



Meeting Date: 3/6/12

ACTION	TYPE OF ITEM
<input type="checkbox"/> Approved Recommendation	<input type="checkbox"/> Info/Consent
<input type="checkbox"/> Ord. No(s). _____	<input checked="" type="checkbox"/> Report
<input type="checkbox"/> Res. No(s). _____	<input type="checkbox"/> Public Hearing (Info/consent)
<input type="checkbox"/> Other _____	<input type="checkbox"/> Other: Public Hearing

Prepared By: Curtis P. Cannon *cc*

Agenda Item No. **0-2**

Reviewed By: City Manager *SLB*

City Attorney *JA*

Finance *JC*

Other N/A

DATE: February 21, 2012

TO: City Council
Oxnard Community Development Commission Successor Agency ("Successor Agency")

FROM: Curtis P. Cannon, Community Development Director
Community Development Department

Curtis P. Cannon

SUBJECT: Affordable Housing Loan Agreement for ED-KOH (RiverPark Lots 3, 11, 12 & 17A – Letter Agreement #3, Release of Covenants)

RECOMMENDATION

That City Council and Successor Agency:

1. Approve and authorize the Mayor and Chairperson of the Successor Agency to execute the Letter Agreement #3 (Attachment 1) and direct the Successor Agency's Community Development Director (or designee) to prepare and execute an amendment to the below described Predevelopment Loan Agreement in conformance with the Letter Agreement #3, in a form acceptable to the Community Development Director and the City Attorney.
2. Authorize the Interim City Manager and Successor Agency's Community Development Director (or designees), with approval from the City Attorney and the Successor Agency Counsel, to revise and sign all documents necessary and appropriate to carry out and implement the Letter Agreement #3, and to administer the obligations, responsibilities and duties of the City and Successor Agency pursuant to those documents.

DISCUSSION

At its meeting of July 21, 2009 (and subsequently amended on December 15, 2009 and April 26, 2011), the Oxnard Community Development Commission ("Commission") approved three separate pre-development loans for E.D. LLC/KOH, LLC (and related entities; collectively the "Developer") totaling \$3 million for the Resonate and Mosaic Apartment projects located within RiverPark (collectively the "Predevelopment Loan"). The Predevelopment Loan provides for the planning and design of dwellings affordable to persons of low and moderate income ("Affordable Units") including costs associated with real estate taxes, professional design services, entitlement management, civil engineering, plan check and permit fees. The affordable housing requirement arises from an impending amendment to the RiverPark Specific Plan, which if approved, would allow for an additional 304 dwellings at RiverPark.

Under the Predevelopment Loan, the Developer is obligated to construct between 28 and 53 Affordable Units depending upon whether the balance of loan proceeds (totaling \$1.65 million) is funded and the party to whom the funds are disbursed (i.e., the Developer as to Lot 3 or Sonata Partners as to Lot 17A). In either event, the obligation to construct the Affordable Units remains as covenants recorded upon all of the affected properties (i.e., Lots 3, 11, 12 and 17A as depicted in Exhibit A of Letter Agreement #3). The Developer is presently in escrow to sell the Lot 11 and 12 Properties to facilitate construction of the Mosaic Project as described and authorized under the Specific Plan. To accomplish this, the Developer requests the release of affordability covenants that presently encumber Lots 11 and 12; without such accommodation, the sale and/or development of these particular parcels would not proceed as contemplated.

To facilitate the Lot 11 and 12 transaction and subsequent development of these properties, Letter Agreement #3 prescribes the circumstances, terms and conditions of removing the affordable housing covenants from Lots 11 and 12. In short, the release of covenants that presently encumber Lot 11 and 12 is made contingent upon the Developer satisfying the following: (i) recordation of covenants upon Lot 17A (or Lot 3 depending upon the Phase 2 Loan Draw) requiring the construction of a minimum of 53 affordable units; (ii) payment of a refundable deposit (in cash or by enforceable obligation) in the amount of \$262,800 which is computed as (a) the number of Affordable Units assigned to Lots 11 and 12 times (b) the per unit subsidy provided in the past by the City and Commission for similar affordable housing projects; and (iii) delivery of the required Affordable Units no later than five years from the date of Letter Agreement #3, else the refundable deposit shall be forfeited to the Successor Agency.

