

### **Public Comment from the Audience**

- *If you wish to address the Oversight Board, please complete a Speaker Request Card, as it must be handed to the City Clerk before the start of the meeting.*
- *The Board will hear public comments on matters not listed on the agenda during the Public Comments from the Audience period.*
- *Opportunity to address the Board (on non-agenda items) is limited to 3 minutes per speaker.*
- *The Board will hear public comments on items listed on the agenda during discussion of the matter and prior to a vote.*

### **Brown Act**

*Pursuant to provisions of the Brown Act, no action may be taken on a matter unless it is listed on the agenda, or unless certain emergency or special circumstances exist. The Board may direct staff to investigate and/or schedule certain matters for consideration at a future Board meeting.*

### **Rules of Decorum**

*Persons attending the meeting shall observe rules of propriety, decorum, good conduct, and refrain from impertinent or slanderous remarks. Violation of this rule shall result in such persons being barred from further audience before the governing body. Pursuant to Gov. Code Sect. 54954.3(c), any person who engages in unlawful interference shall be removed from chambers.*

### **Americans with Disabilities Act**

*In compliance with the ADA, if you need special assistance to participate in this meeting, please contact the City Clerk's office at least 48 hours prior to the meeting to allow the City to make reasonable arrangements to ensure accessibility to the meeting or service.*

*This agenda was posted 72 hours in advance of the meeting at the City Hall, 8838 E. Valley Boulevard, Rosemead; the L.A. County Library, Rosemead Branch, 8800 E. Valley Boulevard, Rosemead; and other locations pursuant to RMC Sec. 1.08.020. Any writings or documents provided to a majority of the Rosemead Oversight Board regarding any item on this agenda will be made available for public inspection in the City Clerk's office during normal business hours.*

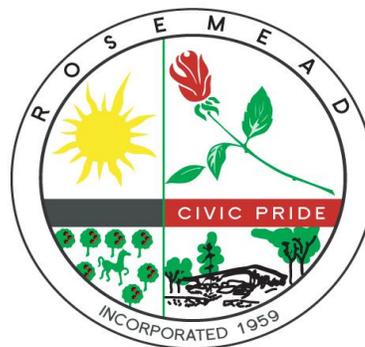
# **Rosemead Oversight Board**

**for the  
Successor Agency to the  
Rosemead Community  
Development Commission**

**MEETING AGENDA  
September 10, 2012**

5:00 PM

**City Hall Council Chamber  
8838 E. Valley Boulevard  
Rosemead, CA 91770  
[www.cityofrosemead.org](http://www.cityofrosemead.org)**



*Pat Wallach, Chair  
Raul Alvarez, Vice Chair  
Jeff Allred, Board Member  
Marty Jones, Board Member  
Nicole Lash, Board Member  
Robert Miller, Board Member  
Irene Redondo-Churchward, Board Member*

**Oversight Board  
Meeting Agenda**

- **CALL TO ORDER** – 5:00 PM
- **PLEDGE OF ALLEGIANCE** – Board Member Lash
- **OATH OF OFFICE** – Board Member Robert Miller
- **ROLL CALL:**
  - **Board Members** – Allred, Alvarez, Jones, Lash, Miller, Redondo-Churchward, Wallach

**1. PUBLIC COMMENTS FROM THE AUDIENCE**

The Oversight Board will receive public comments on matters not listed on the agenda.

**2. CONSENT CALENDAR**

**A. Minutes**

August 13, 2012 – Regular Meeting

**3. MATTERS FROM STAFF OF THE ROSEMEAD SUCCESSOR AGENCY**

**A. Chamber Loan Agreement**

The former Rosemead Community Development Commission approved a loan to the Rosemead Chamber of Commerce (“Chamber”) on September 14, 2010 in the amount of \$25,000. The promissory note requires annual payments of \$6,000 beginning July 1, 2012 with the loan being paid in full on July 1, 2015. The terms of the loan included 0.0% interest, a 3.0% late charge assessed on payments made after July 10<sup>th</sup> of each year, and was secured by a Negative Pledge Agreement on the Chamber owned property at 3953 Muscatel Avenue.

The Successor Agency received a letter dated August 16, 2012 from the Chamber requesting a renegotiation of the terms of the promissory note due to a financial hardship. Prior to the elimination of redevelopment, the Community Development Commission and the Chamber had a memorandum of understanding which provided for annual assistance in the amount of \$48,000 in return for a number of economic development related programs. The loss of the \$48,000 has created a significant funding shortfall for the Chamber and they have been working to restructure their operations in order to remain solvent. Renegotiating the terms of the loan by delaying the first payment by one year will provide the Chamber with additional time to stabilize their financial position. The request includes a delay of the first payment until July 1, 2013 and to increase each payment by \$2,000 with the final repayment date of July 1, 2015 remaining.

