

RESOLUTION NO. RA95-05

A RESOLUTION OF THE PASO ROBLES REDEVELOPMENT
AGENCY APPROVING AND AUTHORIZING EXECUTION OF A
REVISED PROMISSORY NOTE MADE BY THE AGENCY
TO THE CITY OF EL PASO DE ROBLES

WHEREAS, the Paso Robles Redevelopment Agency ("Agency") previously authorized a promissory note to repay a loan from the City of El Paso de Robles ("City"); and

WHEREAS, the proceeds of said promissory note were to internally fund Capital Improvement Projects located within the redevelopment project area which were of significant benefit to the Agency; and

WHEREAS, alternative funding mechanisms were utilized in lieu of drawing down funds against the approved promissory note; and

WHEREAS, the Agency is desirous of modifying the promissory note to reflect the actual amount drawn; and

WHEREAS, a revised Promissory Note for Project has been prepared from the Agency to the City, in which the Agency shall pay to the City the amount and on the terms as set forth in said Promissory Note, attached hereto as Exhibit "A".

NOW, THEREFORE, BE IT RESOLVED BY PASO ROBLES REDEVELOPMENT AGENCY AS FOLLOWS:

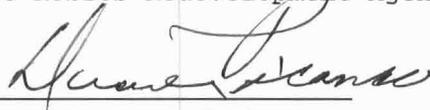
SECTION 1. The previous Promissory Note approved by the Agency is hereby declared null and void.

SECTION 2. A revised Promissory Note is hereby approved and the Board Chairman is authorized to execute said note on behalf of the Agency.

APPROVED AND ADOPTED by the Redevelopment Agency Board this 1st day of August, 1995 by the following vote:

AYES:	Heggarty, Iversen, Macklin, Martin, and Picanco
NOES:	None
ABSENT:	None
ABSTAIN:	None

Paso Robles Redevelopment Agency

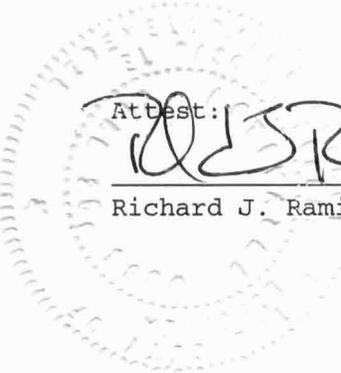


Duane Picanco, Chairman

Attest:



Richard J. Ramirez, Secretary



McDONOUGH, HOLLAND & ALLEN

A PROFESSIONAL CORPORATION

ATTORNEYS

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August 23, 1995

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G. RICHARD BROWN
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DANIEL L. SIMMONS
SETH P. BRUNNER
RICHARD E. MAROUN
RETIRED
ALFRED E. HOLLAND
BRUCE F. ALLEN
MARTIN McDONOUGH
(1915-1987)

Richard J. Ramirez
City Manager
City of El Paso de Robles
1000 Spring Street
Paso Robles, CA 93446

Re: Loan and Repayment Agreement

Dear Rich:

Enclosed is the Loan and Repayment Agreement, incorporating the revisions we discussed on the phone yesterday.

Please let me know if I can be of further assistance.

Very truly yours,



Kris Harper
Legal Assistant

/kh

Enclosure

LOAN AND REPAYMENT AGREEMENT

THIS AGREEMENT is entered into as of _____, 1995, by and between the PASO ROBLES REDEVELOPMENT AGENCY, a public body, corporate and politic (the "Agency"), and the CITY OF EL PASO DE ROBLES, a municipal corporation (the "City").

Recitals

A. The Agency is a community redevelopment agency formed, organized and existing pursuant to the provisions of Part 1 of Division 24 (commencing with Section 33000) of the California Health and Safety Code. Pursuant to said law, Agency is vested with the responsibility of carrying out a duly adopted redevelopment plan, as amended (the "Redevelopment Plan"), for a redevelopment project known as the Paso Robles Redevelopment Project in an area of the City (the "Project"). Pursuant to the terms of the Redevelopment Plan under the Community Redevelopment Law, the Agency is authorized to undertake and pay for redevelopment activities.

