ENFORCEABLE OBLIGATION IMPLEMENTATION SERVICES AND FUNDING AGREEMENT

This Enforceable Obligation Implementation Services and Funding Agreement (the "Agreement") is entered into as of September 25, 2013 by and between the Contra Costa County Successor Agency, a separate public entity (the "Successor Agency"), and the County of Contra Costa, a political subdivision of the State of California (the "County"). The Successor Agency and the County (sometimes together referred to as the "parties", and individually as a "party") have entered into this Agreement on the basis of the following facts, understandings, and intentions:

RECITALS

- A. This Agreement is entered into to implement terms and requirements of ABx1 26 enacted June 28, 2011, as modified by AB 1484 enacted June 27, 2012 (collectively, the Redevelopment Dissolution Law").
 - B. In accordance with the Redevelopment Dissolution Law:
- 1. The former Contra Costa County Redevelopment Agency (the "Dissolved RDA") was dissolved as of February 1, 2012 pursuant to Health and Safety Code Section 34172(a).
- 2. On January 17, 2012 and pursuant to Health and Safety Code Section 34173, the Board of Supervisors of the County of Contra Costa (the "Board of Supervisors") declared that the County would act as successor agency for the Dissolved RDA, effective February 1, 2012. Health and Safety Code Section 34173(g) (added to the Redevelopment Dissolution Law by AB 1484) clarifies that the Successor Agency is a separate and distinct legal entity from the County.
- 3. The Successor Agency is charged with paying the enforceable obligations (each an "Enforceable Obligation" as further defined in Health and Safety Code Section 34171(d)), disposing of the properties and other assets, and unwinding the affairs of the Dissolved RDA.
- 4. An oversight board for the Successor Agency (the "Oversight Board") has been formed and is functioning in accordance with Health and Safety Code Section 34179.
- 5. Pursuant to Health and Safety Code Section 34177(l), to pay the Dissolved RDA's Enforceable Obligations and facilitate the unwinding of the Dissolved RDA, the Successor Agency prepares, submits and obtains the approval of the Oversight Board and the California Department of Finance (the "DOF") of the Recognized Obligation Payment Schedules (the "ROPS").

- 6. The Successor Agency has prepared and has submitted the proposed Recognized Obligation Payment Schedules for the period from January 1, 2014 through June 30, 2014 (the "ROPS 13/14B") to the Oversight Board and the DOF for their respective approvals.
- C. The ROPS 13/14B identifies the Enforceable Obligations of the Dissolved RDA and the amount that the Successor Agency estimates is required to be paid for each Enforceable Obligation. The Successor Agency and the County have set forth in Exhibit A, attached to and incorporated in this Agreement by this reference, a list of the Enforceable Obligations that the County would undertake on behalf of the Successor Agency pursuant to the terms of this Agreement and the DOF approved ROPS 13/14B (collectively, the "Delegated Obligations").
- D. The parties desire to enter into this Agreement to provide for the County to serve as an agent of the Successor Agency and allow for the County to take specified actions with regards to the Delegated Obligations, in accordance with the terms of this Agreement and all applicable laws and regulations.
- E. The County has the necessary experience and expertise to serve as an agent of the Successor Agency and to provide the administration and implementation services set forth in this Agreement, and to conduct the work of winding down the affairs of the Dissolved RDA, including the ability to implement and administer the Delegated Obligations.
- F. As further provided in this Agreement, to the extent funds transferred to the County pursuant to this Agreement remain after all costs incurred by the County in performing its administration and implementation services under this Agreement have been fully paid, the total amount of such excess of those funds (the "Excess Available Funds Amount"), if any, shall be returned to the Successor Agency for distribution to the affected taxing entities (the "Taxing Entities") in accordance with Health and Safety Code Section 34188.
- G. This Agreement will become effective only upon approval and direction of the Oversight Board and certain other actions pursuant to the Redevelopment Dissolution Law, as fully provided in Section 1.
- H. Pursuant to State CEQA Guidelines Section 15378(b)(4), approval of the Agreement is not a project subject to the California Environmental Quality Act ("CEQA"), because this Agreement consists of the creation of a governmental funding mechanism for various affordable housing projects and programs, but does not commit funds to any specific project or program.