**Recommendation:** That the Oversight Board approve Resolution No. 2012-0010, entitled:

**A RESOLUTION OF THE OVERSIGHT BOARD FOR THE SUCCESSOR AGENCY TO THE ROSEMEAD COMMUNITY DEVELOPMENT COMMISSION APPROVING REVISED TERMS FOR THE PROMISSORY NOTE WITH THE ROSEMEAD CHAMBER OF COMMERCE DATED SEPTEMBER 14, 2010**

**B. Housing Due Diligence Review**

Under AB 1484, the Successor Agency is required to complete a due diligence review of the former low-moderate housing fund. The legislation requires that the review be completed by October 1, 2012 and transmitted to the Department of Finance (DOF) and various other agencies no later than October 15, 2012. Unfortunately, the guidelines for the review were not made available until August, 27, 2012 which allowed for slightly more than one month to review a proposal from a certified public accountant, approved that contract by both the Oversight Board and the County, conduct the due diligence review, receive and review the report, hold a public hearing and transmit the final report to the DOF. Unfortunately, providing one month to complete all of these tasks is not realistic; however, the Successor Agency staff and the recommended accounting firm are committed towards working to meet the deadlines.

Realizing that the deadline imposed by AB 1484 may not be attainable, Rosemead along with many other successor agencies have requested an extension by the DOF. The DOF has informed Rosemead that under the AB1484, they do not have the authority to modify that due date of the report; however, they have also pointed out that there is no penalty for not filing the report by the deadline. The DOF response stated, "We just ask that you try your best to submit it as close to the deadline as possible." A copy of the email requesting a change in the date along with the response from the DOF has been attached for reference.

As previously mentioned to the Board, in order to expedite the review staff had recommended to continue using the same firm that the County had hired to conduct the due diligence review of the former redevelopment agency. The firm of Vavrinek, Trine, Day & Co., LLP does not have a previous relationship with the City and was included on a list of acceptable firms provided by the County. The firm is currently working on a proposal, but it was not available at the time the agenda was prepared. The proposal will be forwarded to the Board as soon as it is available.

**Recommendation:** That the Oversight Board authorize Successor Agency staff to enter into an agreement with Vavrinek, Trine, Day & Co., LLP to perform the Low and Moderate Income Housing Fund due diligence review.

**4. ADJOURNMENT**

The next regular Rosemead Oversight Board meeting is scheduled to take place on Monday, October 8, 2012 at 5:00 p.m.

**Minutes of the  
Oversight Board for the Successor Agency to the  
Rosemead Community Development Commission Meeting  
August 13, 2012**

The regular meeting of the Oversight Board for the Successor Agency to the Rosemead Community Development Commission was called to order by City Clerk Molleda at 5:09 p.m. in the Rosemead City Council Chamber located at 8838 East Valley Boulevard, Rosemead, California.

PLEDGE OF ALLEGIANCE: Board Member Jones

PRESENT: Board Members Allred, Alvarez, Jones, Lash, Redondo-Churchward, Wallach

ABSENT: Board Member Miller

STAFF PRESENT: City Attorney Richman, Assistant City Manager Hawkesworth, and City Clerk Molleda

**1. PUBLIC COMMENTS FROM THE AUDIENCE**

The Oversight Board will receive public comments on matters not listed on the agenda.

**2. CONSENT CALENDAR**

**A. Minutes**

July 18, 2012 – Regular Meeting

Board Member Irene Redondo-Churchward made a motion, seconded by Board Member Nicole Lash, to approve the Consent Calendar. Vote resulted in:

**Yes: Allred, Alvarez, Jones, Lash, Redondo-Churchward, Wallach**

**No: None**

**Abstain: None**

**Absent: Miller**

**3. MATTERS FROM STAFF OF THE ROSEMEAD SUCCESSOR AGENCY**

**A. Expenditure Update**

As part of completing the January through June 2013 ROPS, the Successor Agency staff has developed the first six-month expenditure report for the prior period of January to June 2012. It is important to keep in mind that the Successor Agency became effective February 1, 2012 so there are some expenditures related to the former redevelopment agency in January.

**Recommendation:** No action is required.

Assistant City Manager Matt Hawkesworth reviewed the staff report.

**Board Member Nicole Lash made a motion, seconded by Board Member Irene Redondo-Churchward, to receive and file the Expenditure Update for January through June 2012. Vote resulted in:**

**Yes: Allred, Alvarez, Jones, Lash, Redondo-Churchward, Wallach**

**No: None**

**Abstain: None**

**Absent: Miller**

**B. ROPS Submittal – January through June 2013**

On July 18, 2012 the Board approved the ROPS for the period of January through June 2013 in order to ensure the due date of September 1, 2012 is met. On August 1, 2012 the DOF released a new template for the ROPS which requires additional data and information that allows for a reconciliation of prior ROPS periods to determine exactly how much tax increment is required to meet the enforceable obligations. All of the enforceable obligations contained in the ROPS that was approved on July 18<sup>th</sup> remain the same; however, there are three additional worksheets in addition to the ROPS.

The new ROPS document now includes a summary page, a notes page and a reconciliation page. The summary page provides a total of all outstanding obligations, a summary of current obligations and a reconciliation summary of the prior period of January through June 2012. The second new worksheet is a notes page. The notes page is provided so that Successor Agency can provide detailed comments to the DOF in regards to specific items listed on the ROPS. The last new page is a reconciliation of the previous six month period of January through June 2012.

