

RESOLUTION NO. 04-1314

**A RESOLUTION OF THE SUCCESSOR AGENCY TO THE COMMUNITY
DEVELOPMENT AGENCY OF THE CITY OF ARCATA
ACCEPTING A LOAN ASSIGNMENT FROM THE CITY OF ARCATA**

WHEREAS, between January 1, 2011, and January 31, 2012, the Arcata Community Development Agency (“RDA”) transferred approximately \$30,586,012 in funds and assets to the City of Arcata to implement housing and economic development goals of the RDA; and

WHEREAS, said asset transfer included in part an economic development loan made to Bohemian Properties, LLC, owner of the Arcata Theater Lounge; and

WHEREAS, pursuant to Health and Safety Code section 34172 et seq, the RDA was dissolved effective February 1, 2012; and

WHEREAS, pursuant to Health and Safety Code section 34179.6(c), the Successor Agency completed a due diligence review (“DDR”) of its non-housing or other funds and accounts (“OFA DDR”) to determine the amount of cash and cash equivalents available for distribution to the affected taxing entities; and

WHEREAS, after review of the OFA DDR, the California Department of Finance (“DOF”) issued a final determination dated June 6, 2013, directing that the Arcata Theatre Lounge note receivable be transferred from the City of Arcata to the Successor Agency; and

WHEREAS, pursuant to Health and Safety Code section 34167.5, the State Controller completed an audit of fund and asset transfers made by the former RDA to the City between January 1, 2011, and January 31, 2012, and directed in part that the Arcata Theatre Lounge note receivable identified above be turned over to the Successor Agency; and

WHEREAS, in order to implement the DOF OFA DDR final determination and the State Controller’s audit, the Successor Agency desires to accept said assignment of the Arcata Theatre Lounge note receivable, or its proceeds if paid to the City.

NOW, THEREFORE, BE IT RESOLVED by the Successor Agency to the Community Development Agency of the City of Arcata as follows:

1. The above recitals are true and correct and incorporated herein.
2. A Loan Assignment Agreement between the Successor Agency and the City of Arcata, attached hereto as Exhibit “1” and incorporated herein, is hereby approved.
3. All loan documents held by the City of Arcata as part of the Arcata Theatre Lounge loan are hereby accepted, including loan agreements, promissory notes and beneficial interests in the underlying deed of trust securing the loan.

4. The Secretary to the Successor Agency is authorized and directed to enter into and execute said Loan Assignment Agreement on behalf of the Successor Agency.
5. The Secretary to the Successor Agency is authorized to execute on behalf of the Successor Agency all documents necessary to accept the assignment of said loan.

This Resolution shall be effective upon its adoption.

Dated: February 5, 2014

ATTEST:

APPROVED:

Secretary, Successor Agency to the
Community Development Agency of the
City of Arcata

Chair, Successor Agency to the
Community Development Agency of the
City of Arcata

SECRETARY'S CERTIFICATE

I hereby certify that the foregoing is a true and correct copy of **Resolution No. 04-1314**, passed and adopted at a regular meeting of the Successor Agency to the Community Development Agency of the City of Arcata, County of Humboldt, State of California, held on the 5th day of February, 2014, by the following roll call vote:

AYES: WHEETLEY, WINKLER, BRINTON, ORNELAS, STILLMAN

NOES: NONE

ABSENT: NONE

ABSTENTIONS: NONE

Secretary, Successor Agency to the
Community Development Agency of the
City of Arcata

EXHIBIT “1”

LOAN ASSIGNMENT AGREEMENT BETWEEN THE SUCCESSOR AGENCY TO THE ARCATA COMMUNITY DEVELOPMENT AGENCY AND THE CITY OF ARCATA CONCERNING THE ARCATA THEATRE LOUNGE LOAN

This Loan Assignment Agreement is made and effective _____, by and between the Successor to the Arcata Community Development Agency (“Agency”) and the City of Arcata (“City”).

RECITALS

WHEREAS, the Arcata Community Development Agency (“RDA”) was engaged in various housing and economic development efforts within the RDA project area pursuant to the RDA Implementation Plan; and

WHEREAS, in implementation of its economic development goals, the RDA made a loan to Bohemian Properties, LLC, owner of the Arcata Theater Lounge, in the amount of \$325,000, and

WHEREAS, in order to implement the economic development goals of the RDA, the RDA assigned said loan to the City of Arcata pursuant to a Loan Assignment Agreement dated March 9, 2011; and

WHEREAS, pursuant to Resolution 134-41, the City desires to assign said loan to the Successor Agency to the Arcata Community Development Agency (“Successor Agency”); and

WHEREAS, pursuant to Resolution 04-1314, the Successor Agency desires to accept said loan assignment from the City.

NOW THEREFORE, in consideration of the mutual promises set forth herein, and for good and valuable consideration, the receipt and adequacy of which are hereby acknowledged, the parties hereto agree as follows:

1. Definitions. As used herein, the following terms are defined as follows:

“Deeds of Trust” means those beneficial interests in real property securing the Loan, held by the City and recorded in the Humboldt County Recorder’s Office as instrument numbers 2008-26684-11 and 2008-26434-11.

“Loan” means the economic development loan made by the RDA to Bohemian Properties, LLC, in the amount of \$325,000.00 identified as AEDC Loan # 457-01-02, assigned to the City on March 25, 2011 and recorded in the Humboldt County Recorder’s Office as instrument number 2011-6365-1.

“Loan Agreement” means the agreement between the RDA and Bohemian Properties, LLC, dated November 6, 2008 by which the Loan was made by the RDA.

“Loan Documents” means the Loan, Loan Agreement, Deeds of Trust, Note and any other document executed as part of the Loan.

“Note” means the promissory note executed by Bohemian Properties, LLC, in the principle amount of \$325,000 made on November 6, 2008 evidencing the Loan made by the RDA in favor and assigned to the City on March 9, 2011.

2. **Assignment.** The City of Arcata (“City”) hereby absolutely and unconditionally grants, transfers, conveys, and assigns to the Successor Agency to the Arcata Community Development Agency (“Successor Agency”) all of City’s right, title and interest in and to all of those Loan Documents for the Arcata Theatre Loan..
3. **Delivery of Documents.** The City shall immediately deliver to the Successor Agency the originals of each of the Loan Documents and an assignment of the City’s beneficial interest in the Deed of Trust.
4. **Severability.** If any term, provision, covenant, or condition set forth in this Agreement is held by final judgment of a court of competent jurisdiction to be invalid, void, or unenforceable, the remaining provisions, covenants, and conditions shall continue in full force and effect to the extent that the basic intent of the Parties as expressed herein can be accomplished.

IN WITNESS WHEREOF, the undersigned have executed this Agreement effective as of the date first set forth above.

CITY: CITY OF ARCATA

By: Randal J. Mendoza
Its: City Manager

Date: _____

AGENCY: SUCCESSOR TO ARCATA COMMUNITY DEVELOPMENT AGENCY

By: Randal J. Mendoza
Its: Secretary to the Successor Agency

Date: _____