

RESOLUTION NO. _____

A RESOLUTION OF THE OVERSIGHT BOARD TO THE SUCCESSOR AGENCY OF THE FORMER REDEVELOPMENT AGENCY OF THE CITY OF CATHEDRAL CITY RECOGNIZING THE CITY URBAN REVITALIZATION CORPORATION (“CURC”) IS NOT A COMPONENT UNIT OR PART OF THE FORMER REDEVELOPMENT AGENCY OF CATHEDRAL CITY NOR A PART OF THE CITY OF CATHEDRAL CITY BUT A COMPLETE, SEPARATE AND DISTINCT PRIVATE THIRD PARTY ENTITY and APPROVES THE OWNER PARTICIPATION AGREEMENT AND DISPOSITION AND DEVELOPMENT AGREEMENTS WITH CURC.

WHEREAS, in accordance with the provisions of the California Community Redevelopment Law (Health and Safety Code Section 33000, et seq. (“**CRL**”), the City Council of the City of Cathedral City previously established the Redevelopment Agency of the City of Cathedral City, a public body, corporate and politic (“**Agency**”) to carry out the purposes of and exercise the powers granted to community redevelopment agencies in accordance with the CRL; and

WHEREAS, on February 1, 2012, the Agency was dissolved in accord with Assembly Bill 1X26 (Stats. 2011, 1st Ex. Sess., Ch. 5) (“**AB 26**”), and its rights, powers, duties and obligations were transferred to a “successor agency” (as defined by CRL Section 34171(j) and Section 34173); and

WHEREAS, in accord with AB 26, the City Council took official action electing to become both the Agency’s successor agency (“**Successor Agency**”) and its successor for housing functions in accord with CRL Sections 34173 and 24176; and

WHEREAS, in pursuant to Section 34177(l) the Successor Agency is required to prepare “Recognized Obligation Payment Schedules” (each such Schedule, a “**ROPS**”) that must be submitted to the County Auditor Controller and the State Department of Finance; and

WHEREAS, each ROPS must identify certain enforceable obligations of the Successor Agency; and

WHEREAS, the Successor Agency has two such obligations with CURC via an Owner Participation Agreement (“**OPA**”) dated February 23, 2011 and a Disposition and Development Agreement (“**DDA**”) dated June 08, 2011; and

WHEREAS, the Oversight Board recognizes all covenants, conditions and obligations of the OPA and DDA as enforceable obligations as defined under ABX-126; and

WHEREAS, CURC is a private non-profit 501(c)(3) public benefit corporation incorporated July 11, 2001; and

WHEREAS, CURC was formed by a private third party developer known as BCN Development LLC; and

WHEREAS, the formation documents, provided in Attachment A, were filed on behalf of BCN Development, LLC by Orrick Herrington Sutcliff LLP; and

WHEREAS, as defined and HSC Section 34167.10:

- (a)(1) CURC is not a reporting entity of the City; and
- (a)(2) CURC is not a component unit of the City; and
- (a)(3) CURC is not controlled by the City; and
- (b)(1) The City does not exercise municipal control over CURC's operations; and
- (b)(2) The City does not have ownership or control of CURC's property or facilities; and
- (b)(3) The City and CURC does not share a common or overlapping Board; and
- (b)(4) The City was not involved in the creation or formation of CURC; and
- (b)(5) CURC does not perform functions customarily or historically performed by municipalities; and
- (b)(6) The City does not assume expenses incurred in the normal daily operations of CURC; and

WHEREAS, CURC qualifies as an eligible party to an enforceable obligation; and

WHEREAS, pursuant to HSC section 34191.4(b), bond proceeds derived from bonds issued on or before December 31, 2010 shall be used for the purpose for which the bonds were sold; and

WHEREAS, said bonds were issued March 9, 2007, thus shall be expended consistent with the original bond covenants, as identified in Attachment B.

NOW, THEREFORE, BE IT RESOLVED BY THE OVERSIGHT BOARD FOR THE SUCCESSOR AGENCY OF THE FORMER REDEVELOPMENT AGENCY OF THE CITY OF CATHEDRAL CITY AS FOLLOWS:

Section 1. The Oversight Board recognizes CURC as an independent third party developer and not part of the City pursuant to HSC Section 34167.10.

Section 2. The Oversight Board approves the Owner Participation Agreement dated March 23, 2011 and the Disposition and Development Agreement dated June 8, 2011 as enforceable obligations and appropriates bond funds as identified in the Redevelopment Agency's March 9, 2007 Bond documents.

Section 3. This Resolution will become effective immediately upon approval of the Oversight Board in accord with ABX-126 and AB1484.