**Recommendation:** That the Oversight Board approve Resolution No. 2012-0009, entitled:

**A RESOLUTION OF THE OVERSIGHT BOARD FOR THE  
SUCCESSOR AGENCY TO THE ROSEMEAD COMMUNITY  
DEVELOPMENT COMMISSION APPROVING THE  
RECOGNIZED OBLIGATION PAYMENT SCHEDULES FOR  
THE PERIOD OF JANUARY 1, 2013 THROUGH JUNE 30, 2013**

Assistant City Manager Matt Hawkesworth reviewed the staff report.

**Vice-Chair Raul Alvarez made a motion, seconded by Board Member Irene Redondo-Churchward, to approve Resolution No. 2012-0009 Vote resulted in:**

**Yes: Allred, Alvarez, Jones, Lash, Redondo-Churchward, Wallach**  
**No: None**  
**Abstain: None**  
**Absent: Miller**

**4. ADJOURNMENT**

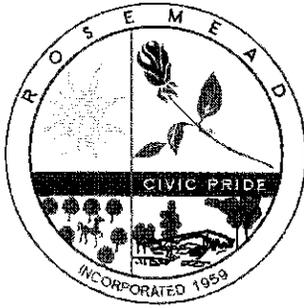
The meeting adjourned at 5:38 p.m. The next regular Oversight Board meeting is scheduled to take place on September 10, 2012 at 5:00 p.m.

\_\_\_\_\_  
Pat Wallach  
Chair

ATTEST:

\_\_\_\_\_  
Matt Hawkesworth  
Successor Agency Staff  
Assistant City Manager

DRAFT



# ROSEMEAD SUCCESSOR AGENCY STAFF REPORT

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TO: THE HONORABLE CHAIR AND BOARD MEMBERS  
FROM: MATTHEW HAWKESWORTH, ASSISTANT CITY MANAGER  
DATE: SEPTEMBER 10, 2012  
**SUBJECT: CHAMBER LOAN AGREEMENT**

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## **SUMMARY**

The former Rosemead Community Development Commission approved a loan to the Rosemead Chamber of Commerce ("Chamber") on September 14, 2010 in the amount of \$25,000. The promissory note (Attachment A) requires annual payments of \$6,000 beginning July 1, 2012 with the loan being paid in full on July 1, 2015. The terms of the loan included 0.0% interest, a 3.0% late charge assessed on payments made after July 10<sup>th</sup> of each year, and was secured by a Negative Pledge Agreement on the Chamber owned property at 3953 Muscatel Avenue.

The Successor Agency received a letter (Attachment B) dated August 16, 2012 from the Chamber requesting a renegotiation of the terms of the promissory note due to a financial hardship. Prior to the elimination of redevelopment, the Community Development Commission and the Chamber had a memorandum of understanding which provided for annual assistance in the amount of \$48,000 in return for a number of economic development related programs. The loss of the \$48,000 has created a significant funding shortfall for the Chamber and they have been working to restructure their operations in order to remain solvent. Renegotiating the terms of the loan by delaying the first payment by one year will provide the Chamber with additional time to stabilize their financial position. The request includes a delay of the first payment until July 1, 2013 and to increase each payment by \$2,000 with the final repayment date of July 1, 2015 remaining.

## **Staff Recommendation:**

That the Oversight Board approves Resolution 2012-0010 (Attachment C) approving the revised terms of the promissory note and to direct staff to submit the revised terms to the Department of Finance for consideration.

## **BACKGROUND**

Prior to the elimination of redevelopment, the Rosemead Community Development Commission had a memorandum of understanding with the Rosemead Chamber of Commerce in the amount of \$48,000 annually to provide economic development related services. When redevelopment was eliminated, the City of Rosemead had to make the difficult choice to reduce the Chamber's annual funding amount to \$10,000 in order to balance the City's General Fund Budget. The loss of \$38,000 in annual operational funding for the Chamber has created a significant financial hardship. The City Manager, Jeff Allred, is a non-voting member of the Chamber's Board of Directors and has been



involved in their effort to re-evaluate priorities and to develop a sustainable model for ongoing operations. This re-evaluation includes developing a financial plan to assist the Chamber in becoming self-sufficient without the reliance on the City to fund ongoing operations. As stated in the letter from the Chamber, they are requesting a postponement of the first payment to July 1, 2013 and a forgiveness of any late penalties incurred from the non-payment of July 1, 2012.

A review of the Government Code has also been done to determine if the ability to negotiate or re-negotiate terms of a loan are within the purview of the Oversight Board. Unfortunately, the Code doesn't specifically discuss this type of situation, but does provide guidance in two sections which do imply that the Oversight Board does have the authority to renegotiate terms of an agreement.