Previously, the City and Commission entered into a Cooperation Agreement on January 18, 2011, and further clarified on March 8, 2011, by adoption of Resolution Nos. 13,951 and 147, respectively. These actions were later followed with approval of Assignment and Assumption Agreement which transferred specified assets of the Commission (including funds in the Low and Moderate Income Housing Fund) to the City including, without limitation, the Predevelopment Loan. However, not all overarching RiverPark documents were assigned to the City under the Assignment/Assumption Agreement (i.e., the Owner Participation Agreement, Agreement Containing Covenants and Notice of Affordability Restrictions on Transfer of Property, as such terms and documents are defined in the Loan Agreement). Consequently, amendments to the Agreement Containing Covenants and Notice of Affordability Restrictions (collectively, the "Covenants") require approval of the Successor Agency. By Resolution No. 14,136, the City elected to assume housing functions of the former Community Development Commission, and is therefore a proper party to the agreement.

ENVIRONMENTAL IMPACT

An Environmental Impact Report ("EIR") was prepared for the Historic Enhancement and Revitalization of Oxnard ("HERO") Project Area under the provisions of the California Environmental Quality Act of 1970, amended ("CEQA"), and was certified by the Planning Commission and City Council in 1997 at the time of adoption of the HERO Redevelopment Plan. In accordance with CEQA Section 21090 and CEQA Guidelines Sections 15180, 15162 and 15163, no subsequent EIR or supplement to the EIR need be prepared for the Letter Agreement #3 and no further documentation is required under CEQA.

Letter Agreement #3 – RiverPark Affordable Housing (Lots 3, 11, 12 and 17A)

February 21, 2012

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FINANCIAL IMPACT

In July of 2009, the Commission approved a special budget appropriation in the amount of \$3 million from the Housing Set-Aside fund balance for the Loan Agreements. No new funds are being requested in connection with the proposed Letter Agreement #3.

CC/el

Attachment #1: Letter Agreement #3

E.D., LLC & E.D. 2, LLC

2291 North Patterson Road
Oxnard, CA 93036
805-981-3877

KOH, LLC & KOH 12-17, LLC

304 South Broadway, Suite 400
Los Angeles, CA 93013
213-346-9030

February 9, 2012

Oxnard Community Development Department
Attention: Mr. Curtis Cannon, Community Development Director ("Director")
214 South C Street
Oxnard, California 93030

Kane, Ballmer & Berkman
Attention: Todd Mooney, Esq.
515 S. Figueroa Street, Suite 1850
Los Angeles, California 90071

**SUBJECT: RIVERPARK AFFORDABLE HOUSING LOAN AGREEMENTS
Letter Agreement #3**

ENTITIES

E.D., LLC, a California limited liability company ("ED"), and KOH, LLC, a Delaware limited liability company ("KOH") are the owners of that certain real property located in the City of Oxnard more particularly shown on Exhibit A which is attached hereto and incorporated herein by this reference ("Lot 3 Property"). E.D. 2, LLC, a California limited liability company ("ED 2"), is the owner of that certain real property located in the City of Oxnard more particularly shown on Exhibit A ("Lot 11 Property" and "Lot 16 Property"). KOH 12-17, LLC, a California limited liability company ("KOH 12-17"), is the owner of that certain real property located in the City of Oxnard more particularly shown in Exhibit A ("Lot 12 Property" and "Lot 17 Property"). ED, KOH, ED 2, and KOH 12-17 may be referred to herein individually by name or collectively as the "Developer", and the Lot 3 Property, Lot 11 Property, Lot 12 Property, Lot 16 Property and Lot 17 Property may be referred to herein individually by name or collectively as the "Property" or "Properties".