* * * * *

The foregoing Resolution was duly and regularly adopted at a regular meeting of the Oversight Board to the Successor Agency of the Redevelopment Agency of Cathedral City held on February 28, 2013 by the following vote:

AYES:

NOES:

ABSENT:

ABSTAIN: 8

APPROVED:

CHAIR

ATTEST:

Oversight Board Secretary

2350413

Attachment
"A"



SECRETARY OF STATE

I, *BILL JONES*, Secretary of State of the State of California, hereby certify:

That the attached transcript of _____ page(s) has been compared with the record on file in this office, of which it purports to be a copy, and that it is full, true and correct.



IN WITNESS WHEREOF, I execute this certificate and affix the Great Seal of the State of California this day of

JUL 16 2001

Secretary of State

2350413

ENDORSED - FILED
in the office of the Secretary of State
of the State of California

JUL 11 2001

BILL JONES, Secretary of State

ARTICLES OF INCORPORATION

OF

CITY URBAN REVITALIZATION CORPORATION

I.

The name of this corporation is: CITY URBAN REVITALIZATION CORPORATION.

II.

A. This corporation is a nonprofit public benefit corporation and is not organized for the private gain of any person. It is organized under the Nonprofit Public Benefit Corporation Law for charitable purposes.

B. The specific purpose of this corporation is to lessen the burdens of government by assisting the City of Cathedral City, California (the "City") revitalize its downtown region by (i) owning, acquiring, developing, leasing and managing a hotel conference center in the downtown redevelopment zone (the "Property"); (ii) providing amenities associated with the Property; and (iii) conducting or performing any ancillary or related activity in furtherance of the foregoing. Subject to Article IV.B of these articles, this corporation shall be permitted to conduct other lawful activities permitted under the California Nonprofit Public Benefit Corporation Law.

C. This corporation is formed for the benefit of, and to carry out the purposes of, the City by helping the City revitalize its downtown region and thereby lessen the burdens of government within the meaning of Section 1.501(c)(3)-1(d)(2) of the Treasury Regulations.

III.

The name in the State of California of this corporation's initial agent for service of process is:

CT Corporation System

IV.

A. This corporation is organized exclusively for charitable purposes within the meaning of Section 501(c)(3) of the Internal Revenue Code, or the corresponding section of any future federal tax code.

B. Notwithstanding any other provision of these articles, this corporation shall not carry on any other activities not permitted to be carried on (i) by a corporation exempt from federal income tax under Section 501(c)(3) of the Internal Revenue Code, or the corresponding section of any future federal tax code, or (ii) by a corporation, contributions to which are deductible under Section 170(c)(2) of the Internal Revenue Code, or the corresponding section of any future federal tax code.

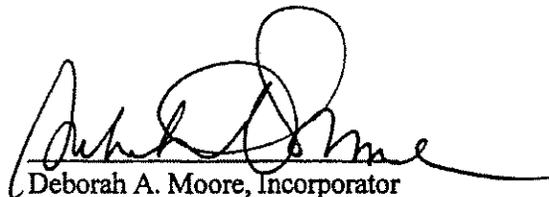
C. No substantial part of the activities of this corporation shall consist of carrying on propaganda, or otherwise attempting to influence legislation, and this corporation shall not participate or intervene in any political campaign (including the publishing or distribution of statements) on behalf of or in opposition to any candidate for public office.

V.

A. The property of this corporation is irrevocably dedicated to charitable purposes and no part of the net earnings or assets of this corporation shall inure to the benefit of (or be distributable to) any director or officer of this corporation or other private person, except that this corporation shall be authorized and empowered to pay reasonable compensation for services rendered and to make payments and distributions in furtherance of its charitable purposes.

B. Upon the dissolution or winding up of this corporation, its assets remaining after payment, or provision for payment, of all debts and liabilities of this corporation shall be distributed to the City for public purposes related to public safety and recreation. In the event that the City does not accept any asset of this Corporation on dissolution then any such asset shall be distributed to a nonprofit fund, foundation or corporation which is organized and operated exclusively for charitable purposes and which has established its tax exempt status under Section 501(c)(3) of the Internal Revenue Code, or the corresponding section of any future federal tax code.

Dated: July 9, 2001.


Deborah A. Moore, Incorporator





STATE OF CALIFORNIA
FRANCHISE TAX BOARD
PO BOX 1286
RANCHO CORDOVA CA 95741-1286

In reply refer to
755:G :JCA

March 4, 2004

CITY URBAN REVITALIZATION CORPORATION
ORRICK HERRINGTON SUTCLIFF D
400 CAPITOL MALL
SACRAMENTO CA 95814-4407

Purpose : CHARITABLE
Code Section : 23701d
Form of Organization : Corporation
Accounting Period Ending: December 31
Organization Number : 2350413

You are exempt from state franchise or income tax under the section of the Revenue and Taxation Code indicated above.