*Section 34180(a) The establishment of new repayment terms for outstanding loans where the terms have not been specified prior to the date of this part. An oversight board shall not have the authority to reestablish loan agreements between the successor agency and the city, county, or city and county that formed the redevelopment agency except as provided in Chapter 9 (commencing with Section 34191.1).*

*Section 38181(e) Determine whether any contracts, agreements, or other arrangements between the dissolved redevelopment agency and any private parties should be terminated or renegotiated to reduce liabilities and increase net revenues to the taxing entities, and present proposed termination or amendment agreements to the oversight board for its approval. The board may approve any amendments to or early termination of those agreements if it finds that amendments or early termination would be in the best interests of the taxing entities.*

Both of these sections discuss the Board's ability to negotiate payment terms for outstanding loans; however, neither are specific to this situation. If the Board approves the revised terms of the loan, the Resolution and revised terms would be forwarded to the Department of Finance for consideration.

### **PUBLIC NOTICE PROCESS**

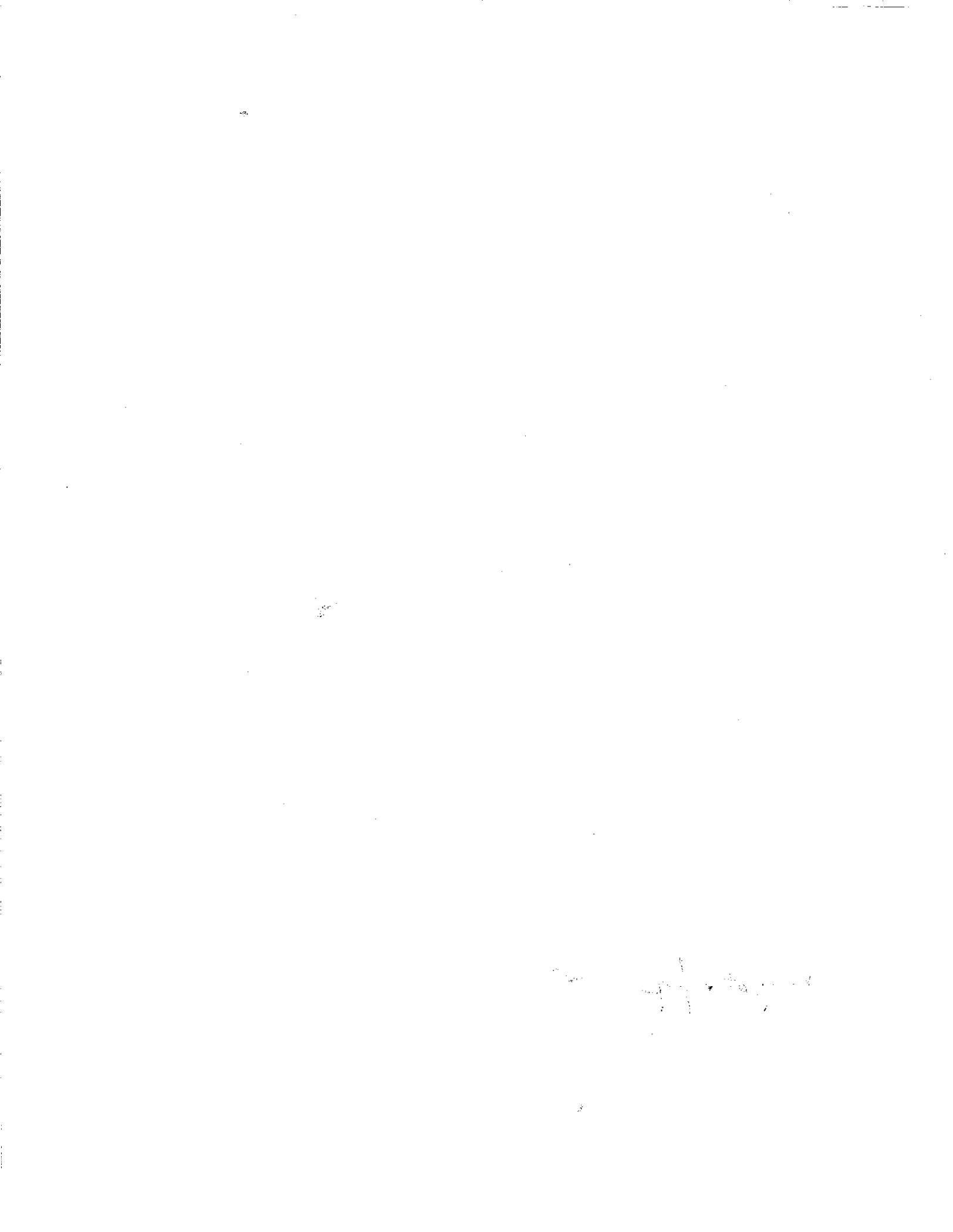
This item has been noticed through the regular agenda notification process in accordance with the Brown Act.

