100,000	4.120%	17,716.00	117,716.00	
02/01/2024	105,000	4.120%	15,656.00	120,656.00	238,372.00
08/01/2024	105,000	4.120%	13,493.00	118,493.00	
02/01/2025	105,000	4.120%	11,330.00	116,330.00	234,823.00
08/01/2025	110,000	4.120%	9,167.00	119,167.00	
02/01/2026	110,000	4.120%	6,901.00	116,901.00	236,068.00
08/01/2026	115,000	4.120%	4,635.00	119,635.00	
02/01/2027	110,000	4.120%	2,266.00	112,266.00	231,901.00
	1,885,000		336,514.73	2,221,514.73	2,221,514.73

NET DEBT SERVICE

Successor Agency to the Community Development Commission of the City of Huntington Park
Neighborhood Preservation Refunding 2018

Date	Total Debt Service	Increment from County	Tax General Fund	Net Debt Service
01/01/2019		-417,663	-417,663.00	
02/01/2019	301,419.73		301,419.73	
08/01/2019	123,475.00		116,243.27	7,231.73
02/01/2020	121,621.00			121,621.00
08/01/2020	124,767.00			124,767.00
02/01/2021	122,810.00			122,810.00
08/01/2021	125,853.00			125,853.00
02/01/2022	118,793.00			118,793.00
08/01/2022	121,836.00			121,836.00
02/01/2023	119,776.00			119,776.00
08/01/2023	117,716.00			117,716.00
02/01/2024	120,656.00			120,656.00
08/01/2024	118,493.00			118,493.00
02/01/2025	116,330.00			116,330.00
08/01/2025	119,167.00			119,167.00
02/01/2026	116,901.00			116,901.00
08/01/2026	119,635.00			119,635.00
02/01/2027	112,266.00			112,266.00
	2,221,514.73	-417,663	0.00	1,803,851.73

SAVINGS

Successor Agency to the Community Development Commission of the City of Huntington Park
Neighborhood Preservation Refunding 2018

Date	Prior Debt Service	Refunding Debt Service	Refunding Expenses	Refunding Net Cash Flow	Savings	Present Value to 07/19/2018 @ 4.1196464%
02/01/2019	442,352.69	301,419.73	-417,663.00	-116,243.27	558,595.96	548,934.61
02/01/2020	509,030.03	245,096.00		245,096.00	263,934.03	248,198.02
02/01/2021	507,050.02	247,577.00		247,577.00	259,473.02	233,956.76
02/01/2022	504,991.64	244,646.00		244,646.00	260,345.64	225,068.45
02/01/2023	502,852.01	241,612.00		241,612.00	261,240.01	216,611.89
02/01/2024	500,627.91	238,372.00		238,372.00	262,255.91	208,560.02
02/01/2025	498,315.96	234,823.00		234,823.00	263,492.96	200,887.50
02/01/2026	495,912.63	236,068.00		236,068.00	259,844.63	189,893.05
02/01/2027	493,414.45	231,901.00		231,901.00	261,513.45	183,203.64
	4,454,547.34	2,221,514.73	-417,663.00	1,803,851.73	2,650,695.61	2,255,313.94

Savings Summary

PV of savings from cash flow	2,255,313.94
Less: Prior funds on hand	-2,196,071.00
 Net PV Savings	 59,242.94

PRIOR BOND DEBT SERVICE

Successor Agency to the Community Development Commission of the City of Huntington Park
 Neighborhood Preservation Refunding 2018

Period Ending	Principal	Coupon	Interest	Debt Service
02/01/2019	346,337.54	4.500%	96,015.15	442,352.69
02/01/2020	360,017.87	4.500%	149,012.16	509,030.03
02/01/2021	374,238.58	4.500%	132,811.44	507,050.02
02/01/2022	389,021.00	4.500%	115,970.64	504,991.64
02/01/2023	404,387.33	4.500%	98,464.68	502,852.01
02/01/2024	420,360.63	4.500%	80,267.28	500,627.91
02/01/2025	436,964.88	4.500%	61,351.08	498,315.96
02/01/2026	454,224.99	4.500%	41,687.64	495,912.63
02/01/2027	472,166.89	4.500%	21,247.56	493,414.45
	3,657,719.71		796,827.63	4,454,547.34

ESCROW REQUIREMENTS

Successor Agency to the Community Development Commission of the City of Huntington Park
Neighborhood Preservation Refunding 2018

Period Ending	Interest	Principal Redeemed	Total
07/19/2018	8,229.87	3,657,719.71	3,665,949.58
	8,229.87	3,657,719.71	3,665,949.58

BOND DEBT SERVICE

Successor Agency to the Community Development Commission of the City of Huntington Park
 Santa Fe Refunding 2018

