

KINGSBURG REDEVELOPMENT AGENCY

ASSET TRANSFER REVIEW

Review Report

January 1, 2011, through January 31, 2012



JOHN CHIANG
California State Controller

November 2014



JOHN CHIANG
California State Controller

November 26, 2014

Sue Bauch, City Manager
Kingsburg Redevelopment/Successor Agency
1401 Draper Street
Kingsburg, CA 93631

Dear Ms. Bauch:

Pursuant to Health and Safety Code section 34167.5, the State Controller's Office (SCO) reviewed all asset transfers made by the Kingsburg Redevelopment Agency (RDA) to the City of Kingsburg (City) or any other public agency after January 1, 2011. This statutory provision states, "The Legislature hereby finds that a transfer of assets by a redevelopment agency during the period covered in this section is deemed not to be in furtherance of the Community Redevelopment Law and is thereby unauthorized." Therefore, our review included an assessment of whether each asset transfer was allowable and whether the asset should be turned over to the Successor Agency.

Our review applied to all assets including, but not limited to, real and personal property, cash funds, accounts receivable, deeds of trust and mortgages, contract rights, and rights to payment of any kind. We also reviewed and determined whether any unallowable transfers to the City or any other public agency have been reversed.

Our review found that the Kingsburg Redevelopment Agency transferred \$1,666,390 in assets after January 1, 2011, including unallowable transfers to the Public Finance Authority totaling \$232,084, or 13.93% of transferred assets. These assets must be turned over to the Successor Agency.

If you have any questions, please contact Elizabeth González, Chief, Local Government Compliance Bureau, by telephone at (916) 324-0622.

Sincerely,

Original signed by

JEFFREY V. BROWNFIELD, CPA
Chief, Division of Audits

JVB/mh

Attachment

cc: John Wright, Chair
Oversight Board of the Kingsburg RDA Successor Agency
Vicki Crow, Auditor-Controller
County of Fresno
David Botelho, Program Budget Manager
California Department of Finance
Richard J. Chivaro, Chief Legal Counsel
State Controller's Office
Elizabeth González, Bureau Chief
Division of Audits, State Controller's Office
Betty Moya, Audit Manager
Division of Audits, State Controller's Office
Venus Sharifi, Auditor-in-Charge
Division of Audits, State Controller's Office

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Asset Transfer Review Report

Summary

The State Controller's Office (SCO) reviewed the asset transfers made by the Kingsburg Redevelopment Agency (RDA) after January 1, 2011. Our review included, but was not limited to, real and personal property, cash funds, accounts receivable, deeds of trust and mortgages, contract rights, and rights to payments of any kind from any source.

Our review found that the RDA transferred \$1,666,390 in assets after January 1, 2011, including unallowable transfers to the Public Finance Authority totaling \$232,084, or 13.93% of transferred assets. These assets must be turned over to the Successor Agency.

Background

In January of 2011, the Governor of the State of California proposed statewide elimination of redevelopment agencies (RDAs) beginning with the fiscal year (FY) 2011-12 State budget. The Governor's proposal was incorporated into Assembly Bill 26 (ABX1 26, Chapter 5, Statutes of 2011, First Extraordinary Session), which was passed by the Legislature, and signed into law by the Governor on June 28, 2011.

ABX1 26 prohibited RDAs from engaging in new business, established mechanisms and timelines for dissolution of the RDAs, and created RDA successor agencies and oversight boards to oversee dissolution of the RDAs and redistribution of RDA assets.

A California Supreme Court decision on December 28, 2011 (*California Redevelopment Association et al. v. Matosantos*), upheld ABX1 26 and the Legislature's constitutional authority to dissolve the RDAs.

ABX1 26 was codified in the Health and Safety (H&S) Code beginning with section 34161.

H&S Code section 34167.5 states in part, ". . . the Controller shall review the activities of redevelopment agencies in the state to determine whether an asset transfer has occurred after January 1, 2011, between the city or county, or city and county that created a redevelopment agency or any other public agency, and the redevelopment agency."

The SCO identified asset transfers that occurred after January 1, 2011, between the RDA, the City of Kingsburg (City), and/or any other public agency. By law, the SCO is required to order that such assets, except those that already had been committed to a third party prior to June 28, 2011, the effective date of ABX1 26, be turned over to the Successor Agency. In addition, the SCO may file a legal action to ensure compliance with this order.