The Oxnard Community Development Commission ("Commission") entered into the following agreements: (1) that certain Affordable Housing Loan Agreement with ED and KOH dated as of July 21, 2009, as amended by the First and Second Amendments to Affordable Housing Loan Agreement dated as of December 15, 2009, and April 26, 2011, respectively (collectively, "ED/KOH Loan Agreement"); that certain Affordable Housing Loan Agreement with ED 2 dated as of July 21, 2009, as amended by the First and Second Amendments to Affordable Housing Loan Agreement dated as of December 15, 2009, and April 26, 2011, respectively (collectively, "ED 2 Loan Agreement"); and that certain Affordable Housing Loan Agreement with KOH 12-17 dated as of July 21, 2009, as amended by the First and Second Amendments to Affordable Housing Loan Agreement dated as of December 15, 2009, and April 26, 2011, respectively (collectively, "KOH 12-17 Loan Agreement"). The ED/KOH Loan Agreement, the ED 2 Loan Agreement and the KOH 12-17 Loan Agreement are each

Attachment #1

incorporated herein by this reference and may be referred to herein collectively as the "Loan Agreement".

The City of Oxnard (acting by and through its City Council; hereinafter referred to as "City") and Commission entered into a Cooperation Agreement on January 18, 2011, as further clarified on March 8, 2011, by adoption of Resolution Nos. 13,351 and 147, respectively (collectively the "Cooperation Agreement"). In addition, by adoption of Resolution Nos. 13,351 and 147 and a subsequent assignment and assumption agreement entered into by and between the City and the Commission (collectively, the "Assignment/Assumption Agreement"), specified assets of the Commission (including funds in the Low and Moderate Income Housing Fund (the "LMIHF") and the Loan Agreement) were transferred and assigned to the City (collectively, the "Implementing Actions"). Pursuant to the Cooperation Agreement and Assignment/Assumption Agreement, the City is a signatory party to each of the Second Amendment to Affordable Housing Loan Agreements dated April 26, 2011.

The Properties are part of the larger RiverPark development and are subject to the terms and conditions of the Owner Participation Agreement, Agreement Containing Covenants and Notice of Affordability Restrictions on Transfer of Property (as such terms and documents are defined in the Loan Agreement; hereinafter collectively referred to as "Master Accords"). Because the Master Accords were not assigned to the City under the Assignment/Assumption Agreement, amendments to the Agreement Containing Covenants and Notice of Affordability Restrictions (collectively, the "Covenants") require approval of the Oxnard Community Development Commission Successor Agency (the "Successor Agency"), pursuant to Part 1.85 of Division 24 of the California Health and Safety Code and the City's adoption of Resolution 14,136 on January 10, 2012.

SUMMARY OF REQUEST

The Developer is presently in escrow to sell the Lot 11 and 12 Properties to facilitate construction of the Mosaic Project as described and authorized under the Specific Plan. To accomplish this, the Developer seeks assistance in removing encumbrances that inhibit transfer of the Properties. Most recently, the Developer requested, and the Director consented to, a reduction of secured debt on the Lot 11 and 12 Properties, with a concurrent transfer thereof to the Lot 3 Property (as allowed by Section 1.7 of the Loan Agreement). The remaining impediment is affordable housing covenants that encumber the Properties even though the individual lots are not specifically bound to produce affordable units as part of their respective development. As such, we respectively request the City and Successor Agency to consider alternative means by which to satisfy affordable housing obligations specific to the Lot 11 and 12 Properties. Without such accommodation and concurrent release of affordability covenants that presently encumber these Properties, the sale and/or development of the Lot 11 and 12 Properties would not proceed as contemplated.