Prepared by:



Matthew E. Hawkesworth  
Assistant City Manager

Attachments: A – Promissory Note  
B – Chamber Letter dated August 16, 2012  
C – Resolution 2012-0010





Attachment A

**Rosemead Chamber of Commerce and Visitor Information Cen**  
3953 N. Muscatel Avenue, Rosemead, California 91770  
Tel.: 626-288-0811 ; Fax: 626-288-2514  
[www.RosemeadChamber.org](http://www.RosemeadChamber.org)

**Board of Directors**

**Officer Directors**

**(Executive Committee)**

James Wang, President  
US Auto  
Erix Oliva, Past President  
Rosemead Adult School  
Steve Chiang VP  
LA Web  
Lori Craven-Doss VP  
Brown's Jewelry & Loan  
Mike Gray VP  
UFC Gym  
Joan Hunter VP  
Travel More Inc.  
Robert Oehler  
Pacific Alliance Bank  
George Win VP  
Health Alliance

**Directors:**

Thuy Bui  
Wells Fargo Bank  
Marissa Castro-Salvatati  
SCE  
Ed Chen  
Athens Services  
Karen Chen  
Adata Inc.  
Paul Chen  
Chen & Far  
Accountancy  
Robert Chiu  
PacAir  
Sharon Coley  
Doubletree By Hilton  
Chester Gee  
Progressive Travel  
Diana Herrera  
Coldwell Banker Dynasty  
Lawrence Lai  
Palm Motel  
Teddy Lu  
Singpoli Realty  
Elizabeth Martinez  
Republic Services Inc.  
Surendra Mehta  
Subway 540986  
Caron Nunez  
Lincoln Training Center  
Vincent Pao  
Bravo Travel  
Joseph Su  
Goldic International  
Alan Thian  
Royal Business Bank  
Joseph Wen  
Award Auto  
Tom Wu  
Holiday Inn Express  
Ping Yang  
Yang Ping CPA

**City of Rosemead  
Chamber Liaison**

Jeff Allred  
City Manager

VIA Email  
August 16, 2012

City of Rosemead Successor Agency  
8838 East Valley Blvd.  
Rosemead, CA 91770

Attention: Mr. Matt Hawksworth  
Invoice # 2011-12-023  
Date: August 9, 2012  
Loan Principal Installment: \$6,000

Dear Sirs:

Thank you for your captioned invoice.

We recognize our obligations arising from the loan the Chamber received from the Community Development Agency of the City of Rosemead. We understand all loans of this Agency, which no longer exists, is being managed for the State of California by The City of Rosemead Successor Agency.

The Rosemead Chamber received the \$25,000 loan to stabilize the financial condition of the Chamber, permitting the Chamber to develop programs to increase Chamber revenue. These efforts were progressing when the City of Rosemead discontinued its \$48 thousand annual financial support of the Chamber. The Chamber is thankful that the City of Rosemead was able to allocate from its General Operating Budget \$10 thousand on a one-time basis for the Chamber.

The Chamber's financial condition was, nevertheless, seriously affected by the loss of the \$48 thousand in annual funding. Each dollar of reserves of the Chamber must be used to develop programs for achieving additional revenue. To have to make payment of the Chamber's first installment of the loan, as captioned, would significantly hinder the Chamber's financial stabilization efforts.

In the Board of Directors Meeting of August 15, 2012, this item was fully discussed. The undersigned was authorized to make respectfully a request that the City of Rosemead Successor Agency grant a waiver of the captioned \$6 thousand first installment and amortize this amount over the remaining three years of the loan. This would increase each of the next three annual payments by \$2,000.

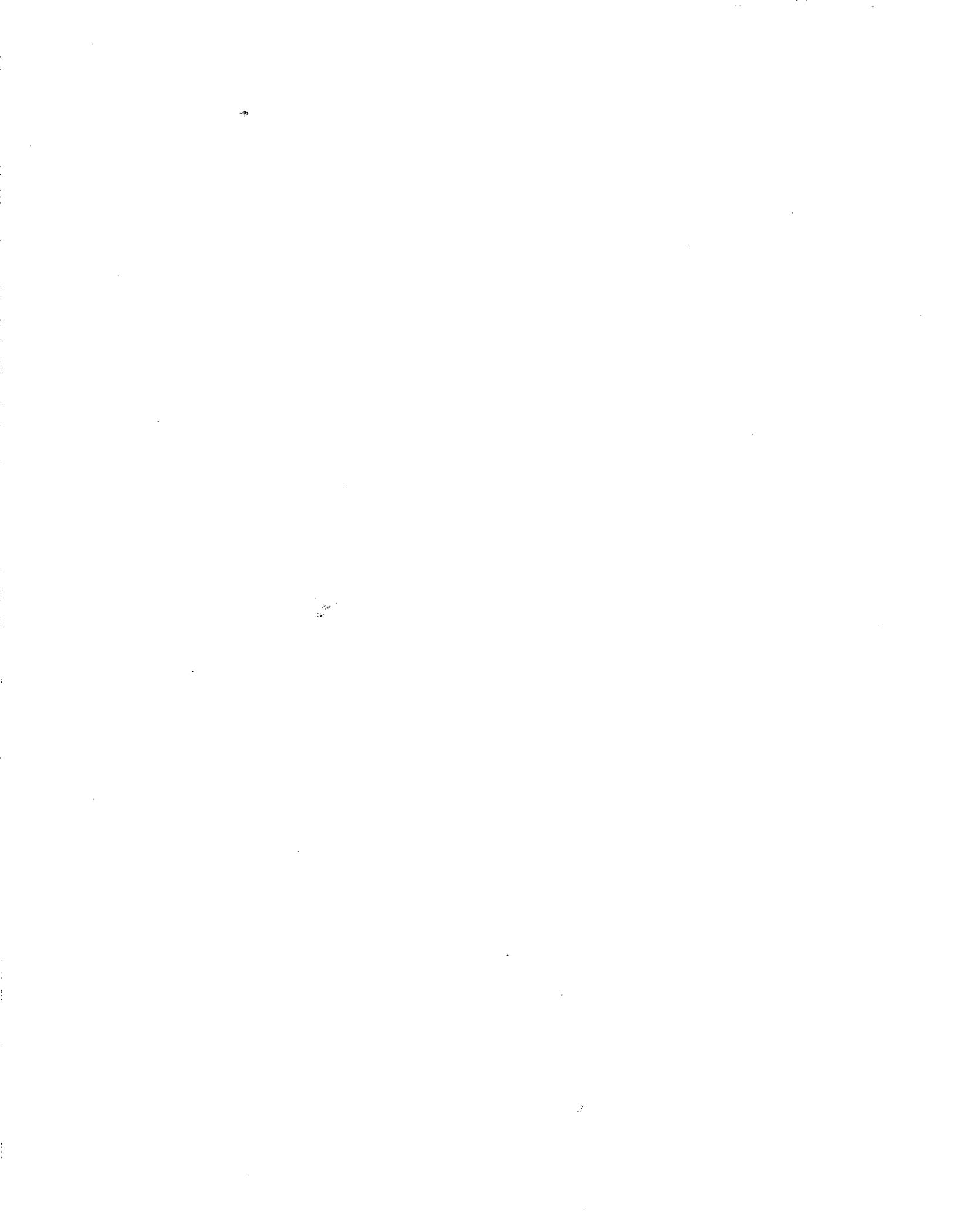
A simple amendment to the promissory note and loan document would be required.