Objective, Scope, and Methodology

Our review objective was to determine whether asset transfers that occurred after January 1, 2011, and the date upon which the RDA ceased to operate, or January 31, 2012, whichever was earlier, between the city or county, or city and county that created an RDA or any other public agency, and the RDA, were appropriate.

We performed the following procedures:

- Interviewed Successor Agency personnel to gain an understanding of the Successor Agency's operations and procedures.
- Reviewed meeting minutes, resolutions, and ordinances of the City, the RDA, the Successor Agency, and the Oversight Board.
- Reviewed accounting records relating to the recording of assets.
- Verified the accuracy of the Asset Transfer Assessment Form. This form was sent to all former RDAs to provide a list of all assets transferred between January 1, 2011, and January 31, 2012.
- Reviewed applicable financial reports to verify assets (capital, cash, property, etc.).

Conclusion

Our review found that the Kingsburg Redevelopment Agency transferred \$1,666,390 in assets after January 1, 2011, including unallowable transfers to the Public Finance Authority totaling \$232,084 or 13.93% of transferred assets. These assets must be turned over to the Successor Agency.

Details of our findings are described in the Finding and Order of the Controller section of this report.

Views of Responsible Official

We issued a draft review report on September 8, 2014. Alex Henderson, City Manager, responded by email on September 30, 2014, disagreeing with the review results. The City's response is included in this final review report as an attachment.

Restricted Use

This report is solely for the information and use of the City of Kingsburg, the Successor Agency, the Oversight Board, the Public Financing Authority, and the SCO; it is not intended to be and should not be used by anyone other than these specified parties. This restriction is not intended to limit distribution of this report, which is a matter of public record when issued final.

Original signed by

JEFFREY V. BROWNFIELD, CPA
Chief, Division of Audits

November 26, 2014

Finding and Order of the Controller

**FINDING—
Unallowable asset
transfer to the
Public Financing
Authority**

The Kingsburg Redevelopment Agency (RDA) made an unallowable asset transfer of \$232,084 to the Public Finance Authority (PFA). The transfer occurred after January 1, 2011, and the assets were not contractually committed to a third party prior to June 28, 2011.

On April 26, 2011, and June 27, 2011, the RDA transferred \$232,084 in Low- and Moderate-Income Housing cash to the PFA to purchase Brucker Estates (land).

Pursuant to Health and Safety (H&S) Code section 34167.5, the RDA may not transfer assets to a city, county, city and county, or any other public agency after January 1, 2011. The assets must be turned over to the Successor Agency for disposition in accordance with H&S Code section 34177(d).

Order of the Controller

Pursuant to H&S Code section 34167.5, the PFA is ordered to reverse the transfers, totaling \$232,084, and turn over the assets to the Successor Agency.

City's Response

The statement in the second paragraph on page 5 of the Controller's report is incorrect. The sum of \$574,387.00 was not used to purchase the Brucker property. The \$574,387.00 was low and moderate housing funds provided by the Kingsburg Redevelopment Agency to the Public Finance Authority to pay off the remaining amount due under the bonds issued by the Kingsburg Public Finance Authority and identified in Paragraphs 4, 5 and 6 of the Judgment. After the Kingsburg Redevelopment Agency purchased the Brucker property, it was required to pay-off the bonds associated with the Brucker Property. Otherwise the bonds would again go into default.

See the attachment for the City's complete response.

SCO Comment

After reviewing additional information provided by the City, we adjusted the finding from \$574,389 to \$232,084.

The March 10, 2011 Memorandum between the City Attorney and former RDA obligates the RDA to pay off the bond indebtedness associated with the property which was encumbered to a third party. However, the remaining amount of \$232,084 used to purchase the property must be returned to the Successor Agency.

The Finding and Order of the Controller have been modified to reflect the change.

