

# Orange Countywide Oversight Board

Date: 9/18/2018

Agenda Item No. 7A

From: Successor Agency to the Seal Beach Redevelopment Agency

Subject: Resolution of the Countywide Oversight Board Approving Amendment No. 2 to Administration and Oversight Agreement to Appoint a Successor Oversight Agent in Connection with Bond and Agency Regulatory Agreements for Seal Beach Shores Mobile Home Park

Recommended Action:

Approve resolution authorizing the Seal Beach Successor Agency's execution and delivery of Amendment No. 2 to Administration and Oversight Agreement to appoint a successor Oversight Agent and Program Administrator and taking related actions.

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The Seal Beach Successor Agency requests the Board authorizes the Successor Agency's execution and delivery of Amendment No. 2 to Administration and Oversight Agreement to appoint a successor Oversight Agent and Program Administrator, and taking related actions.

The former City of Seal Beach Redevelopment Agency (the "Former Agency") issued bonds (the "Bonds") in 2000 and provided bond proceeds and other financial assistance to LINC Community Development Corporation ("LINC") for a mobile home park project, now known as Seal Beach Shores (the "Park"). The Bonds were issued pursuant to an Indenture of Trust, dated as of December 1, 2000 (the "Indenture"). ACA Financial Guaranty Corporation ("ACA") issued a bond insurance policy, which provides protection to bondholders with respect to the scheduled principal and interest payments of the Bonds. ACA has approval rights regarding certain matters pursuant to the terms of the Indenture.

In connection with the financing, the Former Agency executed a number of related documents, including certain regulatory agreements, requiring the Park to comply with affordable housing covenants and reporting requirements. The related documents also include an Administration and Oversight Agreement, dated December 1, 2000 (the "Oversight Agent Agreement"), providing for the appointment of an Oversight Agent and Program Administrator (the "Oversight Agent") to assist with monitoring the Park's compliance with the regulatory agreements. The engagement of an Oversight Agent is required under the Indenture. A portion of the Bonds is still outstanding. The Bonds, the Indenture, the regulatory agreements and the Oversight Agent Agreement are enforceable obligations of the Successor Agency.

Seal Beach Shores, Inc. ("SBS") is the current successor to LINC with respect to the ownership of the Park.

Upon the resignation of Rosenow Spevacek Group Inc., the initial Oversight Agent, the Successor Agency entered into an amendment to the Oversight Agent Agreement in 2017. Such amendment provided for the appointment of CivicStone, Inc. ("CivicStone") as the successor Oversight Agent. Pursuant to the Indenture, the appointment of CivicStone was subject to ACA's consent. ACA gave a consent which was limited to a one-year duration.

In light of the expiration of ACA's consent, the Successor Agency staff has had discussions with SBS and ACA. A proposal has been presented to the Successor Agency by Wolf & Company Inc. ("Wolf") to become the successor Oversight Agent. Wolf has had many years of experience serving in similar roles for other mobile home park projects. Wolf proposed an annual fee which is lower than the full amount provided for under the current documents. Wolf proposes a yearly fee of \$6,500, subject to annual adjustment based on the Consumer Price Index ("CPI") (in contrast to the amount currently under the documents which is over \$8,500, subject to annual CPI adjustment). In light of ACA's familiarity with Wolf on other projects

and at the Successor Agency's request, ACA has given its consent to Wolf's appointment without any limit to the duration.

Because the appointment of a successor Oversight Agent is necessary and required under the Indenture, the Successor Agency's execution and delivery of Amendment No. 2 to Oversight Agent Agreement will reduce potential liability of the Successor Agency. Because any cost incurred for liability of the Successor Agency would be payable from the Redevelopment Property Tax Trust Fund (and potentially reducing residuals to be passed onto the taxing entities after payment of enforceable obligations), the approval of the Successor Agency's execution and delivery of Amendment No. 2 to Oversight Agent Agreement is in the best interests of the taxing entities.

#### Impact on Taxing Entities

Under the current documents, the periodic fee due to the Oversight Agent in the form of the "Administration Fee," is paid by the Bonds trustee with moneys deposited with the Bonds trustee by Seal Beach Shores. Staff does not anticipate any request of additional moneys from the Redevelopment Property Tax Trust Fund in connection with this appointment.