LOAN AGREEMENT CHRONOLOGY

Under the Loan Agreement and by the authority of the Implementing Actions, the City is conditionally committed to oversee a LMIHF loan totaling \$3 million to underwrite predevelopment costs associated with the development of between 28 and 53 affordable housing units depending upon the Phase 2 Loan Draw (whether or not the Phase 2 Loan Draw is taken and by whom; the Developer or Sonata Partners). Under Section 2.2 of the Loan Agreement, the loan proceeds are to be evidenced by separate notes and deeds of trust for each Property according to the allocations prescribed in the Loan Agreement. Pursuant to Sections 1.3 and 1.7, the Developer (by letter agreement dated February 10, 2010; "Letter Agreement #1") obtained Commission approval to: (i) transfer all affordable housing obligations to the Lot 3 Property; and (ii) assign all Phase 1 loan proceeds to ED and KOH as the owners of the Lot 3 Property.

Preparatory to the sale and development of the Lot 11 and 12 Properties, the Developer (by letter agreement dated November 17, 2011; Letter Agreement #2) obtained City approval to reapportion loan collateral that encumbers the respective Lots as allowed under Section 1.7 of the Loan Agreement. Upon close of escrow, the reapported loan debt secured on the Lot 11 and 12 Properties must be repaid to the City. As set forth in the Requested Action (subpart "d") below, approval of this Letter Agreement #3 would include an assignment of all Phase 2 loan proceeds to the Lot 3 Property in the event that the Second Amendment and Companion Memorandum of Understanding dated April 21, 2011 ("MOU") relevant to the Lot 17A Property are not fully implemented. This redistribution of loan proceeds compliments the provisions of Letter Agreement #1 and the Second Amendment to the Loan Agreement. The resulting financial attributes of these various approvals appear in Table 1 below.

TABLE 1 Loan Draw Schedule	PHASE 1 LOAN DRAW (Completed)		PHASE 2 LOAN DRAW (Pending)		TOTAL LOAN AMOUNT	
	By Developer		By Developer	By Sonata Partners	By Developer	By Sonata Partners
	Original	Letter #1				
Lot 3 Property	\$562,500	\$1,350,000	\$1,650,000		\$3,000,000	\$1,350,000
Lot 11 Property	\$393,750					
Lot 12 Property	\$393,750					
Lot 17A Property				\$1,650,000		\$1,650,000
Total	\$1,350,000	\$1,350,000	\$1,650,000	\$1,650,000	<u>\$3,000,000</u>	<u>\$3,000,000</u>

Notes:

1. Lot 17A consists of a reconfiguration of Lot 17 by means of a lot line adjustment which has been conditionally approved by the City and shown on Exhibit B which is attached hereto and incorporated herein by this reference.
2. Upon meeting certain conditions precedent to closing, ownership of Lot 17A would be transferred (along with the Phase 2 loan proceeds) to Sonata Partners as authorized under the Second Amendment and companion MOU.
3. The assignment of all Phase 2 loan proceeds to the Lot 3 Property would only apply if: (i) the conditions precedent to transfer of the Loan to the Lot 17A Property are not satisfied within the time and manner set forth in the MOU; and (ii) the collateral requirements set forth in the Loan Agreement allowing the Phase 2 Loan Draw are satisfied.

AFFORDABLE HOUSING

Under Section 1.3 of the Loan Agreement (as amended), the Lot 11 and 12 Properties have each been assigned a minimum of five (5) affordable units. However, the Second Amendment to the Loan Agreement, in combination with Letter Agreement #1, transferred all of the affordable housing obligations to the Lot 3 Property (or the Lot 17A Property if the conditions precedent to the loan transfer have occurred and the associated MOU for the Lot 17A Property becomes effective). The resulting assignment of affordable housing obligations appears in Table 2 below. This reassignment was followed with a reapportionment of loan collateral that encumbers the respective Lots. This reapportionment was approved by the Director under Letter Agreement #2 and specifically provides for repayment of all Loan debt secured on the Lot 11 and 12 Properties as a condition of sale. The reapportionment of secured debt is summarized in Table 3 below.