**Attachment—
City of Kingsburg’s Response to
Draft Review Report**

Sharifi, Venus

From: Alex Henderson <ahenderson@cityofkingsburg-ca.gov>
Sent: Tuesday, September 30, 2014 9:19 AM
To: Sharifi, Venus
Cc: Gonzalez, Elizabeth; sbauch@cityofkingsburg-ca.gov; mnoland@kschanford.com
Subject: FW: Message from "RNP0026734A5C50"
Attachments: First Amended Interlocutory Judgement.pdf; Sheriff's Deed.pdf

Good morning,
Thank you for the email. As prepared by the City's attorney:

Attached is a copy of the First Amended Interlocutory Judgment for Judicial Foreclosure on Special Assessment Bond. The Judgment sets forth the history leading up to the litigation and the Judgment regarding a default in the payment of bonds issued by the Kingsburg Public Finance Authority to pay for off-site improvements for Brucker Estates. Paragraph 6 on page 6 of the Judgment identifies to total Judgment amount of \$221,070.74. On April 27, 2011, the Brucker property was sold at a Sheriff's sale to the Kingsburg Redevelopment Agency for \$232,084.08. Low and moderate housing funds were used to purchase the Brucker property. The purchase price represents the Judgment amount of \$221,070.74 plus additional real property taxes and interest. A copy of the Sheriff's Deed is attached. Thereafter, title to the Brucker property was transferred to the Kingsburg RDA Successor Agency. On March 20, 2013, the Kingsburg RDA Successor Agency entered into the Disposition and Development with Chelesa Investment Corporation.

The statement in the second paragraph on page 5 of the Controller's report is incorrect. The sum of \$574,387.00 was not used to purchase the Brucker property. The \$574,387.00 was low and moderate housing funds provided by the Kingsburg Redevelopment Agency to the Public Finance Authority to pay off the remaining amount due under the bonds issued by the Kingsburg Public Finance Authority and identified in Paragraphs 4, 5 and 6 of the Judgment. After the Kingsburg Redevelopment Agency purchased the Brucker property, it was required to pay-off the bonds associated with the Brucker Property. Otherwise the bonds would again go into default.

If you would like - I can have our attorney provide a full response that reiterates the details above. I wanted to get this over to you asap to avoid any further delay. If you have further follow-up, please don't hesitate to ask.

Have you signed up for the Kingsburg Carrier?

How'd we do? Take our quick 5 question survey.

Respectfully,

Alexander J. Henderson
City Manager
City of Kingsburg
1401 Draper Street (P): 559-897-5821
Kingsburg, CA 93631 (F): 559-897-5568

<http://cityofkingsburg-ca.gov/>

FILED

OCT 06 2010

FRESNO SUPERIOR COURT

By _____ DEPT. 97C DEPUTY

1 Michael J. Noland - #82537
2 Rissa A. Stuart - #166459
3 Jerry F. Childs - #218457
4 KAHN, SOARES & CONWAY, LLP
5 Attorneys at Law
6 219 North Douty Street
7 Hanford, California 93230
8 Telephone: (559) 584-3337

9 Attorneys for: Plaintiff,
10 City of Kingsburg

11
12 IN THE SUPERIOR COURT OF THE STATE OF CALIFORNIA
13 IN AND FOR THE COUNTY FRESNO

14 THE CITY OF KINGSBURG,

15 Plaintiff,

16 vs.

17 SKE PROPERTIES, LLC, a California
18 Limited Liability Company;
19 ANASTACIO C. CHAGOYA, JR., an
20 Individual; VINCENT M. CHAGOYA, an
21 Individual; VICTOR SANTOS, an Individual;
22 JENNIFER LYNN KAPRIELIAN-SANTOS,
23 an Individual; AVILA VENTURE
24 PARTNERS, INC., a California Corporation;
25 STEWART TITLE OF CALIFORNIA, INC., a
26 California Corporation; COUNTY OF
27 FRESNO, CALIFORNIA;
28 DOES 1 through 50, inclusive; and
DOES 51 through 100

Defendants.

Case No. 09 CECG 00927

**[PROPOSED] FIRST AMENDED
INTERLOCUTORY JUDGMENT FOR
JUDICIAL FORECLOSURE ON
SPECIAL ASSESSMENT BOND**

[Streets and Highways Code § 8830]

On Wednesday, August 26, 2009, this matter came for hearing before the Honorable Donald S. Black of Department 97B, presiding, for a prove-up hearing on the default of Defendants ANASTACIO C. CHAGOYA, JR. and VICTOR SANTOS.