#### Attachments

- Attachment 1 – Proposed Oversight Board Resolution (with Attachment A – Amendment No. 2 to Administration and Oversight Agreement)
- Attachment 2 – Resolution of the Successor Agency

RESOLUTION NO. 18-\_\_\_

A RESOLUTION OF THE ORANGE COUNTYWIDE OVERSIGHT BOARD WITH OVERSIGHT OF THE SUCCESSOR AGENCY TO THE SEAL BEACH REDEVELOPMENT AGENCY APPROVING THE SUCCESSOR AGENCY'S EXECUTION OF AMENDMENT NO. 2 TO ADMINISTRATION AND OVERSIGHT AGREEMENT FOR THE APPOINTMENT OF A SUCCESSOR OVERSIGHT AGENT AND PROGRAM ADMINISTRATOR AND TAKING RELATED ACTIONS

WHEREAS, the former City of Seal Beach Redevelopment Agency (the "Former Agency") was a redevelopment agency duly formed pursuant to the Community Redevelopment Law, set forth in Part 1 of Division 24 of the California Health and Safety Code ("HSC"); and

WHEREAS, pursuant to AB X1 26 (enacted in June 2011) and the California Supreme Court's decision in *California Redevelopment Association, et al. v. Ana Matosantos, et al.*, 53 Cal. 4th 231 (2011), the Former Agency was dissolved as of February 1, 2012, and the Successor Agency was constituted as the successor entity to the Former Agency; and

WHEREAS, before dissolution, the Former Agency issued its Mobile Home Park Revenue Bonds (Seal Beach Mobile Home Park Project) Series 2000A (the "Bonds") and executed and delivered the related Indenture of Trust, dated as of December 1, 2000 (the "Indenture"), by and between the Former Agency and Union Bank of California, N.A., as trustee; and

WHEREAS, in connection with such financing, the Former Agency executed various related documents, including an Administration and Oversight Agreement, dated as of December 1, 2000 (the "Oversight Agent Agreement"), by and among the Former Agency, LINC Community Development Corporation ("LINC") and Rosenow Spevacek Group Inc. ("RSG"), as Oversight Agent and Program Administrator (the "Oversight Agent") thereunder; and

WHEREAS, Seal Beach Shores, Inc. ("SBS"), is the successor-in-interest to LINC, as the Borrower under the Indenture, the Oversight Agent Agreement and other related documents; and

WHEREAS, a portion of the Bonds remains outstanding; and the Bonds, the Indenture and the Oversight Agent Agreement, as amended, continue to be enforceable obligations of the Successor Agency; and

WHEREAS, the Oversight Agent Agreement has been amended by an Amendment No. 1, dated as of May 1, 2017, by and among the Successor Agency, the City of Seal Beach, SBS, and CivicStone, Inc. ("CivicStone"), which amendment provided for the appointment of CivicStone as the successor Oversight Agent upon the resignation of RSG, the initial Oversight Agent; and

WHEREAS, pursuant to the Indenture, the appointment of any successor Oversight Agent is subject to the written consent of ACA Financial Guaranty Corporation ("ACA"), the provider of a bond insurance policy with respect to the scheduled principal and interest payments of the Bonds; and

WHEREAS, ACA's consent with respect to CivicStone's appointment was limited to a one-year duration; and

WHEREAS, there has been presented an Amendment No. 2 to the Oversight Agent Agreement ("Amendment No. 2 to Oversight Agent Agreement"), which provides for the appointment of Wolf & Co. ("Wolf"), as the new successor Oversight Agent; and

WHEREAS, In light of ACA's familiarity with Wolf on other projects and at the Successor Agency's request, ACA has given its consent to Wolf's appointment without any limit to the duration; and

WHEREAS, the appointment of a new successor Oversight Agent is required under the Indenture and, as such, the Successor Agency's execution and delivery of Amendment No. 2 to Oversight Agent Agreement will reduce liability of the Successor Agency; and

WHEREAS, pursuant to the Indenture, the periodic fee due to the Oversight Agent and the Program Administrator, in the form of the "Administration Fee," is paid by the Trustee with moneys deposited with the Trustee by the Borrower; and

WHEREAS, pursuant to HSC Section 34181(e), the Oversight Board may approve an amendment to an agreement between the Former Agency (as succeeded by the Successor Agency) and a private party if the Oversight Board finds that the amendment would be in the best interests of the taxing entities;

NOW, THEREFORE, BE IT RESOLVED THAT THE ORANGE COUNTYWIDE OVERSIGHT BOARD does hereby resolve as follows:

Section 1. The above recitals are true and correct and are a substantive part of this Resolution.