TABLE 2 Affordable Unit Requirements	ORIGINAL LOAN AGREEMENT	FIRST AMENDMENT TO LOAN AGREEMENT		SECOND AMENDMENT TO LOAN AGREEMENT	
		Without Phase 2 Loan Draw	With Phase 2 Loan Draw	Without Phase 2 Loan Draw	With Phase 2 Loan Draw
Lot 3 Property	20	14	20	28	
Lot 11 Property	16.5	5	16.5		
Lot 12 Property	16.5	5	16.5		
Lot 17A Property					53
Total	<u>53</u>	<u>24</u>	<u>53</u>	<u>28</u>	<u>53</u>

Notes:

1. The First and Second Amendments to the Loan Agreement are dated December 15, 2009, and April 26, 2011, respectively.
2. The 53-unit affordable housing obligation applicable to Lot 17A would apply if: (i) the Phase 2 Loan Draw is taken; and (ii) the Second Amendment and MOU become effective. Otherwise, the 28-unit requirement applies to Lot 3.

REQUESTED ACTION

Time is of the essence to facilitate a sale of the Lot 11 and 12 Properties for subsequent development of the Mosaic Project. As stated earlier, the only impediment that remains are affordable housing covenants that encumber the Properties even though the individual Lots: (i) are not specifically bound to produce affordable units as part of their respective development; or (ii) would not be encumbered with any remaining Loan repayment obligation upon completion of the sale. In connection with removing the Covenants that presently encumber the Lot 11 and 12 Properties, the Developer respectively requests approval of the following:

TABLE 3 Phase 1 Collateral Reallocation	ORIGINAL ALLOCATION	LETTER AGREEMENT #2
Lot 3 Property	\$562,500	\$1,250,000
Lot 11 Property	\$393,750	\$50,000
Lot 12 Property	\$393,750	\$50,000
Total	\$1,350,000	\$1,350,000

- a. **Release of Covenants.** The Successor Agency would remove the Covenants that presently encumber the Lot 11 and 12 Properties upon the Developer satisfying both of the following: (i) recordation of Covenants upon the Lot 17A Property, requiring the construction of a minimum of 53 affordable units (which Covenants would incorporate the provisions of subparts "c" and "d" below in a form acceptable to and approved by the Director); and (ii) fulfillment of the conditions set forth in the Letter Agreement #2.
- b. **Assignment of Phase 2 Loan Proceeds.** In the event that the Phase 2 Loan Draw is not advanced to Sonata Partners in the time and manner set forth in the Second Amendment to the Loan Agreement and companion MOU, the Developer would assign, by separate Letter Agreement (subject to the reasonable review and approval of the Director), all proceeds of the Phase 2 Loan Draw to the Lot 3 Property subject to and contingent upon: (i) recordation of Covenants that require the construction of 53 affordable units on the Lot 3 Property (with inclusion of the provisions of subparts "c" and "d" below); and (ii) the Developer satisfying the collateral requirements set forth in the Loan Agreement.
- c. **Delivery of Affordable Units.** All affordable housing units required under the Loan Agreement would be constructed and made ready for occupancy (as evidenced by issuance of Certificates of Occupancy by the City Building Department) no later than: (i) development and occupancy of unrestricted market rate units on either the Lot 3 or Lot 17A Properties; (ii) five (5) years from the date of this Letter Agreement #3; or (iii) such later time as the Director, at his or her sole discretion, may approve for circumstances outside the reasonable control of the Developer (collectively, the "Specified Timeframe").
- d. **Performance Guarantee.** The Developer would pay a refundable Performance Guarantee to the Successor Agency by means of a surety bond, promissory note (secured in a first position on either or both the Lot 3 and Lot 17 Properties), or cash equivalent (in a documented form reasonably acceptable to the Director) for the sum of \$262,800. This sum is computed as: (i) the minimum number of such units originally assigned to the Lot 11 and 12 Properties as shown in Table 2 above (i.e., 10 dwellings); multiplied by (ii) \$26,288 which represents the average per unit subsidy provided by the City and Commission in connection with past affordable housing projects as shown in Table 4.
- e. **Default Provisions.** Should the Developer fail to adhere to the Specified Timeframe ("Performance Default"), the City and the Successor Agency would each have the right (but not the obligation) to enforce the Performance Guarantee. A Performance Default (with or without payment to the Successor Agency) would not, in any event, relieve the Developer from the requirement to produce a minimum of 53 affordable units on either or both the Lot 3 and Lot 17A Properties (which obligation would be evidenced by Covenants recorded on said Properties as provided in subparts "a" and "b" above).