1 The court having received and reviewed the pleadings, declarations, and evidence
2 filed by Plaintiff, CITY OF KINGSBURG, pre-hearing and based upon the testimony and
3 evidence submitted at the hearing in this matter. Having satisfactorily proven all facts
4 necessary for judgment in this action, to wit:

5 1. A certain parcel of real property (hereinafter the "Subject Property") is located in the
6 City of Kingsburg, County of Fresno, more particularly described as follows:

7 PARCEL B OF PARCEL MAP NUMBER 31, IN THE CITY OF
8 KINGSBURG, COUNTY OF FRESNO, STATE OF CALIFORNIA, AS
9 PER MAP RECORDED IN BOOK 44 PAGE 60 OF PARCEL MAPS,
10 FRESNO COUNTY RECORDS

11 Assessor's Parcel Number 396-020-17

12 2. On June 17, 1992, the Kingsburg City Council, which is the legislative body for
13 Plaintiff, passed Resolution No. 92-44 (attached as Exhibit "A" to the Declaration of Don Jensen)
14 ordering that certain work be done and that an assessment district designated City of Kingsburg
15 Assessment District No. 1992-1 be created to levy an assessment for the construction, installation
16 and/or acquisition of improvements. This assessment to pay the cost of the work was duly made
17 and was authorized to be collected

18 3. On July 22, 1992, the Kingsburg City Council passed Resolution 92-59 (attached as
19 Exhibit "B" to the Declaration of Don Jensen), which provided that the unpaid assessment on the
20 Subject Property would be levied pursuant to the Improvement Bond Act of 1915.

21 4. The City of Kingsburg, by and through its Public Financing Authority, issued
22 bonds in the sum of \$2,405,000.00 for City of Kingsburg Assessment District 1992-1 pursuant to
23 the Improvement Bond Act of 1915, pursuant to Resolution 92-04 on July 22, 1992 (attached as
24 Exhibit "C" to the Declaration of Don Jensen.)

25 5. Said bonds were issued on July 30, 1992 in the principal amount of \$2,405,000.00
26 and identified as Kingsburg Assessment District No. 1992-1 Limited Obligation Improvement
27 Bonds, dated July 30, 1992, bearing interest per annum of 8.75% on bonds maturing in the years
28 1993 through 2022, inclusive.

1 6. The original assessment on the Subject Property was in the sum of \$540,000.00
2 and of December 10, 2008, pursuant to Petition for the Acquisition of Improvements By Special
3 Assessment and Assessment Bond Acts, signed by more than 60% of the owners of the Parcels
4 affected. (Attached as Exhibit "D" to the Declaration of Don Jensen.)

5 7. A Notice to Property Owners of Adoption of Intention and Filing of the Report
6 was duly given on July 22, 1992. (Attached as Exhibit "E" to the Declaration of Don Jensen.)

7 8. A Notice of Recordation of Assessment on July 23, 1992 was given on July 27,
8 1992. (Attached as Exhibit "F" to the Declaration of Don Jensen.)

9 9. A Notice of Assessment in the amount of \$540,000.00 was provided on July 23,
10 1992. (Attached as Exhibit "G" to the Declaration of Don Jensen.)

11 10. A Specimen of City of Kingsburg Assessment District No. 1992-1 Limited
12 Obligation Improvement Bond is attached as Exhibit "H" to the Declaration of Don Jensen.

13 11. Section 17 of Resolution 92-59 (Exhibit "B" to Declaration of Don Jensen) contains
14 a covenant to foreclose by judicial action as provided in Sections 8830 through 8836 of the Streets
15 and Highways Code of any assessment or installment not paid when due.

16 12. The installments for tax year July 1, 2007 to June 30, 2008, July 1, 2008 to June 30,
17 2009 and July 1, 2009 to June 30, 2010 on the Subject Property are delinquent for Assessment
18 District 1992-1.

19 13. The City of Kingsburg, in Resolution 2009-10, resolved on February 4, 2009 to
20 Order Removal of the Delinquent Installments from the Fresno County Tax Roll and Order a
21 Judicial Foreclosure Action. (Attached as Exhibit "I" to the Declaration of Don Jensen.)

22 14. On August 27, 2009, the County of Fresno has stated the amount due and owing
23 in unpaid property taxes, penalties and fees for the subject property in the amount of \$54,001.95
24 (Exhibit "K" to Declaration of Don Jensen).

25 15. A Notice of Intent to Remove Delinquent Assessments on the Subject Property
26 from the Tax Roll was recorded on February 13, 2009. (Attached as Exhibit "A" to Declaration
27 of Jerry F. Childs.)

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1 16. A Litigation Guarantee was obtained from Chicago Title on February 19, 2009
2 (Attached as Exhibit "B" to Declaration of Jerry F. Childs) reflecting the title and ownership of
3 the Subject Property.

