

RESOLUTION NO. 2013-07

RESOLUTION OF THE LEMOORE OVERSIGHT BOARD FOR THE LEMOORE SUCCESSOR AGENCY TO THE FORMER LEMOORE REDEVELOPMENT AGENCY APPROVING A SUBORDINATION OF DEED OF TRUST

WHEREAS, On May 3, 2011, the Lemoore Redevelopment Agency (Redevelopment Agency) Board approved a forgivable loan to Gary V. Burrows, Inc., (“Burrows”) in the amount of \$1.2 million to purchase the property vacated by Western RV; and

WHEREAS, the loan is secured by a Deed of Trust currently encumbering the property located at 1600 Enterprise Drive in Lemoore (“Deed of Trust”); and

WHEREAS, the investment was and continues to be good for the community because the business has grown substantially, providing additional local jobs and sales tax revenue; and

WHEREAS, Burrows has requested a subordination of the Deed of Trust so that Burrows can obtain a line of credit against the property for up to \$1,000,000; and

WHEREAS, the proposed line of credit will allow Burrows to expand its business operations in the City of Lemoore resulting in increased revenues to the City in the form of sales tax revenue; and

WHEREAS, at the time Burrows negotiated the purchase of the property, information was provided to the Redevelopment Agency listing the value of the property when Western RV possessed it at \$2,575,077. Since the property continues to hold the same value, there is enough equity in the property to pay off the Successor Agency loan in second position in the event of a default requiring sale of the property; and

WHEREAS, the City Council, acting as the Successor Agency Board, unanimously approved the Subordination of Deed of Trust attached hereto as Exhibit “A” on September 17, 2013.

NOW, THEREFORE, THE LEMOORE OVERSIGHT BOARD FOR THE LEMOORE SUCCESSOR AGENCY TO THE FORMER LEMOORE REDEVELOPMENT AGENCY DOES HEREBY FIND, DETERMINE AND RESOLVE AS FOLLOWS:

SECTION 1. The Recitals set forth above are true and correct and incorporated herein by reference; and

SECTION 2. Hereby approves the Subordination of Deed of Trust attached as Exhibit “A”; and

SECTION 3. The Successor Agency and Oversight Board are hereby authorized and directed to transmit a copy of the approved Subordination to the State of California Department

of Finance and to take all other actions that are necessary to carry out the intent of this resolution.

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PASSED, APPROVED, AND ADOPTED by the Lemoore Oversight Board for the Lemoore Successor Agency to the former Lemoore Redevelopment Agency at a regular meeting this 26th day of September 2013, by the following vote:

AYES:

NOES:

ABSENT:

ABSTAIN:

APPROVED:

John F. Murray, Chairperson

ATTEST:

Brooke Austin, Board Clerk

CERTIFICATE

STATE OF CALIFORNIA)
COUNTY OF KINGS) ss.
CITY OF LEMOORE)

I, BROOKE AUSTIN, Board Clerk of the Lemoore Oversight Board for the Lemoore Successor Agency to the former Lemoore Redevelopment Agency, do hereby certify the forgoing Resolution of the Lemoore Oversight Board for the Lemoore Successor Agency to the former Lemoore Redevelopment Agency was duly passed and adopted at a regular meeting of the Lemoore Oversight Board held on September 26, 2013.

DATED: September 26, 2013

Brooke Austin, Board Clerk