

**OVERSIGHT BOARD OF THE SOUTH TAHOE  
REDEVELOPMENT SUCCESSOR AGENCY  
RESOLUTION NO. 2012- 12**

**RESOLUTION OF THE OVERSIGHT BOARD OF THE SOUTH TAHOE  
REDEVELOPMENT SUCCESSOR AGENCY,  
APPROVING PURCHASE AND SALE AGREEMENT BETWEEN SOUTH TAHOE  
REDEVELOPMENT SUCCESSOR AGENCY AND HALFERTY DEVELOPMENT  
COMPANY, LLC, a Delaware limited liability company, FOR ASSESSOR PARCEL  
NUMBERS 027-690-08 AND 027-690-09, LOCATED AT THE SOUTHWEST CORNER  
OF HIGHWAY 50 AND SKI RUN BOULEVARD IN THE CITY OF SOUTH LAKE  
TAHOE IN ACCORDANCE WITH HEALTH & SAFETY CODE SECTION 34181**

**WHEREAS**, ABX1 26 was adopted by the California Legislature on June 15, 2011 and signed by the Governor on June 28, 2011, which dissolved redevelopment agencies in California effective October 1, 2011; and

**WHEREAS**, the California Redevelopment Association and League of California Cities (among others) challenged the constitutionality of AB X1 26, and the California Supreme Court on December 29, 2011 upheld ABX1 26 and amended the legislation to dissolve all redevelopment agencies as of February 1, 2012; and

**WHEREAS**, ABX1 26 (Health & Safety Code section 34177(e)) requires Successor Agencies to dispose of assets and property of the former redevelopment agency as directed by the Oversight Board; provided, however, that the Oversight Board may instead direct the successor agency to transfer ownership of certain assets pursuant to subdivision (a) of Health & Safety Code section 34181; and

**WHEREAS**, the disposal of assets is to be done expeditiously and in a manner aimed at maximizing value; and

**WHEREAS**, the Oversight Board has directed the Successor Agency to list certain properties for sale, and the Successor Agency has received an offer on the two parcels located on the southwest corner of Highway 50 and Ski Run Boulevard in South Lake Tahoe; and

**WHEREAS** the offer is the full listing price in cash of \$799,000 as more fully set forth in the Purchase and Sale Agreement, which is attached hereto and incorporated by reference; and

**WHEREAS**, Health & Safety Code section 34177(e) provides that proceeds from assets sales and related funds that are no longer needed for approved development projects or to otherwise wind down the affairs of the agency, each as determined by the Oversight Board, shall be transferred to the County Auditor-Controller for distribution as property tax proceeds under Health & Safety Code section 34188; and

**WHEREAS**, the South Tahoe Redevelopment Successor Agency anticipates that there will be a significant shortfall of tax increment revenues to make the payments on enforceable obligations, specifically bond payments, and therefore requests that the

Oversight Board direct the proceeds to be retained by the South Tahoe Successor Agency to make the necessary payments on enforceable obligations as approved of the Recognized Obligation Payment Schedules; and

**WHEREAS**, the Oversight Board has a fiduciary responsibility to the holders of enforceable obligations and the taxing entities that benefit from distributions pursuant to Health & Safety Code section 34179(i).

**NOW, THEREFORE, BE IT RESOLVED**, the Board of Directors of the Oversight Board of the South Tahoe Redevelopment Successor Agency does hereby resolve, declare, determine, and order as follows:

1. Hereby approves the Purchase and Sale Agreement and the First and Second Addendums which are attached hereto and incorporated by reference.
2. Determines in accordance with Health & Safety Code section 34177 and 34181 that the Successor Agency needs to retain the proceeds of the asset sale to make scheduled payments on enforceable obligations. The Oversight Board hereby directs that the proceeds be retained by the Successor Agency to make the required payments under ROPS approved by the Oversight Board.
3. Finds that the 10 day notice required by Health & Safety Code section 34181(f) was posted prior to this hearing.
4. Directs the Secretary to the Oversight Board to transmit a copy of the Resolution to the Department of Finance for review in accordance with Health & Safety Code section 34179(h).

**PASSED AND ADOPTED** by the Board of Directors of the Oversight Board to the Successor Agency of the South Tahoe Redevelopment Agency at a duly noticed meeting held on December 14, 2012, by the following vote:

AYES: Board Member(s): COLE, KNIGHT, BAUGH, KERRY, MURILLO & VOGELGESANG

NOES: Board Member(s): \_\_\_\_\_

ABSENT: Board Member(s): BARBER

ABSTAIN: Board Member(s): \_\_\_\_\_

ATTEST:

By:   
Susan Alessi, Secretary

By:   
Hal Cole, Chairperson

12-14-12

**FIRST AMENDMENT TO  
PURCHASE AND SALE AGREEMENT**

This FIRST AMENDMENT TO PURCHASE AND SALE AGREEMENT ("First Amendment") is entered into as of November 15, 2012, by and between SOUTH TAHOE REDEVELOPMENT SUCCESSOR AGENCY ("Seller") and HALFERTY DEVELOPMENT COMPANY, LLC, a Delaware limited liability company ("Buyer") as to the following:

**RECITALS**

WHEREAS, Seller and Buyer entered into that certain Purchase and Sale Agreement dated as of November 6, 2012 (the "Purchase Agreement"); and

WHEREAS, Seller and Buyer have agreed to modify certain provisions of the Purchase Agreement on the terms and conditions set forth herein.