4 17. A Date-Down Endorsement was obtained on April 29, 2009 reflecting that the
5 title vested prior to filing of the Complaint in Defendants Vincent M. Chagoya and Anastacio C.
6 Chagoya, Jr. with no other owners of the Subject Property. (Attached as Exhibit C" to Declaration
7 of Jerry F. Childs.)

8 18. A Notice of Pendency of Action was filed on March 20, 2009 and Recorded on
9 April 7, 2009, Fresno County Recorder Document No. 2009-0046257 (attached as Exhibit "D" to
10 Declaration of Jerry F. Childs.)

11 19. Defendant Anastacio Chagoya was served with the Summons, First Amended
12 Complaint and Notice of Pendency on March 25, 2009. (Attached as Exhibit "E" to Declaration
13 of Jerry F. Childs.)

14 20. Defendant Vincent M. Chagoya was served with the Summons, First Amended
15 Complaint and Notice of Pendency on March 25, 2009. (Attached as Exhibit "F" to Declaration
16 of Jerry F. Childs.)

17 21. A Request for Entry of Default was served by mail to Defendants Anastacio and
18 Vincent Chagoya on June 1, 2009. A statement of damages reflected the Demand of the at the time
19 to be \$521,936.37 (included total outstanding assessments on Subject Property, although not yet
20 due) and attorney fees of \$20,000.00. This Request for Entry of Default was filed with the Court on
21 June 1, 2009. (Attached as Exhibit "G" to Declaration of Jerry F. Childs.)

22 22. The testimony, pleadings, and documentary evidence submitted herein revealed the
23 total amount of special assessments, penalties, property taxes and fees owing to the City of
24 Kingsburg and County of Fresno at \$153,331.69.

25 23. Attorney fees and costs paid through **September 17, 2009** totaled **\$22,618.50**.

26 24. The total due and owing in assessments, fees, penalties, taxes, and interest, not
27 including attorney fees through October 31, 2010 is **\$221,070.74**.

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1 On the basis thereof, pursuant to the authority of the Streets and Highway Code, the
2 Civil Code, Code of Civil Procedure and the authority of the Bonds and Resolutions of the
3 Plaintiff CITY OF KINGSBURG:

4 **IT IS HEREBY ORDERED, ADJUDGED, AND DECREED** that:

5 1. Having met the requirements for Judicial Foreclosure as stated in Streets and
6 Highways Code section 8830(b), Plaintiff's Prayer for Judgment of Judicial Foreclosure of the
7 Special Assessment on the Subject Property is GRANTED.

8 2. Now due and owing to Plaintiff from defendants ANASTACIO and VINCENT
9 CHAGOYA are the following sums through October 31, 2010 of **\$181,456.77**

10 a. Unpaid installments of **\$48,274.43**:

- 11 i. July 1, 2007-June 30, 2008 in amount of \$14,594.59.
- 12 ii. July 1, 2008-June 30, 2009 in amount of \$15,717.26
- 13 iii. July 1, 2009-June 30, 2010 in amount of \$17,962.58

14 b. Unpaid penalties and interest of **\$109,063.84**:

- 15 i. July 1, 2007-June 30, 2008 in amount of \$38,081.35
- 16 ii. July 1, 2008-June 30, 2009 in amount of \$36,797.46
- 17 iii. July 1, 2009-June 30, 2010 in amount of \$34,185.03

18 c. Attorney fees and costs to date in the amount of **\$22,618.50**.

19 d. Clean up costs April 16, 2010 in the sum of **\$1,500.00**

20 3. Now due and owing to the County of Fresno are the following sums:

21 a. Unpaid Property Taxes, fees and penalties to County of Fresno in amount of:
22 **\$39,174.16** if executed between September 1, 2010 and September 30,
23 2010;

24 b. Unpaid Property Taxes, fees and penalties to County of Fresno in amount of:
25 **\$39,613.97** if executed between October 1, 2010 and October 31, 2010;

26 c. If the proceeds of the foreclosure sale of the Subject Property are tendered to
27 the County of Fresno after October 31, 2010, the amount tendered must be
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sufficient to pay for any and all ad valorem property taxes, fees, and penalties due and owing for the tax years up to and including 2009-2010, plus any and all taxes, penalties, fees, and special assessments owing for any subsequent tax year, due and owing at the time the proceeds are tendered to the County of Fresno.