Period Ending	Principal	Coupon	Interest	Debt Service	Annual Debt Service
02/01/2019	165,000	4.120%	45,814.40	210,814.40	210,814.40
08/01/2019	90,000	4.120%	39,552.00	129,552.00	
02/01/2020	90,000	4.120%	37,698.00	127,698.00	257,250.00
08/01/2020	95,000	4.120%	35,844.00	130,844.00	
02/01/2021	95,000	4.120%	33,887.00	128,887.00	259,731.00
08/01/2021	95,000	4.120%	31,930.00	126,930.00	
02/01/2022	100,000	4.120%	29,973.00	129,973.00	256,903.00
08/01/2022	105,000	4.120%	27,913.00	132,913.00	
02/01/2023	100,000	4.120%	25,750.00	125,750.00	258,663.00
08/01/2023	105,000	4.120%	23,690.00	128,690.00	
02/01/2024	105,000	4.120%	21,527.00	126,527.00	255,217.00
08/01/2024	110,000	4.120%	19,364.00	129,364.00	
02/01/2025	110,000	4.120%	17,098.00	127,098.00	256,462.00
08/01/2025	115,000	4.120%	14,832.00	129,832.00	
02/01/2026	115,000	4.120%	12,463.00	127,463.00	257,295.00
08/01/2026	120,000	4.120%	10,094.00	130,094.00	
02/01/2027	120,000	4.120%	7,622.00	127,622.00	257,716.00
08/01/2027	250,000	4.120%	5,150.00	255,150.00	
02/01/2028					255,150.00
	2,085,000		440,201.40	2,525,201.40	2,525,201.40

NET DEBT SERVICE

Successor Agency to the Community Development Commission of the City of Huntington Park
Santa Fe Refunding 2018

Date	Total Debt Service	Tax Increment from County	General Fund	Net Debt Service
07/01/2018		-191,891	-191,891.00	
01/01/2019		-38,073	-38,073.00	
02/01/2019	210,814.40		210,814.40	
08/01/2019	129,552.00		19,149.60	110,402.40
02/01/2020	127,698.00			127,698.00
08/01/2020	130,844.00			130,844.00
02/01/2021	128,887.00			128,887.00
08/01/2021	126,930.00			126,930.00
02/01/2022	129,973.00			129,973.00
08/01/2022	132,913.00			132,913.00
02/01/2023	125,750.00			125,750.00
08/01/2023	128,690.00			128,690.00
02/01/2024	126,527.00			126,527.00
08/01/2024	129,364.00			129,364.00
02/01/2025	127,098.00			127,098.00
08/01/2025	129,832.00			129,832.00
02/01/2026	127,463.00			127,463.00
08/01/2026	130,094.00			130,094.00
02/01/2027	127,622.00			127,622.00
08/01/2027	255,150.00			255,150.00
	2,525,201.40	-229,964	0.00	2,295,237.40

SAVINGS

Successor Agency to the Community Development Commission of the City of Huntington Park
Santa Fe Refunding 2018

Date	Prior Debt Service	Refunding Debt Service	Refunding Expenses	Refunding Net Cash Flow	Savings	Present Value to 07/19/2018 @ 4.1196464%
02/01/2019	196,544.28	210,814.40	-229,964.00	-19,149.60	215,693.88	218,189.46
02/01/2020	230,886.91	257,250.00		257,250.00	-26,363.09	-23,909.19
02/01/2021	230,672.51	259,731.00		259,731.00	-29,058.49	-25,444.00
02/01/2022	230,448.62	256,903.00		256,903.00	-26,454.38	-22,138.24
02/01/2023	230,214.84	258,663.00		258,663.00	-28,448.16	-23,048.85
02/01/2024	229,970.73	255,217.00		255,217.00	-25,246.27	-19,538.91
02/01/2025	229,715.82	256,462.00		256,462.00	-26,746.18	-19,953.61
02/01/2026	229,449.58	257,295.00		257,295.00	-27,845.42	-20,007.67
02/01/2027	229,171.54	257,716.00		257,716.00	-28,544.46	-19,741.48
02/01/2028	228,881.22	255,150.00		255,150.00	-26,268.78	-19,192.16
	2,265,956.05	2,525,201.40	-229,964.00	2,295,237.40	-29,281.35	25,215.34

Savings Summary

PV of savings from cash flow	25,215.34
Plus: Refunding funds on hand	-3,378.37
 Net PV Savings	 21,836.97

PRIOR BOND DEBT SERVICE

Successor Agency to the Community Development Commission of the City of Huntington Park
 Santa Fe Refunding 2018

Period Ending	Principal	Coupon	Interest	Debt Service
02/01/2019	150,433.77	4.500%	46,110.51	196,544.28
02/01/2020	157,097.99	4.500%	73,788.92	230,886.91
02/01/2021	164,057.43	4.500%	66,615.08	230,672.51
02/01/2022	171,325.18	4.500%	59,123.44	230,448.62
02/01/2023	178,914.88	4.500%	51,299.96	230,214.84
02/01/2024	186,840.81	4.500%	43,129.92	229,970.73
02/01/2025	195,117.86	4.500%	34,597.96	229,715.82
02/01/2026	203,761.58	4.500%	25,688.00	229,449.58
02/01/2027	212,788.22	4.500%	16,383.32	229,171.54
02/01/2028	222,214.74	4.500%	6,666.48	228,881.22
	1,842,552.46		423,403.59	2,265,956.05

ESCROW REQUIREMENTS

Successor Agency to the Community Development Commission of the City of Huntington Park
Santa Fe Refunding 2018

Period Ending	Interest	Principal Redeemed	Total
07/19/2018	4,145.74	1,842,552.46	1,846,698.20
	4,145.74	1,842,552.46	1,846,698.20