While this is under consideration, we also respectfully request that all late payment fees be waived. Thank you very much for your consideration in this regard.

Yours truly,

Robert B. Oehler, VP, Rosemead Chamber

Cc: James Wang, President Rosemead Chamber





DEAN C. LOGAN  
Registrar-Recorder/County Clerk

COUNTY OF LOS ANGELES

Attachment B  
**REGISTRAR-RECORDER/COUNTY CLERK**

P.O. BOX 1250, NORWALK, CALIFORNIA 90651-1250 / www.lavote.net

CITY OF ROSEMEAD  
8838 E VALLEY BLVD  
ROSEMEAD CA 91770

Date: 01/19/2011

Re: (1) NEGATIVE PLEDGE AGMT

ROSEMEAD CHAMBER OF COMMERCE

\$ NO CHECK

The enclosed document is being returned unrecorded for the following reasons indicated by a **green (✓)** on the document:

- 1) The entire document or portion of the document is/are readable but is/are not sufficiently legible to be use for making the permanent photographic record. Please review the enclosed bulletin for suggested methods to correct the defect.
- 2) We have found the enclosed document(s): X (a) to be unacceptable for recording as presented, or \_\_\_\_ (b) to have no provision in the California State Law authorizing recording. This office cannot advise you on how to prepare documents for recording. However, most stationery stores carry legal forms which may fit your situation, and if properly completed, may be recorded. We suggest you consult your legal advisor.
- 3) PLEASE DELETE WRODING ATTACHMENT B AND EXHIBIT 1 FROM THE FIRST PAGE.

Please correct and complete the information as noted above and return a copy of this letter back with the documents.

DEAN C. LOGAN  
Registrar-Recorder/County Clerk

By: E. Ramirez 562-462-2125, Deputy

ka/SL

**Recording Requested By  
And When Recorded Return To:**

Rosemead Community Development  
Commission  
8838 E. Valley Boulevard  
Rosemead, California 91770  
Attn: City Clerk

Exempt Recording Per Government  
Code Sections 6103 and 27383

Space Above This Line For Recorder's Use

**EXHIBIT 1 ✓  
to Promissory Note Between Borrower and Lender  
NEGATIVE PLEDGE AGREEMENT**

This NEGATIVE PLEDGE AGREEMENT (this "Agreement") is dated as of Sept. 14 2010, and is made by the undersigned Rosemead Chamber of Commerce (the "Borrower") in favor of Rosemead Community Development Commission (the "Lender").

**RECITALS**

A. Pursuant to the Promissory Note dated as of Sept 14 2010 (as it may hereafter be amended, modified, restated or supplemented from time to time, the "Note") among the Borrower, and the Lender, Lender expects to extend a certain loan to Borrower subject to the terms of the Note.

B. The obligation of the Lender to make a certain loan to the Borrower is subject to the condition, among others, that the Borrower enters into this Agreement.

NOW THEREFORE, the Borrower, for valuable consideration, receipt of which hereby is acknowledged, jointly and severally hereby agree as follows:

1. **Capitalized Terms.** Capitalized terms not otherwise defined herein shall have the meanings given them in the Note.