- 4. Future costs, fees and assessments will be accrued for the following:
 - a. Costs and interest on the Judgment thereon;
 - b. Costs and interest on the judgment accruing after issuance of the writ pursuant to which the sale is conducted;
 - c. The levying officer's costs; and
 - d. Any other amounts which are required by law to be bid in order that the lot or parcel may be sold.

5. The aforementioned debts are liens on the Subject Property as provided by the A Notice of Recordation of Assessment on July 23, 1992, noticed on July 27, 1992.

6. The total amount of monetary Judgment to be collected pursuant to the Judgment is \$221,070.74 as of October 31, 2010, but is due to increase slightly after that as new taxes and penalties come due, plus the costs and attorneys fees as stated on the writ, per diem, and costs and fees of the levying officer, all subject to amendment and final confirmation at final judgment.

7. The real property described, or as much of it as may be necessary, shall be sold in the manner prescribed by law by the levying officer of Fresno County, California, on proper application for issuance of a writ of sale to the levying officer. Any party to this action may be a purchaser at the sale.

8. The property that is the subject of this judgment and order is located in Fresno County, California, and is described as follows:

PARCEL B OF PARCEL MAP NUMBER 31, IN THE CITY OF KINGSBURG, COUNTY OF FRESNO, STATE OF CALIFORNIA, AS PER MAP RECORDED IN BOOK 44 PAGE 60 OF PARCEL MAPS, FRESNO COUNTY RECORDS

Assessor's Parcel Number 396-020-17

1 9. The minimum bid price shall be \$223,000.00, if the sale occurs prior to October 31,
2 2010. Should the sale occur after October 31, 2010, the minimum bid price shall be \$220,000.00
3 plus any additional taxes, penalties, or fees as claimed due and owing by the County of Fresno, as
4 agreed between Kingsburg and the County of Fresno, **without any further order of the Court.**
5 Sale shall be conducted pursuant to Streets and Highways Code section 8832. As provided in
6 subsection (b) of that section, except as provided in Streets and Highways Code Section 8836, the
7 lot or parcel may not be sold unless the amount to be paid pursuant to the bid equals or exceeds
8 the sum of all of the following amounts:

- 9 a. The amount of the judgment with costs and interest thereon;
10 b. Costs and interest on the judgment accruing after issuance of the writ
11 pursuant to which the sale is conducted;
12 c. The levying officer's costs; and
13 d. Any other amounts which are required by law to be bid in order that the lot
14 or parcel may be sold.

15 10. The Plaintiff City may bid at the price provided for by Paragraph 8 by giving the
16 levying officer a written receipt crediting all or part of the amount required to satisfy the
17 judgment, except that the Plaintiff City shall pay all of the following amounts in cash or by
18 certified or cashier's check:

- 19 a. The levying officer's costs remaining unsatisfied;
20 b. The amount of any preferred labor claims;
21 c. Exempt proceeds; and
22 d. Any other claim that is required by law to be satisfied.

23 11. If Plaintiff is the purchaser, the transaction shall comply with the requirements of
24 Streets and Highways Code Section 8832(d).

25 12. From the proceeds of the sale, the levying officer shall deduct the expenses for the
26 levy and sale and shall then pay to plaintiff the sums adjudged due, together with interest at the
27 rate of 10% percent per annum from the date of this judgment.
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1 13. If any surplus remains after making those payments, it shall be held by the levying
2 subject to hearing regarding the disposition of those sums.

3 14. In the event a lot or parcel of property fails to sell for the minimum price required
4 by Streets and Highways Code Section 8832, Plaintiff City may petition the court to modify its
5 judgment and authorize the property to be sold at a lesser minimum price or without a minimum
6 price.

7 15. Written notice of hearing on the petition to sell at lower price shall be given by
8 certified or registered mail to all registered owners of any outstanding bonds secured, in whole or
9 in part, by the delinquent assessment or reassessment, to the original purchaser of any of the
10 bonds from the city, to the city treasurer, and to any authenticating agents, transfer agents,
11 registrars, and paying or other agents of the city appointed with respect to any of the bonds. If any
12 of the outstanding bonds are payable to bearer and not registered to other than bearer, notice of
13 the hearing shall also be given by publication at least once in a financial publication with national
14 circulation and additionally as the court shall reasonably require. The hearing shall be held not
15 earlier than 10 days after the notice is given.

