

RESOLUTION NO. 02-82

**RESOLUTION OF THE RIDGECREST CITY COUNCIL
ESTABLISHING A REDEVELOPMENT REVOLVING
FUND, APPROPRIATING FUND THERETO AND
AUTHORIZING THE DISBURSEMENT OF SUCH FUNDS
TO THE RIDGECREST REDEVELOPMENT AGENCY**

WHEREAS, the Ridgecrest Redevelopment Agency (the "Agency") is a redevelopment agency duly created, established and authorized to transact business and exercise its powers, all under and pursuant to the Community Redevelopment Law (Part 1 of Division 24 (commencing with Section 33000) of the Health and Safety Code of the State of California) and the powers of the Agency include the power to issue notes for any of its corporate purposes; and

WHEREAS, the Redevelopment Plan for a redevelopment project known and designated as the "Ridgecrest Redevelopment Project" has been adopted and approved by Ordinance No. 86-37 of the City of Ridgecrest (the "City"), adopted on November 16, 1986, and all requirements of law for and precedent to the adoption and approval of the Redevelopment Plan have been duly complied with; and

WHEREAS, the Agency has acquired certain real property in connection with the development of the Ridgecrest Business Park and desires to construct certain utility infrastructure improvements for purposes of carrying out the Redevelopment Plan; and

WHEREAS, the City has funds in its Waste Water Fund which it desires to invest by making a loan to the Agency.

NOW THEREFORE, BE IT RESOLVED, DETERMINED AND ORDERED BY THE CITY COUNCIL OF THE CITY OF RIDGECREST, AS FOLLOWS:

Section 1. Establishment of the Redevelopment Revolving Fund. There is hereby established the Ridgecrest Redevelopment Revolving Fund to be held in the treasury of the City in accordance with Health and Safety Code Section 33620.

Section 2. Appropriation; Payment to the Agency. The City hereby appropriates \$2,000,000 from the City's Waste Water Fund to the Ridgecrest Redevelopment Revolving Fund and authorizes the payment thereof to the Agency subject to the terms and conditions as set forth in the Promissory Note attached hereto as Exhibit A and incorporated herein by reference.

Section 3. The Mayor, the City Manager, the Finance Director, and any other proper officer of the City, acting singly, be and each of them hereby is authorized and directed to execute and deliver any and all documents and instruments, including the Promissory Note, and to do and cause to be done any and all acts and things necessary or proper for carrying out the transactions contemplated by this Resolution.

Resolution No. 02-82

Page 2

Section 4. Effective Date. This Resolution shall take effect upon adoption.

AYES: Mayor Morgan, Council Members Carter, Holloway, and Martin

NOES: None

ABSENT: Council Member Rollins

ABSTAIN: None

Steven P. Morgan
Steven P. Morgan, Mayor

ATTEST:

Harvey M. Rose
Harvey M. Rose
City Clerk

EXHIBIT "A"
PROMISSORY NOTE

Amount: \$2,000,000

Ridgecrest, California
June 19, 2002

1. Promise to Pay. The Ridgecrest Redevelopment Agency ("Agency"), a public body, corporate and politic, duly organized and existing under the laws of the State of California, for value received, hereby promises to pay to the order of the City of Ridgecrest, a municipal corporation, duly organized and existing under the laws of the State of California ("City"), the principal sum of \$2,000,000 (the "Note Amount") pursuant to the terms of this Note. This Note is being executed to evidence the monetary obligations of the Agency to the City arising from payment of the funds in the Ridgecrest Redevelopment Revolving Fund to the Agency for the purposes of paying costs and expenses in connection with implementing the Redevelopment Plan.

2. Interest Rate. The Note Amount shall bare interest at the rate of five percent (5%) per annum.

3. Repayment of Note Amount. The outstanding balance of the Note Amount shall be amortized on an annual basis over a period of ten years from the date of disbursement. The Note Amount may be prepaid at any time at the option of the Agency.

4. Security. This Note is secured by a pledge of available tax increment revenues until such time as the outstanding interest and principal are repaid. The pledge of tax increment revenues is expressly subordinate to the Agency's Ridgecrest Redevelopment Project, 1999 Tax Allocation Refunding Bonds, the Agency's Ridgecrest Redevelopment Project, Tax Allocation Refunding Bonds, Series 2002, the pass-through agreement with the County of Kern, any other obligations to which tax increment has been expressly pledged and any obligations issued for the purpose of refunding such debt.

5. Application of Payments. Both principal and interest hereof are payable in lawful money of the United States of America.

IN WITNESS WHEREOF, the parties hereto have executed this Promissory Note as of the date first set forth in this Promissory Note.

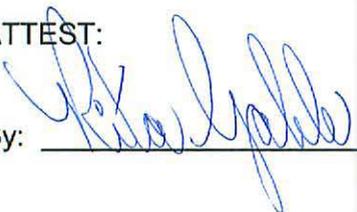
ATTEST:

By:  _____

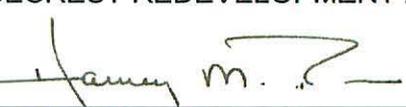
CITY OF RIDGECREST

By:  _____
City Manager

ATTEST:

By:  _____

RIDGECREST REDEVELOPMENT AGENCY

By:  _____
Executive Director