2. **Negative Pledge.** In order to induce the Lender to extend a loan to the Borrower, the Borrower hereby agrees that so long as any amounts owing under the Note remain outstanding, the Borrower will not, nor will it permit, as the case may be, the granting of a lien in, or otherwise mortgage, encumber, pledge, grant a security interest, and/or enter into a negative pledge agreement with respect to, the real property of the Borrower, located at 3953 Muscatel Avenue, Rosemead, CA 91770-1748, and legally described on Exhibit "A" attached

hereto (collectively, the "Property"), or any equity or other interest in the Property, even in the ordinary course of Borrower's business. Borrower also agrees not to sell, convey, grant, lease, give, contribute, assign, or otherwise transfer any of Borrower's assets, including, without limitation, the Property.

**3. Nature of Negative Pledge, Waivers.** This is an absolute, unconditional and continuing Agreement and will remain in full force and effect until all of the terms and conditions of the Note have been fully satisfied. This Agreement will extend to and cover renewals, extensions, modifications and/or marketing of the Note and any number of extensions of time for payment thereof and will not be affected by any surrender, exchange, acceptance, or release by the Lender of any pledge or any security held by it for any of the Note.

**4. Representations and Covenants.** The Borrower represents and warrants that: (a) the Borrower is the sole owner of the Property and has not made any prior sale, pledge, encumbrance, assignment or other disposition of any of the Property and the same is free from all mortgages, deeds of trust, liens and other encumbrances; (b) the Borrower will defend, at the Borrower's expense, the Property against all claims and demands of all persons at any time claiming the same or any interest therein; (c) the Borrower has the full right, power and authority to execute, deliver and perform this Agreement and the execution, delivery and performance of this Agreement by the Borrower has been duly authorized by all necessary action on the Borrower's part; and (d) the execution, delivery and performance of this Agreement by the Borrower does not and will not violate or conflict with the terms of any law, rule, regulation, order, decree, agreement or instrument to which the Borrower is a party or by which it or the Property is bound.

**5. Default.** All or any of the following will constitute a Default under this Agreement: (a) the breach of any representation of the Borrower herein, (b) the failure of the Borrower to perform any covenants or agreements contained herein, and/or (c) the occurrence of a default under the Note.

**6. Representations and Warranties to Survive.** All representations, warranties, covenants and agreements made by the Borrower herein will survive the execution and delivery of this Agreement without limitation as to time and amount.

**7. Notices.** All notices, requests, demands and other communications required or permitted to be given under the terms of this Agreement by one party to the other shall be in writing addressed to the recipient party's Notice Address set forth below and shall be deemed to have been duly given or made (a) if delivered personally (including by commercial courier or delivery service) to the party's Notice Address, then as of the date delivered (or if delivery is

refused, on presentation), or (b) if mailed by certified mail to the party's Notice Address, postage prepaid and return receipt requested, then at the time received at the party's Notice Address as evidenced by the return receipt, or (c) if mailed by first class mail to the party's Notice address, postage prepaid, then on the third (3rd) business day following deposit in the United States Mail. Any party may change its Notice Address by a notice given in the foregoing form and manner.

The Notice Addresses of the parties are:

If to the Lender:

Rosemead Community Development Commission  
8838 E. Valley Boulevard  
Rosemead, California 91770  
Attn: Executive Director

If to the Borrower:

Rosemead Chamber of Commerce  
3953 Muscatel Avenue  
Rosemead, California 91770  
Attn: President

## **8. Miscellaneous.**

**8.1** This Agreement is binding upon and inures to the benefit of the Lender and the Borrower and their respective successor and assign, provided, however, that the Borrower may not assign this Agreement in whole or in part without the prior written consent of the Lender (which consent the Lender is under no obligation to give), and Lender at any time may assign this Agreement in whole or in part in connection with any sale, assignment or other transfer of the Note.

**8.2** This Agreement (including the documents and instruments referred to herein and therein) constitutes the entire agreement of the parties with respect to the subject matter hereof and thereof and supersedes all other prior agreements and understandings, both written and oral, between the parties with respect to the subject matter hereof and thereof. This Agreement may be amended or modified in whole or in part at any time only by an agreement in writing executed in the same manner as this Agreement after authorization to do so by the parties hereto.

**8.3** In case any one or more of the provisions contained in this Agreement should be invalid, illegal or unenforceable in any respect, the validity, legality and enforceability in any respect, the validity, legality and enforceability of the remaining provisions contained herein will not in any way be affected or impaired thereby.

**8.4** This Agreement may be executed in any number of counterparts and by different parties hereto in separate counterparts, each of which when so executed will be deemed to be an original and all of which taken together will constitute one and the same agreement. Any

party so executing this Agreement by facsimile transmission shall promptly deliver a manually executed counterpart, provided that any failure to do so shall not affect the validity of the counterpart executed by facsimile transmission.