16 16. The court may, after a hearing held pursuant to notice as provided above modify
17 the judgment and authorize the property to be sold at a lesser minimum price or without a
18 minimum price, if the court determines, based on the evidence introduced at the hearing, any of
19 the following, Pursuant to Streets and Highways Code section 8832:

- 20 a. Sale at the lesser minimum price or without a minimum price will not
21 result in an ultimate loss to the bondholders;
- 22 b. Owners or holders of 75 percent or more of the outstanding bonds, by
23 principal amount, have consented to the petition and the sale will not result
24 in an ultimate loss to the nonconsenting bondholders;
- 25 c. Owners or holders of 75 percent or more of the outstanding bonds, by
26 principal amount, have consented to the petition and all of the following
27 apply:

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- i. By reason of determination pursuant to Section 8769, the city is not obligated to advance available funds to cure a deficiency;
 - ii. No bids equal to or greater than the minimum price have been received at the foreclosure sale;
 - iii. No funds remain in the special reserve fund, if any;
 - iv. The city has reasonably determined that a reassessment and refunding proceeding is not practicable, or has in good faith endeavored to accomplish a reassessment and refunding and has not been successful, or has completed reassessment and refunding arrangements which will, to the maximum extent feasible, minimize the ultimate loss to the bondholders;
 - v. No other remedy acceptable to owners or holders of 75 percent or more of the outstanding bonds, by principal amount, is reasonably available.
- d. The assessment or reassessment lien upon property sold pursuant to this section at a lesser price than the minimum price shall be reduced by the difference between the minimum price and the sale price;
- e. The court shall permit participation by the bondholders in its consideration of the petition as necessary to its determinations;
- f. Neither the property owner nor the holder of a security interest in the property, nor any other defendant in the foreclosure action, nor any agent thereof, may purchase the property at the foreclosure sale for less than the minimum price determined pursuant to Streets and Highways Code Section 8832. Each purchaser at less than the minimum price shall certify in writing to the levying officer at the sale the purchaser's compliance with the requirements of this subdivision; and

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g. The court may make provisions for the payment of attorney fees and costs incurred in proceedings pursuant to this section as the court deems proper, and need not require that the fees and costs be paid out of the proceeds of any sale authorized pursuant to this section.

~~17. From and after delivery of a deed by the levying officer to the purchaser at the sale, ANASTACIO CHAGOYA and VINCENT CHAGOYA and all persons claiming under them or having liens subsequent to the trust deed on the real property described below, and their personal representatives, and all persons claiming to have acquired any estate or interest in the property subsequent to the filing of notice of the pendency of this action with the county recorder, are forever barred and foreclosed from all equity of redemption in, and claim to, the property and every part of it.~~

~~18. A deficiency judgment not being waived or prohibited, the Subject Property shall be sold subject to the right of redemption as provided in Code of Civil Procedure Section 729.010 et seq.~~

19. From and after delivery of a deed by the levying officer to the purchaser at the sale, ANASTACIO CHAGOYA and VINCENT CHAGOYA and all persons claiming under them or having liens subsequent to the trust deed on the real property described below, and their personal representatives, and all persons claiming to have acquired any estate or interest in the property subsequent to the filing of notice of the pendency of this action with the county recorder, are forever barred and foreclosed from all equity of redemption in, and claim to, the property and every part of it.

20. A writ of execution shall issue at the completion of this judgment.

21. A continuing lien against the Subject Property shall be imposed by this judgment, and the underlying principal of the special assessment shall be the liability of the purchaser pursuant to Streets and Highways Code section 8840, and the County of Fresno Tax Collector shall also have a continuing lien against the Subject Property for all payments due and owing at

1 the time of the sale that remain uncollected from the sale, and for all future tax assessments that
2 come due and owing in the future.

3 22. This judgment may be amended at any time before the sale to add additional
4 assessments, penalties, fees, and costs pursuant to Streets and Highways Code section 8832(c).