B. On April 1, 1992, the Agency adopted a three year Capital Improvement Projects Budget, which included an internal borrowing from the City's Water Operations Fund to the Agency in the amount of \$4,405,000.

C. On May 5, 1992, the City Council of the City of El Paso de Robles (the "City Council") and the Agency approved a promissory note in the amount of \$4,405,000 (the "Promissory Note") to be repaid over fifteen years at the rate of 7.5 percent per annum. Principal and all accrued interest were to be repaid in semi-annual installments.

D. As of June 30, 1994, the Agency borrowed from the City a total of \$959,899 against the Promissory Note. The Agency has not borrowed any other amounts from the City since that time.

E. The Agency has made two payments on the \$959,899 it has borrowed, leaving a loan balance of \$923,545.43.

F. The Agency and the City now wish to replace the Promissory Note with this Loan and Repayment Agreement to reflect the City's agreement to loan the Agency up to \$4,405,000 less the \$959,899 borrowed to date.

Agreements

THE AGENCY AND THE CITY AGREE AS FOLLOWS:

1. Loan. The City agrees to loan to the Agency a sum not to exceed Four Million Four Hundred Five Thousand Dollars (\$4,405,000), less the Nine Hundred Fifty-Nine Thousand Eight Hundred Ninety-Nine Dollars (\$959,899) already loaned by City to Agency (the "Loan"), in the manner and for the purposes, and to be repaid, as set forth in this Agreement. The proceeds of the Loan shall be disbursed to the Agency at such times and in such amounts as the Agency shall request by written demand delivered to the City not less than 10 working days prior to the date of each requested disbursement, unless extended by the City Manager.

2. Use of Proceeds. The Agency shall expend funds borrowed from the City pursuant to this Agreement for the implementation of the Redevelopment Plan, including, but not limited to, the costs of acquisition of property, demolition and clearance of properties acquired, building and site preparation, public improvements and relocation assistance to displaced residential and nonresidential occupants as required by law.

3. Repayment of Loan. The Agency agrees to repay to the City the sum of Nine Hundred Fifty-Nine Thousand Eight Hundred Ninety-Nine Dollars (\$959,899) with interest at the rate of seven and one-half percent (7.5%) per annum, less the two payments already made, which leaves a principal balance of \$923,545.43. The principal and all accrued interest shall be repaid in semi-annual installments pursuant to the Schedule of Amortization attached hereto as Exhibit A and incorporated herein by reference, coinciding with the apportionment of property tax increment by the County of San Luis Obispo Auditor-Controller's Office. Payment must be received by the 15th day of the month immediately following the month in

which the apportionment is received by the Agency from the Auditor-Controller's Office.

In the event the Agency borrows additional amounts from the City pursuant to this Agreement, the Agency shall repay such amounts on similar terms. Notwithstanding anything set forth in this Agreement to the contrary, the City may, in its sole discretion, determine that it cannot loan additional monies to the Agency in the future.

Nothing herein shall prohibit the Agency, and the Agency is expressly authorized hereunder, after the execution of this Agreement to issue tax increment bonds as feasible to fund Capital Improvement Projects; however, the outstanding Loan balance and all accrued interest shall become due and payable in full immediately upon the issuance of tax increment bonds for any Agency purposes.

The repayment to the City of the outstanding Loan balance by the Agency shall be secured by "tax increment generated from the project area," which, for the purposes of this Agreement, shall mean property taxes paid on taxable property within the Paso Robles Redevelopment Project and annually allocated and paid to the Agency pursuant to Section 33670 et seq. of the California Health and Safety Code, subject to (1) any amounts required to be set aside for low and moderate income housing purposes pursuant to California Health and Safety Code Section 33334.6 and (2) all existing or future bonded indebtedness incurred by the Agency relating to the implementation of the Redevelopment Plan for the Project. The City shall have a lien against such tax increment generated from the project area in the amount of any unpaid, past-due payments.