- f. **Indemnification.** The Developer shall indemnify and hold the City and Successor Agency and their respective officials, officers, employees, agents, consultants, contractors, attorneys and representatives (collectively, the "Indemnified Parties") harmless from and against any and all liabilities, suits, actions, claims, demands, penalties, damages (including, without limitation, penalties, fines and monetary sanctions), losses, costs or expenses, including, without limitation, reasonable consultants' and reasonable attorneys' fees which may now or in the future be incurred or suffered by the Indemnified Parties by reason of, or resulting from, in full or in part, or in any respect whatsoever from the City and/or the Successor Agency entering into this Letter Agreement #3.

TABLE 4 Affordable Housing Subsidies	PROJECTS		AFFORDABLE HOUSING SUBSIDIES		
	Year Built	No. of Units	Actual Cost	2010 Dollars	Per Unit
Villa Solimar	1996	32	\$ 579,000	\$ 805,131	\$ 25,160
Casa San Juan	1997	64	\$ 578,000	\$ 785,712	\$ 12,276
Casa Marina	1997	28	\$ 50,100	\$ 68,104	\$ 2,432
Heritage Park	1998	28	\$ 74,000	\$ 99,050	\$ 3,537
Casa Merced	1999	40	\$ 720,800	\$ 942,906	\$ 23,572
El Paseo	2000	190	\$ 1,380,000	\$ 1,748,464	\$ 9,202
Villa Madera	2001	72	\$ 1,600,000	\$ 1,971,116	\$ 27,376
Meta Street	2002	24	\$ 295,000	\$ 357,768	\$ 14,907
Cypress Court	2002	6	\$ 162,000	\$ 196,469	\$ 32,744
Villa Cesar Chavez	2003	52	\$ 1,060,000	\$ 1,256,895	\$ 24,171
Villa Victoria	2003	54	\$ 1,101,500	\$ 1,306,103	\$ 24,187
Meadowcrest	2005	50	\$ 320,000	\$ 357,485	\$ 7,149
Paseo Santa Clara	2006	160	\$ 4,400,000	\$ 4,761,821	\$ 29,761
Hacienda Guadalupe	2007	26	\$ 250,000	\$ 263,065	\$ 10,117
Heritage Townhomes	2007	12	\$ 790,000	\$ 831,286	\$ 69,273
The Village (Approved)	2010	140	\$ 9,900,000	\$ 9,900,000	\$ 70,714
TOTALS					
Sum		978		\$ 25,651,375	
Average					\$ 26,228

It is uncertain whether the provisions of this Letter Agreement #3 could be approved by the Director within the authority of the Loan Agreement and/or Master Accords. Should the Director not have the authority to act upon this request, and formal action on the part of the City and/or the Successor Agency is deemed necessary, the Developer requests that: (i) this Letter Agreement #3 be submitted for approval by the appropriate decision-making bodies at the earliest possible date; and (ii) action by the decision-making bodies would include direction, and grant authority, to the Director (with approval of Legal Counsel) to amend and execute the various documents necessary to implement the terms and conditions of this Letter Agreement #3 as set forth herein. This would expedite the amendment process and enable timely close of escrow on the sale and/or development of the Lot 11 and 12 Properties.