5 23. Other Orders
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19 Dated: OCT 06 2010

20 ALAN M. SIMPSON

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22 Judge of the Superior Court

23 F:\WORDM1\11141.14\Judgment\Post-judgment\Proposed Amended Judgment 09 27 10 FINAL.doc
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[X] RECORDING REQUESTED BY
AND RETURN TO:
STOP 224
Fresno County Sheriff's Dept.
Attn: Civil Unit
P.O. Box 1788
Fresno, CA 93717
Sheriff's case #:

FRESNO County Recorder
Paul Dictos, C.P.A.
DOC- 2011-0077013
Check Number 0381701
Thursday, JUN 09, 2011 10:30:57
NPC \$20,0011
Ttl Pd \$293.75 Nbr-0003452162
RGR/R4/1-2

SHERIFF'S DEED

[] UNDER EXECUTION
(701.660 & 701.670)

Transfer tax \$ 255.75

[X] UNDER FORECLOSURE
(701.670 & 729.080)

PICOR \$ 20.00

The City of Kingsburg VS SKE Properties, LLC, et al
PLAINTIFF DEFENDANT
Fresno Superior COURT, CASE NO. 09CECG00927 DSB
DATE OF ENTRY OF JUDGMENT, Oct. 6, 2010

JUDGMENT CREDITOR: The City of Kingsburg
c/o Attorney Rissa A. Stuart, 219 N. Douty St., Hanford, CA 93230
Name and address

JUDGMENT DEBTOR: Anastacio C. Chagoya and Vincent M. Chagoya
1105 E. Manning Ave., Reedley, CA 93654
Name and address

GRANTOR, MARGARET MIMS, SHERIFF, COUNTY OF FRESNO, STATE OF CALIFORNIA, HERBIN
AFTER REFERRED TO AS THE SHERIFF.

GRANTEE(S): Kingsburg Redevelopment Agency
c/o Attorney Rissa A. Stuart, 219 Douty St., Hanford CA 93230
Purchaser, Name and address
HEREINAFTER REFERRED TO AS THE GRANTEE(S)

DESCRIPTION OF THE REAL PROPERTY FOR WHICH THIS DEED IS ISSUED:

APN: 396-020-17
Legal Description :Parcel B of Parcel Map Number 31, in the City of Kingsburg, County of Fresno, State of
California, as per map recorded in Book 44 Page 60 of Parcel Maps, Fresno County Records

WHEREAS, [] a Writ of Execution, [X] Writ of Sale and certified copy of the judgment pursuant to Streets
and Highways Sections 8830 to 8836, was directed and
delivered to the Sheriff, together with written instructions by the judgment creditor or his attorney to levy

Page 2

upon and sell the herein referenced judgment debtor's right, title, and interest in the real property herein described. This real property was levied upon by the Sheriff on the 6th day of January, 2011, and said levy was recorded with the Fresno County Recorder on 1-6-11. After waiting 25 days, pursuant to Streets & Highway codes 8830 to 8836, I advertised the herein described real property for sale and sold said real property on the Courthouse steps, 1100 Van Ness, Fresno, CA to the highest bidder.

GRANTEES: Kingsburg Redevelopment Agency,
c/o Attorney Rissa A. Stuart, 219 Douty St., Hanford, CA 93230
Name and address

Who paid \$ 232,084.08
Being the highest bidder

This sale was conducted in accordance to the California Code of Procedure and the California Commercial Code (rules of auction).

DATE OF SALE: April 27, 2011

I, THE SHERIFF, BY VIRTUE OF SAID WRIT, and in pursuance of the Code of Civil Procedure, do grant, sell, convey unto the purchaser(s) herein named and identified as Grantee(s), all right, title, and interest of the herein named Judgment Debtor in the real property described in this deed.

MARGARET MIMS, SHERIFF
COUNTY OF FRESNO, STATE OF CALIFORNIA

Date: June 1, 2011
June 8, 2011

BY J. Anaya
J. Anaya

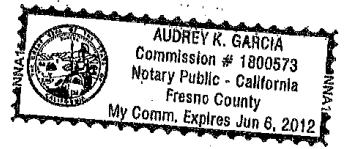
COUNTY OF FRESNO
STATE OF CALIFORNIA

On JUNE 8, 2011 before me AUDREY K. GARCIA, a Notary Public,
personally appeared JENNIE ANAYA

Who proved to me on the basis of satisfactory evidence to be the person whose name(s) is/are subscribed to the within instrument and acknowledged to me that he/she/they executed the same in his/her/their authorized capacity(ies), and that by his/her/their signature(s) on the instrument the person(s), or the entity upon behalf of which the person(s) acted, executed the instrument.

I certify under PENALTY OF PERJURY under the laws of the State of California that the foregoing Paragraph is true and correct.
WITNESS my hand and official seal.

Signature Audrey K. Garcia (seal)



**State Controller's Office
Division of Audits
Post Office Box 942850
Sacramento, CA 94250-5874**

<http://www.sco.ca.gov>