Section 2. In view that the purpose of Amendment No. 2 to Oversight Agent Agreement is to fulfill Indenture requirements by the appointment of a successor Oversight Agent, and thus reduce the liability of the Successor Agency, the Oversight Board hereby finds and determines, for the purposes of HSC Section 34181(e), that the Successor Agency's execution and delivery of Amendment No. 2 to Oversight Agent Agreement is in the best interests of the taxing entities.

Section 3. The Oversight Board hereby approves the Successor Agency's execution and delivery of Amendment No. 2 to Oversight Agent Agreement, substantially in the form attached as Attachment A to this Resolution.

Section 4. The staff and members of the Oversight Board and officers of the Successor Agency are hereby authorized, jointly and severally, to do any and all things which they may deem necessary or advisable to effectuate this Resolution and the Oversight Agent Agreement, as amended.

**AMENDMENT NO. 2**  
(to Administration and Oversight Agreement)

This Amendment No. 2 (this “**Amendment**”), dated as of \_\_\_\_\_, 2018 (the “**Effective Date**”), is entered into by and among the Successor Agency to the Seal Beach Redevelopment Agency (the “**Successor Agency**”), as successor to the former Seal Beach Redevelopment Agency (the “**Former Agency**”), the City of Seal Beach, a municipal corporation duly existing under the laws of the State of California (the “**City**”), Seal Beach Shores, Inc., a California nonprofit public benefit corporation (“**SBS**” or “**Borrower**”), as the successor-in-interest to LINC Community Development Corporation, a California nonprofit public benefit corporation (“**LINC**”) and Wolf & Company Inc., a California Corporation (“**Wolf**”), as successor Oversight Agent and Program Administrator.

This Amendment No. 2 amends and supplements the Administration and Oversight Agreement, dated as of December 1, 2000 (the “**Original Agreement**”), by and among the Former Agency, LINC and Rosenow Spevacek Group Inc., as Oversight Agent and Program Administrator, as amended and supplemented by Amendment No. 1, dated as of May 1, 2017 (“**Amendment No. 1**,” and together with the Original Agreement, the “**First Amended Agreement**”), by and among the Successor Agency, SBS and CivicStone, Inc., as successor Oversight Agent and Program Administrator. Capitalized terms used but not otherwise defined herein have the meanings ascribed to them in the First Amended Agreement.

**RECITALS**

A. The Former Agency was a redevelopment agency duly formed pursuant to the Community Redevelopment Law, set forth in Part 1 of Division 24 of the California Health and Safety Code (“HSC”).

B. Pursuant to AB X1 26 (enacted in June 2011) and the California Supreme Court’s decision in *California Redevelopment Association, et al. v. Ana Matosantos, et al.*, 53 Cal. 4th 231 (2011), the Former Agency was dissolved as of February 1, 2012, the Successor Agency was constituted as the successor entity to the Former Agency, and an Oversight Board of the Successor Agency (the “Oversight Board”) was established.

C. Before the Former Agency’s dissolution, the Former Agency entered into the Original Agreement in connection with the issuance of the Former Agency’s Mobile Home Park Revenue Bonds (Seal Beach Mobile Home Park Project) Series 2000A (the “**Bonds**”) and the related execution and delivery of the Indenture of Trust, dated as of December 1, 2000 (the “**Indenture**”), by an between the Former Agency and Union Bank of California, N.A., as trustee.

D. A portion of the Bonds remains outstanding; and the Bonds, the Indenture and the Original Agreement (as amended and supplemented by Amendment No. 1 and this Amendment No. 2) continue to be enforceable obligations of the Successor Agency.

E. The Parties are executing this Amendment No. 2 to provide for Wolf’s assumption of the roles of Oversight Agent and Program Administrator.