NOW, THEREFORE, the Successor Agency and the County agree as follows:

- Section 1. <u>Effectiveness of Agreement</u>. This Agreement shall become effective only upon satisfaction of the following conditions:
 - (a) The Oversight Board and DOF's approval of ROPS 13/14B;
- (b) Approval of this Agreement and direction by the Oversight Board for the Successor Agency to execute and implement this Agreement pursuant to Health and Safety Code Section 34180(h); and

(c) Notification to the California Department of Finance of the Oversight Board Action and effectiveness of the Oversight Board Action in accordance with the provisions of Health and Safety Code Section 34179(h).

The date upon which the above conditions are first satisfied is referred to as the "Effective Date".

Section 2. <u>Appointment and Authority of Agent</u>. The Successor Agency hereby appoints the County, and the County hereby agrees to serve as an agent of the Successor Agency for the purpose of providing services and performing the duties set out in this Agreement. The designation of the County as an agent to the Successor Agency as set forth in this Section 2 shall become effective as of the Effective Date. Promptly following the Effective Date, the Successor Agency shall deliver to the County true and correct originals or copies of the Delegated Obligations and any amendments thereto, and any other documents necessary for the County to perform the tasks outlined in Section 3, below.

Section 3. <u>County Tasks</u>.

- (a) On behalf of the Successor Agency, the County shall:
- 1. Diligently administer and implement to completion the Delegated Obligations and make required payments and distributions identified in Exhibit A, which may be revised without formal amendment of this Agreement to reflect the approved ROPS 13/14B. If and when, from time to time during the Term of this Agreement, the parties find that refinements or adjustments regarding the Delegated Obligations are necessary or appropriate, they may effectuate such refinements or adjustments through updates to Exhibit A approved by County Administrator or the Successor Agency Executive Director which, after execution, shall be attached to this Agreement as addenda and become a part hereof, so long as such amendments are consistent with the approved ROPS 13/14B;
- 2. Procure, select, and enter into additional agreements to perform the Delegated Obligations, including but not limited to designate the use of and commit housing bonds for affordable housing purposes as authorized pursuant to Health and Safety Code Section 34176(g)(1)(A);
- 3. Administer and report on the Available Funds (defined in Section 4 below), and pay the Excess Available Funds Amount, if any, as further provided in Section 5; and
- 4. Provide such other professional services as are reasonably required to diligently administer and implement to completion the Delegated Obligations in accordance with the approved ROPS 13/14B and all applicable laws and regulations.
- (b) The County shall spend the Available Funds received from the Successor Agency pursuant to this Agreement exclusively for costs incurred in implementing its tasks under this Section 3. In performing the tasks set forth in this Section 3, the County shall have no obligations to spend any of its own funds, it being understood that the County shall only perform such tasks to the extent of the Available Funds.

Section 4. <u>Successor Agency Funds</u>. Immediately following the January 2, 2014 payment to the Successor Agency's "Redevelopment Obligation Retirement Fund" by the Contra Costa County Auditor-Controller, the Successor Agency shall transfer to the County the funds identified in the approved ROPS 13/14B for each of the Delegated Obligations (the "Available Funds"). The source of the Available Funds may include, pursuant to Health and Safety Code Section 34177(1), low and moderate income housing funds, bond proceeds, reserve balances, administrative cost allowance, or distributions from the Successor Agency's Redevelopment Property Tax Trust Funds, as identified in the approved ROPS 13/14B.

Section 5. Records, Reporting and Return of Any Excess Available Funds.

- (a) Records. The County shall maintain complete and accurate financial accounts, documents and records with respect to the performance of its obligations under this Agreement, and shall make same available to the authorized agents of the Successor Agency for copying and auditing upon reasonable prior notice. Such accounts, documents and records shall be retained by the County for at least three years following completion of the County's tasks described in Section 3. The Successor Agency may (but need not) prescribe reasonable forms or formats for the keeping of such records.
- (b) <u>Inspection of Documents</u>. During the regular office hours and upon reasonable prior notice the Successor Agency, by its duly authorized representative, shall have the right to inspect and make copies of any books, records or reports of the County pertaining to this Agreement.
- (c) <u>Final Accounting and Report; Determination of Any Excess Available Funds Amount.</u> Within sixty (60) days after it has expended all Available Funds authorized by this Agreement, the County shall provide to the Successor Agency a report (the "Close-Out Report") setting forth in reasonable detail all expenditures by the County of Available Funds for each Delegated Obligation, and stating the Excess Available Funds Amount, if any. The Successor Agency shall approve or disapprove the Close-Out Report in writing within thirty (30) days of receipt of the Close-Out Report.