This decision is based on information you submitted and assumes that your present operations continue unchanged or conform to those proposed in your application. Any change in operation, character, or purpose of the organization must be reported immediately to this office so that we may determine the effect on your exempt status. Any change of name or address must also be reported.

In the event of a change in relevant statutory, administrative, judicial case law, a change in federal interpretation of federal law in cases where our opinion is based upon such an interpretation, or a change in the material facts or circumstances relating to your application upon which this opinion is based, this opinion may no longer be applicable. It is your responsibility to be aware of these changes should they occur. This paragraph constitutes written advice, other than a chief counsel ruling, within the meaning of Revenue and Taxation Code Section 21012(a)(2).

You may be required to file Form 199 (Exempt Organization Annual Information Return) on or before the 15th day of the 5th month (4 1/2 months) after the close of your accounting period. Please see annual instructions with forms for requirements.

March 4, 2004
CITY URBAN REVITALIZATION CORPORATION
ENTITY ID : 2350413
Page 2

You are not required to file state franchise or income tax returns unless you have income subject to the unrelated business income tax under Section 23731 of the Code. In this event, you are required to file Form 109 (Exempt Organization Business Income Tax Return) by the 15th day of the 5th month (4 1/2 months) after the close of your annual accounting period.

Please note that an exemption from federal income or other taxes and other state taxes requires separate applications.

J AMAYA
EXEMPT ORGANIZATIONS
BUSINESS ENTITIES SECTION
TELEPHONE (916) 845-6644

EO :
CC :REGISTRY OF CHARITABLE TRUSTS

COPY

In the opinion of Jones Hall, A Professional Law Corporation, assuming the accuracy of certain representation discount attributable to the Tax-Exempt Bonds of the federal alternative minimum tax, and is but is exempt from State of California personal income tax purposes, is not a specific preference item for purposes.

ATTACHMENT
'B'

Interest on the Tax-Exempt Bonds (including original issue discount attributable to the Tax-Exempt Bonds of the federal alternative minimum tax, and is but is exempt from State of California personal income tax purposes, is not a specific preference item for purposes.) Interest on the Taxable Bonds is subject to federal income tax.

\$29,740,000

Cathedral City Public Financing Authority
2007 Tax Allocation Revenue Bonds, Series A
(Cathedral City 2006 Merged Redevelopment Project Area)

\$53,400,000

Cathedral City Public Financing Authority
Taxable Tax Allocation Revenue Bonds, Series B
(Cathedral City 2006 Merged Redevelopment Project Area)

\$31,860,000

Cathedral City Public Financing Authority
2007 Subordinate Tax Allocation Revenue Bonds, Series C
(Cathedral City 2006 Merged Redevelopment Project Area)

Dated: Date of Delivery

Due: August 1, as shown on the inside cover

The Cathedral City Public Financing Authority 2007 Tax Allocation Revenue Bonds, Series A (the "Senior Tax-Exempt Bonds" or "Series A Bonds") are being issued by the Cathedral City Public Financing Authority (the "Authority") to provide funds to purchase a bond issue (the "Series A Agency Bonds") of the Cathedral City Redevelopment Agency (the "Agency") to assist in financing certain redevelopment projects, as further described herein.

The Cathedral City Public Financing Authority 2007 Taxable Tax Allocation Revenue Bonds, Series B (the "Taxable Bonds" or "Series B Bonds") are being issued by the Authority to provide funds to purchase a bond issue of the Agency (the "Series B Agency Bonds") to assist in financing certain redevelopment projects, as further described herein.

The Cathedral City Public Financing Authority 2007 Subordinate Tax Allocation Revenue Bonds, Series C (the "Subordinate Tax-Exempt Bonds" or "Series C Bonds") are being issued by the Authority to provide funds to purchase a bond issue of the Agency (the "Series C Agency Bonds") to assist in financing certain redevelopment projects, as further described herein.

The Senior Tax-Exempt Bonds and the Subordinate Tax-Exempt Bonds are sometimes collectively referred to herein as the "Tax-Exempt Bonds." The Tax-Exempt Bonds and the Taxable Bonds are sometimes collectively referred to herein as the "Bonds."

The Agency Bonds Indentures provide that payments due on the Series A Agency Bonds and the Series B Agency Bonds are secured by a pledge of certain tax increment revenues from the Agency's 2006 Merged Redevelopment Project Area (including Project Area No. 3) and are secured on parity with certain outstanding and possible future debt.

The Bonds are being issued in fully registered form, and when issued, will be registered in the name of Cede & Co., as nominee of The Depository Trust Company ("DTC"), New York, New York. DTC will act as securities depository for the Bonds.

The Bonds are subject to optional and mandatory sinking fund redemption prior to maturity as described herein. See "THE BONDS — Redemption of the Senior Tax-Exempt Bonds," " — Redemption of the Taxable Bonds" and " — Redemption of the Subordinate Tax-Exempt Bonds" herein.