F. Pursuant to the Indenture (as set forth in the definition of “Oversight Agent” in Section 1.1 thereof), so long as the Bonds remain outstanding, the appointment of any successor Oversight Agent is subject to the consent of ACA, which consent is attached hereto as Exhibit A.

G. The Oversight Board adopted Resolution No. \_\_\_\_\_, on \_\_\_\_\_, 2018 (the “Oversight Board Resolution”), approving the Successor Agency’s execution and delivery of this Amendment No. 2; and the Oversight Board Resolution became effective upon the State Department of Finance’s approval by letter dated \_\_\_\_\_, 2018, pursuant to the Dissolution Act.

**THE PARTIES, FOR AND IN CONSIDERATION OF THE MUTUAL PROMISES AND AGREEMENTS HEREIN CONTAINED DO AGREE AS FOLLOWS:**

1. **Administration Agreement to Remain in Effect Except as Amended Hereby.** Except as expressly modified by this Amendment No. 2, the First Amended Agreement shall remain unmodified and in full force and effect in accordance with its terms. The First Amended Agreement, as amended by this Amendment No. 2, shall be hereinafter referred to as the “**Administration Agreement.**” Pursuant to Article IV of the Original Agreement, subject to Sections 4.2 and 4.3 thereof, the Administration Agreement, as amended, shall remain in full force and effect for the term of the Regulatory Agreement.

2. **Appointment and Acceptance by Wolf of its Duties as Program Administrator and Oversight Agent.**

(a) The Successor Agency and SBS, as the Borrower, hereby confirm and agree to the appointment of Wolf as the successor Program Administrator and Oversight Agent.

(b) Wolf hereby accepts such appointment, and agrees to perform the duties of the Program Administrator and Oversight Agent as set forth in the Administration Agreement, and accepts the terms of the Administration Agreement (except, it is clarified that: (i) Section 5.4 shall be amended as provided below, and (ii) Section 2.3 of the Original Agreement contains representations by RSG and not Wolf, and Wolf’s representation is set forth below in this Amendment No. 2).

(c) Wolf agrees that, notwithstanding the definition of “Administration Fee” set forth in the Indenture, beginning on the effective date of this Amendment No. 2, Wolf will charge an annual Administration Fee of \$6,500, subject to any adjustment as set forth below. During any given year, upon written approval of the Executive Director of the Successor Agency and the President of the Borrower’s Board of Directors, the annual Administration Fee to be charged by Wolf may be adjusted as of December 15 of such year to reflect 90 percent of any increase in the Consumer Price Index All Urban Consumers for the California CMSA in which the Successor Agency is located from the December 15 of the prior year, published by the United States Department of Labor, Bureau of Labor Statistics (“BLS”). If the base is changed, the CPI used shall be converted according to the conversion factor provided by the BLS.

3. **Representations of Wolf.** Wolf makes the following representations, warranties and acknowledgments:

(a) It is a corporation duly organized, validly existing and in good standing under the laws of the State of California and has the power and authority to carry on its business as now being conducted.

(b) It has the power to execute and deliver this Amendment No. 2 and to carry out the transactions on its part contemplated in the Administration Agreement; and it has duly authorized the execution and delivery of this Amendment No. 2 and its performance under the Administration Agreement.

(c) It is independent from and not under the control of the Borrower, does not have any substantial interest, direct or indirect, in the Borrower, and is not an officer or employee of the Borrower.

(d) Wolf is executing this Amendment No. 2 and assuming the role of Program Administrator and Oversight Agent thereunder as an independent contractor to the Successor Agency. Neither Wolf nor any of its staff are the employees of the Successor Agency. The Successor Agency has no control over the conduct of Wolf, in its capacity as the Program Administrator and Oversight Agent, except in accordance with the provisions of the Administration Agreement, the Indenture, the Loan Agreement, the Regulatory Agreement, the Agency Grant Agreement (as amended and restated in August 2005), and the Agency Regulatory Agreement (as amended in August 2005) pertaining to the duties of the Program Administrator and Oversight Agent.