If the Successor Agency does not disapprove the Close-Out Report within thirty (30) days of receipt from the County, then the Excess Available Funds Amount, if any, shall be the amount stated in the Close-Out Report. If the Successor Agency disapproves the Close-Out Report within such thirty (30) day period, it shall set forth in reasonable detail the reasons for such disapproval. The County and the Successor Agency shall then meet and confer in good faith within fifteen (15) days of the County's receipt of any disapproval of the Close-Out Report to seek agreement upon a revised Close-Out Report (a "Revised Close-Out Report"). If mutually agreed through the meet and confer process, the County shall promptly submit a Revised Close-Out Report setting forth any agreed upon changes to the previously disapproved Close-Out Report that would make it acceptable to the County and the Successor Agency.

If, following the meet and confer process, the County and the Successor Agency cannot agree upon a mutually acceptable Revised Close-Out Report, then, within an additional fifteen (15) day period, they shall appoint a mutually acceptable licensed accountant meeting the standards of Health and Safety Code Section 34179.5(a) to prepare and deliver a Close-Out Report, including a statement of the Excess Available Funds Amount, if any (the "Independent Accountant Close-Out Report"). The costs of the Independent Accountant Close-

Out Report shall be paid one-half by the County and one-half by the Successor Agency (from its administrative cost allowance received pursuant to Health and Safety Code Section 34183(a)(3)).

The final determination of the Excess Available Funds Amount, if any, shall be the amount set forth in the Close-Out Report, the Revised Close-Out Report, or the Independent Auditor Close-Out Report, as applicable.

- (d) Payment of Any Excess Available Funds Amount. The County shall pay to the Successor Agency for distribution to the Taxing Entities in accordance with the Redevelopment Dissolution Law, the Excess Available Funds Amount, if any, in the amount determined and within ten (10) days after the final determination of such Excess Available Funds Amount in accordance with Section 5(c).
- Section 6. <u>Third Party Beneficiaries</u>. The Taxing Entities shall be third-party beneficiaries with the right to enforce the following obligations of the County under this Agreement:
- (a) The obligation to use the Available Funds for the purposes set forth in Section 3; and
- (b) The obligation to account for and report regarding the use of the Available Funds and to return any Excess Available Funds Amount, all as set forth in Section 5.

Except as expressly set forth in this Section 6, no person or entity other than the County and the Successor Agency, and their permitted successors and assigns, shall have any right of action under this Agreement.

Section 7. Miscellaneous Provisions.

(a) Notices. Any notice or communication required to be given under this Agreement by a party shall be in writing, and may be given either personally, by facsimile transmission, by internet, by reputable overnight courier or by registered or certified mail, return receipt requested. If delivered by registered or certified mail, a notice shall be deemed to have been given and received on the first to occur of: (a) actual receipt by any of the addressees designated below as a party to whom notices are to be sent; or (b) five (5) days after the registered or certified letter containing such notice, properly addressed, with postage prepaid, is deposited in the United States mail. If delivered personally, by facsimile transmission, by internet or by overnight courier, a notice shall be deemed to have been given when delivered to the party to whom it is addressed. A party may at any time, by giving ten (10) days written notice to the other party pursuant to this Section 7(a), designate any other addresses in substitution of the address to which such notice or communication shall be given.

