

**AGREEMENT REGARDING
EXPENDITURE OF BOND PROCEEDS**

This Agreement Regarding Expenditure of Bond Proceeds ("Agreement") is entered into on February 26, 2014 by and between the Successor Agency to the Redevelopment Agency of the City of Woodland ("Successor Agency") and the City of Woodland, a municipal corporation ("City"). The Successor Agency and the City are hereinafter collectively referred to as the "Parties".

RECITALS

- A. Pursuant to authority granted under Community Redevelopment Law (California Health and Safety Code Section 33000 et seq.) ("CRL"), the former Redevelopment Agency of the City of Woodland ("Redevelopment Agency") had responsibility to implement the Redevelopment Plan for the Woodland Redevelopment Project (the "Redevelopment Plan") by Ordinance No. 1129, enacted by the City Council of the City of Woodland (the "City Council").
- B. Pursuant to an Indenture of Trust dated as of July 1 2007, and executed by and between the Redevelopment Agency and U.S. Bank, National Association, as Trustee (the "Indenture"), the Agency issued Series 2007A Bonds, in an aggregate principal amount of \$7,295,000 and Series 2007B Bonds in the aggregate principal amount of \$1,680,000 (collectively, the "Bonds") pursuant to the Redevelopment Plan. Pursuant to Section 3.7 of the Indenture, the Bonds are required to be used in the manner provided by the CRL solely for the purpose of aiding in financing the Redevelopment Project.
- C. Pursuant to Resolution No. 6043, adopted by the City Council on January 10, 2012, the City agreed to serve as the Successor Agency to the Redevelopment Agency commencing upon dissolution of the Redevelopment Agency on February 1, 2012, pursuant to Assembly Bill 1X 26 ("AB 26").
- D. Health and Safety Code Section 34191.4(c) provides that once the Finding of Completion has been issued by the Department of Finance, the Successor Agency is authorized to use bond proceeds for the purposes for which the bonds were sold. Further, the Successor Agency may designate the use of and commit indebtedness obligation proceeds that were derived the indebtedness issued for redevelopment purposes on or before December 31, 2010, and that remain available after the satisfaction of enforceable obligations that have been approved on a Recognized Obligation Payment Schedule ("ROPS") and that are consistent with the indebtedness obligation covenants ("Bond Proceeds").
- E. The Department of Finance issued a finding of completion to the Successor Agency on May 7, 2013.
- F. Health and Safety Code Section 34191.4(c) further provides that the expenditure of Bond Proceeds must be listed separately on the applicable ROPS.

F. The Parties desire to enter into this Agreement to use the Bond Proceeds for the purposes identified in and consistent with the Bond covenants and the requirements of the CRL, and to provide for the Successor Agency to transfer the Bond Proceeds to the City to be used for such purposes.

G. The execution of this Agreement was approved in a public meeting by the City Council acting in its capacity as the governing board of the City and in its capacity as the governing board of the Successor Agency on February 18, 2014.

NOW, THEREFORE, in consideration of the mutual covenants, conditions and promises herein contained, the Parties hereby agree as follows.

1. Effective Date. This Agreement shall become effective when this Agreement is deemed effective in accordance with Health and Safety Code 34179 (h).
2. Term. The term of this Agreement shall commence on the Effective Date, and shall continue in effect until the date that all Bond Proceeds are expended in accordance with the requirements of this Agreement.
3. Use of Bond Proceeds. The City agrees that it shall use the Bond Proceeds solely and exclusively for purposes and projects consistent with the Bond covenants, associated Bond documents and the provisions of the CRL that apply to the expenditure of redevelopment funds.
4. Transfer of Bond Proceeds. Upon the Effective Date, the Successor Agency shall transfer the Bond Proceeds to the City, and the City shall deposit such funds into separate Bond Proceeds Accounts for City's use in accordance with the terms, conditions, and purposes set forth in this Agreement.
5. Project Approvals; Environmental Review. This Agreement is not intended to limit in any manner the discretion of the City in connection with the issuance of approvals and entitlements for the projects described in this Agreement, nor to avoid legally required processes attendant to project approval, including without limitation, the undertaking and completion of any required environmental review pursuant to CEQA and NEPA, as applicable, and the review and approval of plans and specifications.
6. Severability. If any term, provision, covenant, or condition set forth in this Agreement is held by the final judgment of a court of competent jurisdiction to be invalid, void, or unenforceable, the remaining provisions, covenants, and conditions shall continue to full force and effect to the extent that the basic intent of the Parties as expressed herein can be accomplished. In addition, the Parties shall cooperate in good faith in an effort to amend or modify this Agreement in a manner such that the purpose of any invalidated or voided provision, covenant, or condition can be accomplished to the maximum extent legally permissible.
7. No Third-Party Beneficiaries; Assignments. Nothing in this Agreement is intended to create any third-party beneficiaries to this Agreement, and no person or entity other than the

Successor Agency and the City, and the permitted successors and assigns of either of them, shall be authorized to enforce the provisions of this Agreement.

8. Further Assurances. Each Party agrees to execute, acknowledge and deliver all additional documents and instruments, and to take such other actions as may be reasonably necessary to carry out the intent of the transactions contemplated by this Agreement.

9. Governing Law. This Agreement shall be governed by and construed in accordance with the laws of the State of California.

10. Counterparts. This Agreement may be executed in counterparts, each of which shall be deemed an original and all of which shall constitute but one and the same instrument.

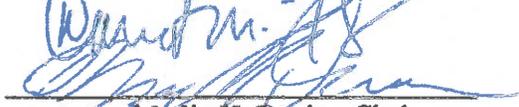
11. Amendments. This Agreement may be modified or amended, in whole or in part, only by an instrument in writing, executed by the Parties.

IN WITNESS WHEREOF, the Parties have executed this Agreement as of the date first written above.

CITY OF WOODLAND

**SUCCESSOR AGENCY OF THE
WOODLAND REDEVELOPMENT AGENCY**

By: 
Marlin H. Davies, Mayor

By: 
Marlin H. Davies, Chair

Attest:

By: 
Ana B. Gonzalez, City Clerk

Approved as to form:

By: 
Kara K. Ueda
City Attorney