(e) It has received copies of the First Amended Agreement, the Indenture, the Loan Agreement, the Regulatory Agreement, the Agency Grant Agreement (as amended and restated in August 2005), and the Agency Regulatory Agreement (as amended in August 2005) and it is familiar with the terms and conditions thereof and is qualified to perform its duties as the Program Administrator and Oversight Agent pursuant to the terms thereof.

(f) It has received from the Borrower copies of the Articles of Incorporation, Bylaws and Declaration of Conditions, Covenants and Restrictions, which the Borrower has represented are current operating documents of SBS as of the date of this Amendment No. 2.

4. **Amendment to Section 5.4 of the First Amended Agreement.** The last sentence of Section 5.4 of the First Amended Agreement is hereby replaced in its entirety with the following: The Notice Address of the Program Administrator and Oversight Agent is: 241 S. Figueroa Street, Suite 100, Los Angeles, CA 90012; Attention: Wesley R. Wolf.

5. **Execution in Counterparts.** This Amendment No. 2 may be executed in counterparts, and all such executed counterparts shall constitute the same instrument. It shall be necessary to account for only one set of such counterparts in proving this Amendment No. 2.

IN WITNESS THEREOF, the Parties have caused this Amendment No. 2 to be executed by their duly authorized representatives as of the Effective Date indicated above.

**SUCCESSOR AGENCY TO THE SEAL BEACH AGENCY**

Attest:

By: \_\_\_\_\_  
Jill R. Ingram, Executive Director

\_\_\_\_\_  
Secretary

**CITY OF SEAL BEACH**

Attest:

By: \_\_\_\_\_  
Mike Varipapa, Mayor

\_\_\_\_\_  
City Clerk

**SEAL BEACH SHORES, INC.,**  
a California nonprofit public benefit corporation

By: \_\_\_\_\_  
Kenneth Williams,  
President of Board of Directors

By: \_\_\_\_\_  
Adela Rose,  
Secretary of Board of Directors

**WOLF & COMPANY INC.**  
a California corporation

By: \_\_\_\_\_  
Wesley R. Wolf, President

By: \_\_\_\_\_  
[Title]

**EXHIBIT A**

Consent of ACA to Appointment of Successor Oversight Agent

**ACA Financial Guaranty Corporation**  
555 Theodore Fremd Avenue, Suite C-205  
Rye, NY 10580  
212 375 2000 Tel  
212 375 2100 Fax



[www.aca.com](http://www.aca.com)

**VIA ELECTRONIC MAIL**

September 4, 2018

Successor Agency to the  
Redevelopment Agency of The City of Seal Beach  
211 Eighth Street  
Seal Beach. CA 90740

**Re: Seal Beach Mobile Home Park Project, Series 2000A, in the original principal amount of \$6,750,000 (the “Bonds”)**

Ladies and Gentlemen:

Reference is made to that certain Bond Insurance Policy No. 1200-40, with an Effective Date of December 21, 2000, pursuant to which ACA Financial Guaranty Corporation (“ACA”) insures that portion which shall be Due for Payment but shall be unpaid by reason of Nonpayment of the principal of and interest on the Bonds that the Redevelopment Agency of the City of Seal Beach (the “Agency”) issued pursuant to, among other things, that certain Indenture of Trust, dated as of December 1, 2000 (the “Indenture”), by and between the Agency and Union Bank of California, as trustee (the “Trustee”). Capitalized, undefined terms used herein shall have the meanings ascribed to them in the Indenture.

By email communication dated September 28, 2018 (the “Request”), the Successor Agency to the Redevelopment Agency of the City of Seal Beach (the “Successor Agency”),<sup>1</sup> by and through its counsel: (x) advised ACA that CivicStone, Inc. has ceased to act as the Oversight Agent and the Program Administrator; and (y) pursuant to Section 1.1 of the Indenture, requested ACA to consent to the Successor Agency’s appointment of Wolf & Company Inc. as the replacement Oversight Agent and the Program Administrator. Section 1.1 of the Indenture provides in part that:

*“Oversight Agent” shall mean [name of prior oversight agent] and any successor thereto appointed by the Issuer subject to the consent of ACA (such consent not to be unreasonably withheld), which entity shall also act as the initial Oversight Agent under the Administration Agreement.*

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<sup>1</sup> Pursuant to AB XI 26 (enacted in June 2011) and the California Supreme Court’s decision in California Redevelopment Association, et al. v. Ana Matosantos, et al., 53 Cal. 4th 231 (2011), the Agency was dissolved as of February 1, 2012, the Successor Agency was constituted as the successor entity to the Agency.