**AGREEMENT**

NOW THEREFORE, for valuable consideration, the receipt and sufficiency of which is hereby acknowledged, Seller and Buyer agree to modify the Purchase Agreement as follows:

1. **Definitions.** Unless otherwise indicated, all capitalized terms in this First Amendment shall have the meanings ascribed to them in the Purchase Agreement. In the event of any conflict or inconsistency between the terms of the Purchase Agreement and this First Amendment, the terms of this First Amendment shall control.

2. **Escrow/Title Company.** Seller and Buyer agree to cancel escrow with First American Title Company in Fresno, California and open a new escrow with Placer Title Company in South Lake Tahoe, California.

3. **Miscellaneous.** Except as modified herein, the terms of the Purchase Agreement remain unchanged and in full force and effect. This First Amendment may be executed in counterparts, each of which shall be deemed as original, and all of which, when taken together, shall constitute one and the same instrument.

IN WITNESS WHEREOF, this First Amendment is executed as of the date first above written.

**SELLER:**

South Tahoe Redevelopment Agency

By: \_\_\_\_\_

Title

Mayor

Date: \_\_\_\_\_

11-15-12

**BUYER:**

Halferty Development Company, LLC,  
a Delaware limited liability company

By: \_\_\_\_\_

James L. Halferty  
James L. Halferty, Member

**SECOND ADDENDUM TO PURCHASE AND SALE AGREEMENT  
DATED NOVEMBER 6, 2012 BETWEEN SOUTH TAHOE  
REDEVELOPMENT SUCCESSOR AGENCY AND HALFERTY  
DEVELOPMENT COMPANY, LLC**

**This Addendum to the Agreement between the South Tahoe Redevelopment Successor Agency ("Seller") and Halferty Development Company, LLC ("Buyer") amends Section 2.B (Financial Terms) and Sections 4.A, 4.B, 4.C and 4.D (Approval Periods) as follows:**

**2. Financial Terms.**

The following sentence is amended to read as follows:

- B. Deposit. Until 5:00 p.m. Pacific Time on the last day of the Site Investigation Period as defined below in 4.B. the Deposit shall remain refundable to Buyer if the transaction contemplated by this Agreement is not consummated for any reason whatsoever, provided that all expenses related to cancellation of the escrow are paid by Buyer.

**4. Approval Periods.**

The following sentence shall be added to the end Section 4.A.:

- A. Title Matters. Buyer shall notify Seller in writing, approval of title with exceptions approved by Buyer, on or before January 4, 2013.

Sections 4.B., 4.C. and 4.D. are amended to read to follows:

- B. Site Investigation Period. Buyer shall have ninety (90) days from the date of the acceptance of this addendum, (see addendum expiration date) not to exceed March 18, 2013 ("Site Investigation Period") to enter upon the Property and investigate whether, in Buyer's sole discretion, the Property is suitable for Buyer's intended purpose. The investigation may include, without limitation, soil and sub-soil conditions, wetland demarcations, environmental, engineering, surveys, land use and planning, utility and other studies. Copies of all reports shall be provided to Seller.
- C. Approval by Oversight Board and Department of Finance. During the Site Investigation Period, Seller shall obtain all necessary approvals from the applicable agencies, including but not limited to the Successor Agency, Oversight Board, State of

California Department of Finance etc. for the disposition of this Property. Should the Successor Agency require additional time beyond the Site Investigation Period, the time for Seller to obtain the necessary approvals from applicable agencies shall be extended by one (1) day for each additional day required to obtain the necessary approvals and the Deposit shall remain refundable until ten (10) days after all the above approvals have been acquired by Seller.

- D. Development Approvals. If the Property needs to be rezoned, replatted, its permitted use changed or similarly redesignated or have building permits issued ("Development Approvals"), Buyer shall have until March 18, 2013 to use reasonable efforts to accomplish such Development Approvals ("Development Approval Period"). Buyer shall pay all cost of Development Approvals, and Seller shall cooperate (at no cost) in that effort. If Buyer is exercising due diligence in pursuing the Development Approvals, Buyer will have the right to extend the Development Approval Period and Close of Escrow with mutual agreement by both Buyer and Seller which cannot be unreasonably withheld for (2) periods of thirty (30) days each solely to obtain these final governmental approvals, by written notice to Seller and Escrow Holder no less than five (5) days prior to the expiration of the Development Approvals Period and first extension. For each thirty (30) day extension Buyer shall increase the Deposit by Ten Thousand Dollars (\$10,000.00) ("Increased Deposit"). The Deposit and Increased Deposit(s) shall be applicable to the Purchase Price and fully-refundable during the extension of the Development Approvals. In no event shall any extension for Development Approvals be later than May 15, 2013. These extensions shall not be unreasonably withheld, provided Buyer has diligently processed Development Approvals.

All other terms of the Purchase and Sale Agreement and First Addendum shall remain the same.

Acceptance of this Addendum #2 dated 12-14-12 shall expire on 12-18-12 unless signed acceptance.

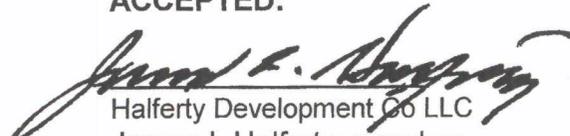
**ACCEPTED:**

  
Oversight Committee for STRSA  
Chairman Hal Cole

12-14-12

Date 12-14-12

**ACCEPTED:**

  
Halferty Development Co LLC  
James L Halferty, member

12-14-12

Date 12-14-12