It is also unclear whether approval by the Successor Agency requires consent of an Oversight Board formed under the provisions of Part 1.85 of Division 24 of the California Health and Safety Code, but has yet to convene. Insofar as time is of the essence to facilitate a sale of the Lot 11 and 12 Properties for subsequent development of the Mosaic Project, the Developer expressly acknowledges that it proceeds at its sole risk in regard to implementing the actions listed herein in advance of obtaining clear statutory direction on the necessity for review by an Oversight Board, and the indemnification provisions of subpart (f) above expressly include actions that are subsequently: (i) found to require Oversight Board approval; or (ii) vetoed or disapproved by the Oversight Board.

ACKNOWLEDGEMENT

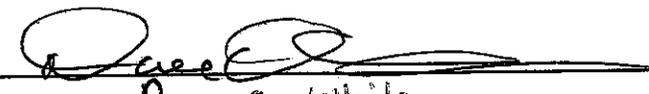
THE UNDERSIGNED EACH HEREBY CONSENT TO AND APPROVE THE TERMS AND CONDITIONS SET FORTH ABOVE AND ACKNOWLEDGE AND AGREE THAT IT UNDERSTANDS THAT THE DIRECTOR (OR THE CITY COUNCIL AND THE GOVERNING BOARD OF THE SUCCESSOR AGENCY, IF FORMAL ACTION IS REQUIRED), ARE MATERIALLY RELYING ON THE DEVELOPERS' STATEMENTS AND AGREEMENTS SET FORTH ABOVE.

E.D., LLC, a California limited liability company

Date: 2-10-12 By: 
Name: Dave O. White
Its: Member

Date: _____ By: _____
Name: _____
Its: _____

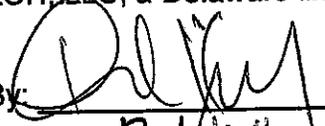
E.D. 2, LLC, a California limited liability company

Date: 2-10-12 By: 
Name: Dave O. White
Its: Member

Date: _____ By: _____
Name: _____
Its: _____

KOH, LLC, a Delaware limited liability company

Date: 2/10/12

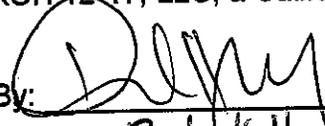
By: 
Name: Paul Keller
Its: Manager

Date: _____

By: _____
Name: _____
Its: _____

KOH 12-17, LLC, a California limited liability company

Date: 2/16/12

By: 
Name: Paul Keller
Its: Manager

Date: _____

By: _____
Name: _____
Its: _____

CITY AND SUCCESSOR AGENCY APPROVAL

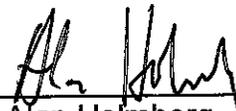
By authority of the Implementing Actions, the City is conditionally obligated and authorized to continue the implementation of redevelopment activities within the City previously performed by the Commission, including, without limitation, the obligation to carry out the Loan Agreement. However, the responsibility of the City is expressly limited by the assets and revenues available to Commission that have been, or in the future will be, transferred to the City.

On behalf of the City, and by the authority of Article 7 of the Loan Agreement, the undersigned hereby consents to and approves the terms and conditions set forth in this Letter Agreement #3.

CITY OF OXNARD

Date: _____ By: _____
Name: Dr. Thomas E. Holden
Its: Mayor

APPROVED AS TO FORM

Date: _____ By: 
Alan Holmberg,
City Attorney

On Behalf of the Successor Agency, the undersigned hereby consents to and approves the terms and conditions set forth in this Letter Agreement #3.

**OXNARD COMMUNITY DEVELOPMENT
COMMISSION SUCCESSOR AGENCY**

Date: _____ By: _____
Name: Dr. Thomas E. Holden
Its: Chairman

APPROVED AS TO FORM

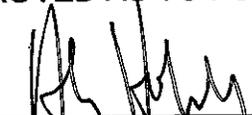
Date: _____ By: 
Alan Holmberg,
Successor Agency Counsel

EXHIBIT B
Lot 17 A Configuration