A copy of the Request is attached hereto as Exhibit A and incorporated herein by reference.

Subject to the terms and conditions set forth herein. ACA hereby consents to the Successor Agency's appointment of Wolf & Company Inc. as the replacement Oversight Agent and the Program Administrator.

This letter and the consent set forth herein (the "Consent") shall be effective as of the date hereof (the "Effective Date") provided that on or before September 12, 2018, the Successor Agency shall deliver to ACA via electronic mail a copy of this Consent countersigned by an authorized signatory of the Successor Agency. If the Successor Agency fails to return this Consent within the time period specified above, the Consent shall immediately and automatically, without any further action required by ACA or any other party, have no force or effect.

In deciding to grant the Consent, ACA has relied on, among other things, the statements, representations, information or other material provided by or on behalf of the Successor Agency or any other party in support of the Request (together, the "Representations"). ACA is not making any representation regarding the truth, accuracy, completeness or validity of the Representations. Furthermore, ACA reserves any and all of its rights, Remedies, defenses and counter-claims pursuant to the Indenture and any other document executed in connection with the issuance or administration of the Bonds (together with the Indenture, the "Bond Documents") or as otherwise available at law or equity (together, the "Rights and Remedies") including, without limitation, those Rights and Remedies that are available in the event ACA is made aware of additional facts or it is determined that the Representations are inaccurate, incomplete or misleading.

Except as expressly set forth herein, the Bond Documents, and all of ACA's rights and remedies thereunder, remain unmodified and in full force and effect, are hereby ratified and confirmed and the Successor Agency shall continue to comply with all of their obligations, covenants, representations and warranties thereunder strictly in accordance with the terms thereof. Except as expressly set forth herein, the Successor Agency acknowledges and agrees that, notwithstanding any communications, course of conduct, or reliance, ACA is not, and shall not be deemed to be, obligated or committed in any manner or to any extent to any agreement to extend, modify, amend or waive any of the terms of this Consent or any of the Bond Documents, or to waive or forbear from enforcing any rights, powers, privileges, remedies or defenses under the Bond Documents or as otherwise available at law or equity.

The Successor Agency further represents and warrants that the Bond Documents are in full force and effect and have not been amended, modified, terminated, rescinded or revoked in whole or in part since the date of their initial adoption, other than as previously consented to by ACA. This Consent constitutes a valid and binding obligation of the Successor Agency and is

enforceable against the Successor Agency in accordance with its terms, provisions, covenants and conditions.

This Consent shall be applicable only to the matter stated herein, and this Consent shall be so limited and shall not be deemed to extend to any other matter nor impair or limit any right consequent thereon. ACA provides this Consent for its own benefit and in its own interest, and the Successor Agency is solely responsible for obtaining such other consents, waivers, approvals or taking of such of other actions, if any, as may be required in connection with the matters discussed herein. This Consent speaks only as of the date hereof and ACA has no obligation to update this Consent should circumstances change thereafter. This Consent is intended for use in connection with the Request and shall not to be relied upon for any other purpose.

The Successor Agency unconditionally and irrevocably releases, discharges and acquits ACA and its officers, directors, successors, assigns, parent, subsidiaries, employees, affiliates, representatives, servants and counsel (each, an "ACA Party") from and against any and all claims, demands, causes of action, suits, debts, sums of money, accounts, covenants, contracts, controversies, agreements, promises, variances, damages, expenses and liabilities, known or unknown, at law or in equity, and irrevocably waives and relinquishes any and all known rights of setoff, counterclaims and defenses, contingent or absolute, liquidated or unliquidated or otherwise, arising from or related to any act or omission of any ACA Party that has occurred on or before the date hereof, irrespective of whether such claims arise out of contract, tort, violation of laws or regulations or otherwise, which the Successor Agency ever had or now has against any ACA Party for, upon or by reason of any matter or cause whatsoever from the beginning of the world to and including through the date hereof arising out of, in connection with, or related to the Bond Documents, any other document delivered in connection with the Bonds and this Letter, or any notices, conversations, negotiations, disputes or litigation regarding any of the foregoing. Notwithstanding the foregoing, nothing contained herein shall be construed to release any person with respect to any unlawful conduct or willful misconduct.