Payment of the principal of and interest on the Senior Tax-Exempt Bonds and the Taxable Bonds when due will be insured by separate financial guaranty insurance policies to be issued by Ambac Assurance Corporation (the "Insurer") simultaneously with the delivery of the Bonds.

Ambac

The Subordinate Tax-Exempt Bonds are not secured by any bond insurance.

The Bonds are a special obligation of the Authority payable solely from certain payments from the Agency and certain other funds. Neither the City, the State of California nor the Authority shall be obligated to pay the principal of the Bonds, or the interest thereon, except from the funds described above, and neither the faith and the credit nor the taxing power of the Agency, the City, the State of California nor any political subdivision thereof is pledged to the payment of the principal of or the interest on the Bonds.

This cover page contains certain information for general reference only. It is not intended to be a summary of the security or terms of this issue. Investors are advised to read the entire Official Statement to obtain information essential to the making of an informed investment decision.

For a discussion of some of the risks associated with a purchase of the Bonds, see "RISK FACTORS" herein.

The Bonds are offered, when, as and if issued by the Underwriter, subject to approval as to their legality by Jones Hall, A Professional Law Corporation, San Francisco, California, Bond Counsel, and to certain other conditions. Certain legal matters will be passed upon for the Authority and the Agency by Green, De Bortnowsky & Quintanilla, Cathedral City, California, and for the Underwriter by Hawkins Delafield & Wood LLP, San Francisco, California.

STONE & YOUNGBERG LLC

Dated: March 9, 2007

The Agency will covenant for the benefit of Bondholders to annually provide certain financial information and operating data relating to the Agency by not later than 210 days after the end of the Agency's Fiscal Year, which presently ends on June 30 (the "Annual Report"), and to provide notices of the occurrence of certain enumerated events, if material. The Annual Report will be filed with each Nationally Recognized Municipal Securities Information Repository and with any then existing State Repository (collectively, the "Repositories"). Currently, there is no State Repository. The notices of material events will be filed with the Repositories. The specific nature of the information to be contained in the Annual Report or the notices of material events is described in APPENDIX G - "FORM OF THE CONTINUING DISCLOSURE AGREEMENT" attached hereto. These covenants will be made in order to assist the Underwriter in complying with Securities and Exchange Commission Rule 15c2-12(b)(5). The Agency has complied in all material respects with its previous continuing disclosure undertakings.

Reference to Underlying Documents

Brief descriptions of the Bonds, the Indentures, the Agency Bonds Indentures, the Agency, the Authority, the City, the 2006 Merged Redevelopment Project Area and other related information are included in this Official Statement. Such descriptions and information do not purport to be comprehensive or definitive. The summaries of and references to all documents, statutes, reports and other instruments referred to herein is qualified in its entirety by reference to such document, statute, report or instrument, copies of which are all available for inspection at the offices of the Agency. Certain capitalized terms used and not defined herein shall have the meaning given to those terms in APPENDIX D- "SUMMARY OF CERTAIN PROVISIONS OF THE LEGAL DOCUMENTS" attached hereto.

PLAN OF FINANCE

The Bonds are being issued to provide funds to (i) purchase separate bond issues of the Agency, the proceeds of which will be allocated as described below pursuant to the Redevelopment Law (the "Agency Bonds"), (ii) fund the premiums for the Policies and (iii) pay costs of issuance of the Bonds. The proceeds of the Agency Bonds will be applied as follows: (i) to finance certain redevelopment projects of the Agency, (ii) to fund the premium for separate reserve fund surety bonds, (iii) to fund a reserve account for the Series C Agency Bonds and (iv) pay costs of issuance of the Agency Bonds. See "ESTIMATED SOURCES AND USES OF FUNDS" herein.

The net proceeds of the Bonds will be used in accordance with the Redevelopment Law for various redevelopment activities of the Agency in the 2006 Merged Redevelopment Project Area designed to stimulate economic development. These redevelopment activities are expected to include: (i) various housing loans and grants, (ii) a loan to a developer for the development of a 220 acre golf course, (iii) a loan for the development of currently vacant "big box" stores, (iv) repayment of loans from the City to the RDA in the aggregate amount of approximately \$8.5 million, (v) development of a 17 acre soccer park, (vi) grants and loans for acquisition, demolition, relocation and development of 23 acres adjacent to the Mary Pickford theater, (vii) miscellaneous land acquisition, relocation and demolition activities, (viii) engineering costs associated with a flood control system, (ix) a \$25 million contribution to assist with financing the construction of a 300 room conference hotel to be developed by the City Urban Revitalization Corporation, (x) miscellaneous developer assistance in connection with auto dealer expansion, (xi) acquisition, demolition, relocation of parcels and owners for the construction of a fire