Notices shall be given to the parties at their address set forth below:

County: County of Contra Costa

Conservation, Transportation and Redevelopment Program

Department of Conservation and Development

30 Muir Drive

Martinez, California 94553 Attention: Department Director

Successor Agency: Contra Costa County Successor Agency

c/o Conservation, Transportation and Redevelopment Program

Department of Conservation and Development

30 Muir Drive

Martinez, California 94553

Attention: Successor Agency Executive Director

- (b) <u>Non-Liability of Officials</u>. No member, official, employee or agent of the parties shall be personally liable to any other party or any successor in interest, in the event of any default or breach by a party for any amount which may become due to another party or successor or on any obligation under the terms of this Agreement.
- (c) Actions of the Parties. Except as otherwise provided in this Agreement, whenever this Agreement calls for or permits a party's approval, consent, or waiver, the written approval, consent, or waiver of the County Administrator or the Successor Agency Executive Director (or their respective designees), as applicable, shall constitute the approval, consent, or waiver of the respective parties, without further authorization required from the governing board of the party; provided, however, that the person vested with such authority may seek such further advice or authorization from the applicable governing board when he/she deems it appropriate.
- (d) <u>Litigation Regarding The Agreement</u>. In the event litigation is initiated attacking the validity of this Agreement, the County and the Successor Agency shall in good faith defend and seek to uphold the Agreement; provided, however, that the Auditor-Controller shall have no obligation under this Section 7(d).
- (e) <u>State Law</u>. This Agreement, and the rights and obligations of the parties hereto, shall be construed and enforced in accordance with the laws of the State of California.
- (f) <u>Attorneys' Fees</u>. In any action which a party brings to enforce its rights hereunder, the prevailing party shall be entitled to reasonable attorneys' fees.
- (g) <u>Additional Acts</u>. The parties each agree to take such other and additional action and execute and deliver such other and additional documents as may be reasonably requested by the other party for purposes of consummating the transactions contemplated in this Agreement.
- (h) Entire Agreement; Amendments. This Agreement constitutes the entire and integrated agreement of the parties and supersedes all prior negotiations, representations, or agreements, either written or oral, with respect to the matters addressed in this Agreement. This Agreement may be amended only by written instrument executed by the parties at the time of such amendment; provided, however, the parties may make adjustments to the Delegated Obligations listed on Exhibit A pursuant to Section 3(a)(1) above.

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

subdivision of the State of California
By:
Name:
Its:
CONTRA COSTA COUNTY SUCCESSOR AGENCY, a separate public entity
By:
Name:
Its:

CONTRA COSTA COUNTY, a political

EXHIBIT A

DELEGATED OBLIGATIONS

ACCORDING TO LINE ITEMS IN THE APPLICABLE RECOGNIZED OBLIGATION PAYMENT SCHEDULE

Item	Payee	ROPS 13/14 A			ROPS 13/14 B			Total*
#		Bonds	Reserve	RPTTF	Bonds	Reserve	RPTTF	Expenditure
1	Keyser Marston		60,000			60,000		60,000
2	Contra Costa County		8,500			8,500		17,000
4	Contra Costa County			175,000			70,441	245,441
5	CHDC			120,609		120,609		120,609
7	Contra Costa County		25,261			4,739		30,000
10	Avalon Bay	332,840			565,733			565,733
14	Contra Costa County				162,193			162,193
22	Contra Costa County				20,000			20,000
23	Contra Costa County				20,000			20,000
24	Contra Costa County				20,000			20,000
28	Contra Costa County			5,357			5,357	5,357
45	BART			362,824			767,500	1,130,324
46	Avalon Bay			640,362		640,362		640,362
82	Contra Costa County					47,672		47,672
83	Contra Costa County					12,329	12,500	24,829
84	Contra Costa County						75,000	75,000
85	Public Works Dept.			15,000			30,000	30,000
87	Contra Costa County			5,000			5,000	10,000
92	Contra Costa County			10,000			10,000	10,000
94	Contra Costa County			250,000			133,174	383,174
100	Contra Costa County			110,000		110,000	64,501	174,501
104	Contra Costa County						85,000	85,000
105	Contra Costa County						10,000	10,000
111	Contra Costa County				3,510,699			3,510,699
112	Contra Costa County				2,679,523			2,679,523
113	Contra Costa County				437,632			437,632
114	Contra Costa County				516,597			516,597
115	Contra Costa County				541,305			541,305

^{*}Total Expenditure cannot exceed the Total Outstanding Obligation as of July 1, 2013, which is shown in ROPS 13/14B. This note does not apply to #94 (Administrative Allowance).