Failure by the Agency to make the above-described payments shall constitute a default under this Agreement, and the City may institute legal action to cure, correct or remedy such default, to recover damages for such default or to obtain any other remedy, including injunctive or declaratory relief, consistent with the purpose of this Agreement.

This Agreement constitutes an indebtedness of the Agency incurred in carrying out the Project, and a pledging of tax allocations from the Project to repay the indebtedness, under the provisions of Section 16 of Article XVI of the California Constitution and Sections 33670-33674 of the Health and Safety Code; provided, however, that the pledge of tax allocations shall always be subordinate and subject to the right of the Agency to pledge or commit tax allocations from the Project to repay bonds or other indebtedness incurred by the Agency in carrying out the Project.

The Loan and the interest thereon is not a debt of the City, the State of California or any of its political subdivisions and neither said City, said state nor any of its political subdivisions is liable on it, nor in any event shall said Loan and the interest thereon be payable out of any funds or properties other than those of the Agency as in this Agreement set forth.

4. Promissory Note Superseded. This Agreement replaces and supersedes in its entirety the Promissory Note entered into by the Agency and the City dated June 30, 1992.

THE PARTIES HERETO have caused this Agreement to be executed by their duly authorized officers all as of the day and year first hereinabove written.

PASO ROBLES REDEVELOPMENT
AGENCY, a public body, corporate
and politic

By: 
Chairman

"AGENCY"

ATTEST:


Secretary

-AND-

CITY OF EL PASO DE ROBLES,
a municipal corporation

By: Walter G. Macklin
Mayor

"CITY"

ATTEST:

[Signature]
City Clerk

EXHIBIT A

SCHEDULE OF AMORTIZATION

Payment Date	Payment	Interest (7.5%)	Principal	Loan Balance
6/1/94	0.00	0.00	0.00	959,899.00
12/1/94	53,838.45	35,996.21	17,842.24	942,056.76
6/1/95	53,838.45	35,327.12	18,511.33	923,545.43
12/1/95	53,838.45	34,632.95	19,205.50	904,339.93
6/1/96	53,838.45	33,912.74	19,925.71	884,414.22
12/1/96	53,838.45	33,165.53	20,672.92	863,741.30
6/1/97	53,838.45	32,390.29	21,448.16	842,293.14
12/1/97	53,838.45	31,585.99	22,252.46	820,040.68
6/1/98	53,838.45	30,751.52	23,086.93	796,953.75
12/1/98	53,838.45	29,885.76	23,952.69	773,001.06
6/1/99	53,838.45	28,987.54	24,850.91	748,150.15
12/1/99	53,838.45	28,055.63	25,782.82	722,367.33
6/1/00	53,838.45	27,088.77	26,749.68	695,617.65
12/1/00	53,838.45	26,085.66	27,752.79	667,864.86
6/1/01	53,838.45	25,044.93	28,793.52	639,071.34
12/1/01	53,838.45	23,965.17	29,873.28	609,198.06
6/1/02	53,838.45	22,844.92	30,993.53	578,204.53
12/1/02	53,838.45	21,682.67	32,155.78	546,048.75
6/1/03	53,838.45	20,476.82	33,361.63	512,687.12
12/1/03	53,838.45	19,225.76	34,612.69	478,074.43
6/1/04	53,838.45	17,927.79	35,910.66	442,163.77
12/1/04	53,838.45	16,581.14	37,257.31	404,906.46
6/1/05	53,838.45	15,183.99	38,654.46	366,252.00
12/1/05	53,838.45	13,734.45	40,104.00	326,148.00
6/1/06	53,838.45	12,230.55	41,607.90	284,540.10
12/1/06	53,838.45	10,670.25	43,168.20	241,371.90
6/1/07	53,838.45	9,051.44	44,787.01	196,584.89
12/1/07	53,838.45	7,371.93	46,466.52	150,118.37
6/1/08	53,838.45	5,629.43	48,209.02	101,909.35
12/1/08	53,838.45	3,821.60	50,016.85	51,892.50
6/1/09	53,838.45	1,945.96	51,892.49	0.00
Totals	1,615,153.50	655,254.50	959,899.00	