The Successor Agency shall indemnify ACA and its officers, directors, successors, assigns, parent, subsidiaries, employees, affiliates, representatives, servants and counsel (each an "Indemnitee"), against, and hold each Indemnitee harmless from, any and all losses, claims, damages, liabilities and expenses reasonably related thereto, including reasonable fees, charges and disbursements of one firm of outside counsel for Indemnitees, incurred by or asserted against any Indemnitee arising out of, in connection with, or as a result (i) the preparation, execution, delivery and administration of this Letter or any other agreement or instrument contemplated hereby or (ii) any actual or prospective claim, litigation, investigation or proceeding relating to any of the foregoing, whether based on contract, tort or any other theory, and regardless of whether any Indemnitee is a party thereto (and regardless of whether such matter is initiated by the Successor Agency or any other Person) provided, however, that each Indemnitee remains liable for its own gross negligence or willful misconduct.

This consent letter shall be governed by, and construed and interpreted in accordance with, the laws of the State of New York without regard to any conflicts-of-laws rules.

Successor Agency to the  
Redevelopment Agency of The City of Seal Beach  
September 4, 2018  
Page 4

Please indicate your acceptance and agreement with the terms and conditions hereof by executing this consent letter as provided below and returning the executed signature pages to my attention at the address set forth above.

Very truly yours,

ACA FINANCIAL GUARANTY CORPORATION

By:   
Name: Maria Cheng  
Title: Managing Director

ACCEPTED AND AGREED TO BY:

THE SUCESSOR AGENCY TO  
THE REDEVELOPMENT AGENCY OF THE CITY OF SEAL BEACH

By: \_\_\_\_\_  
Name:  
Title:

**Exhibit A**  
The Request

**From:** Teresa Ho-Urano <THo-Urano@rwglaw.com>  
**Sent:** Tuesday, August 28, 2018 11:13 AM  
**To:** Denniston, Karol K. <karol.denniston@squirepb.com>  
**Cc:** Robin D. Harris <RHarris@rwglaw.com>  
**Subject:** Seal Beach SA - Amend No. 2 to Administration Agreement to substitute to Oversight Agent.DOCX

Karol –

It was nice talking with you this morning.

Per our discussion this morning, attached please find: (i) the draft Amendment No. 2 to the Administration and Oversight Agreement for the appointment of Wolf & Co., as the new Oversight Agent and Program Administrator, and (ii) the proposal from Wolf, which includes references.

Please forward to the appropriate people at ACA.

Per your request, I have also attached ACA's consent to Amendment No. 1. As discussed, as we move forward, the Successor Agency would appreciate a consent which is not limited in duration this time around.

Look forward to hearing back from you and ACA soon.

**Teresa Ho-Urano**

**RICHARDS WATSON GERSHON**  
355 South Grand Avenue, Suite 4000  
Los Angeles, CA 90071  
**D:** 213.253.0277  
**F:** 213.626.0078  
**E:** [tho-urano@rwglaw.com](mailto:tho-urano@rwglaw.com)  
**W:** [rwglaw.com](http://rwglaw.com)

**Orange Countywide Oversight Board**  
Placeholder for Pending Resolution

Date: 9/18/2018

From: Successor Agency to the Seal Beach Redevelopment Agency

Subject: Resolution of the Seal Beach City Council Approving Amendment No. 2 to Administration and Oversight Agreement Relating to Seal Beach Shores Mobile Home Park.

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The resolution of the Seal Beach City Council approving Amendment No. 2 to Administration and Oversight Agreement Relating to Seal Beach Shores Mobile Home Park will be voted upon at their 9/10/2018 meeting. As such, the resolution is not yet available for submission but will be provided before the Countywide Oversight Board votes upon its resolution regarding the Amendment No. 2 to Administration and Oversight Agreement Relating to Seal Beach Shores Mobile Home Park.