**8.5 Acknowledgement by Loan Parties. THE BORROWER ACKNOWLEDGES THAT IT HAS BEEN REPRESENTED BY INDEPENDENT LEGAL COUNSEL OF IT CHOOSING IN THE NEGOTIATION, EXECUTION AND DELIVERY OF THIS AGREEMENT, AND THE BORROWER ACKNOWLEDGES THAT IT HAS READ AND UNDERSTANDS THIS AGREEMENT. IN PARTICULAR, THE BORROWER UNDERSTANDS THAT THIS AGREEMENT WILL BE RECORDED IN THE REAL PROPERTY RECORDS OF THE COUNTY WHERE THE PROPERTY IS LOCATED, AND THAT THIS AGREEMENT WILL MAKE BORROWER'S TITLE TO THE PROPERTY UNMARKETABLE, SO THAT NO ONE WILL LIKELY PURCHASE OR LEASE ANY PART OF THE PROPERTY OR LOAN MONEY AND ACCEPT A MORTGAGE OR SECURITY INTEREST ON ANY PART OF THE PROPERTY. NONETHELESS, BORROWER IS VOLUNTARILY EXECUTING AND DELIVERING THIS AGREEMENT AND IS AGREEING TO BE BOUND BY ITS TERMS.**

**8.6 Governing Law. This Agreement has been delivered and accepted at and will be deemed to have been made at Rosemead, California and will be interpreted and the rights and liabilities of the parties hereto determined in accordance with the laws of the State of California, without regard to conflicts of law principles.**

**8.7 Consent to Jurisdiction. THE BORROWER HEREBY IRREVOCABLY SUBMITS TO THE NON-EXCLUSIVE JURISDICTION OF ANY UNITED STATES FEDERAL OR STATE OF CALIFORNIA COURT SITTING IN THE COUNTY OF LOS ANGELES IN ANY ACTION OR PROCEEDING ARISING OUT OF OR RELATING TO ANY LOAN DOCUMENTS, AND THE BORROWER HEREBY IRREVOCABLY AGREES THAT ALL CLAIMS IN RESPECT OF SUCH ACTION OR PROCEEDING MAY BE HEARD AND DETERMINED IN ANY SUCH COURT AND IRREVOCABLY WAIVES ANY OBJECTION IT MAY NOW OR HEREINAFTER HAVE AS TO THE VENUE OF ANY SUCH SUIT, ACTION OR PROCEEDING BROUGHT IN SUCH A COURT OR THAT SUCH COURT IS AN INCONVENIENT FORUM.**

**8.8 Arbitration. As a manner to resolve disputes arising under this Agreement the parties may agree to submit a matter to non-binding arbitration. Such arbitration**

shall not in any way waive either parties' rights and remedies against the other party which may be available under the law. Costs for arbitration shall be borne equally by the parties.

**8.9 WAIVER OF JURY TRIAL. TO THE FULLEST EXTENT PERMITTED BY LAW, THE BORROWER HEREBY WAIVES TRIAL BY JURY IN ANY JUDICIAL PROCEEDING INVOLVING, DIRECTLY OR INDIRECTLY, ANY MATTER (WHETHER SOUNDING IN TORT, CONTRACT OR OTHERWISE) IN ANY WAY ARISING OUT OF, RELATED TO, OR CONNECTED WITH ANY LOAN DOCUMENT OR THE RELATIONSHIP ESTABLISHED THEREUNDER.**

The Lender and the Borrower have caused this Agreement to be duly executed by their respective duly authorized officers or representatives as of the date first set forth above.

**BORROWER:**

**ROSEMEAD CHAMBER OF COMMERCE**

By: Matthew Jung

Title: EXECUTIVE DIRECTOR

By: [Signature]

Title: VP - Leg - Affairs

**LENDER:**

**ROSEMEAD COMMUNITY DEVELOPMENT  
COMMISSION**

By: Gary Taylor

Title: Chairman

**Attest:**

[Signature]

Commission Secretary

ACKNOWLEDGMENT

State of California )  
 ) ss  
County of Los Angeles )

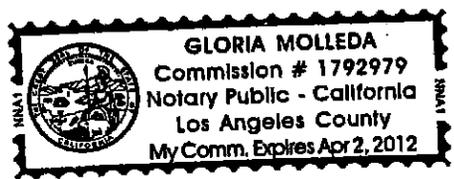
On October 11, 2010 before me, Gloria Molleda, Notary Public  
(Name of Notary)

notary public, personally appeared Min Hsien Wang who proved to me on the basis of satisfactory evidence to be the person(s) 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.

Gloria Molleda  
(Notary Signature)



State of California )  
 ) ss  
County of Los Angeles )

On October 11, 2010 before me, Gloria Molleda  
(Name of Notary)

notary public, personally appeared Evan Taylor who proved to me on the basis of satisfactory evidence to be the person(s) 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.

Gloria Molleda  
(Notary Signature)



EXHIBIT A  
LEGAL DESCRIPTION

[To Be Attached]

Legal Description of Property Situated at  
3953 Muscatel Ave., City of Rosemead, California

The North 57.65 feet of the South 211.00 feet of the East 210.39 feet of Lot 1 of Tract No. 3360, in the City of Rosemead, County of Los Angeles, State of California, as per map recorded in Book 37, Page 1 of Maps, in the Office of the County Recorder of said County.

APN 5390-010-035

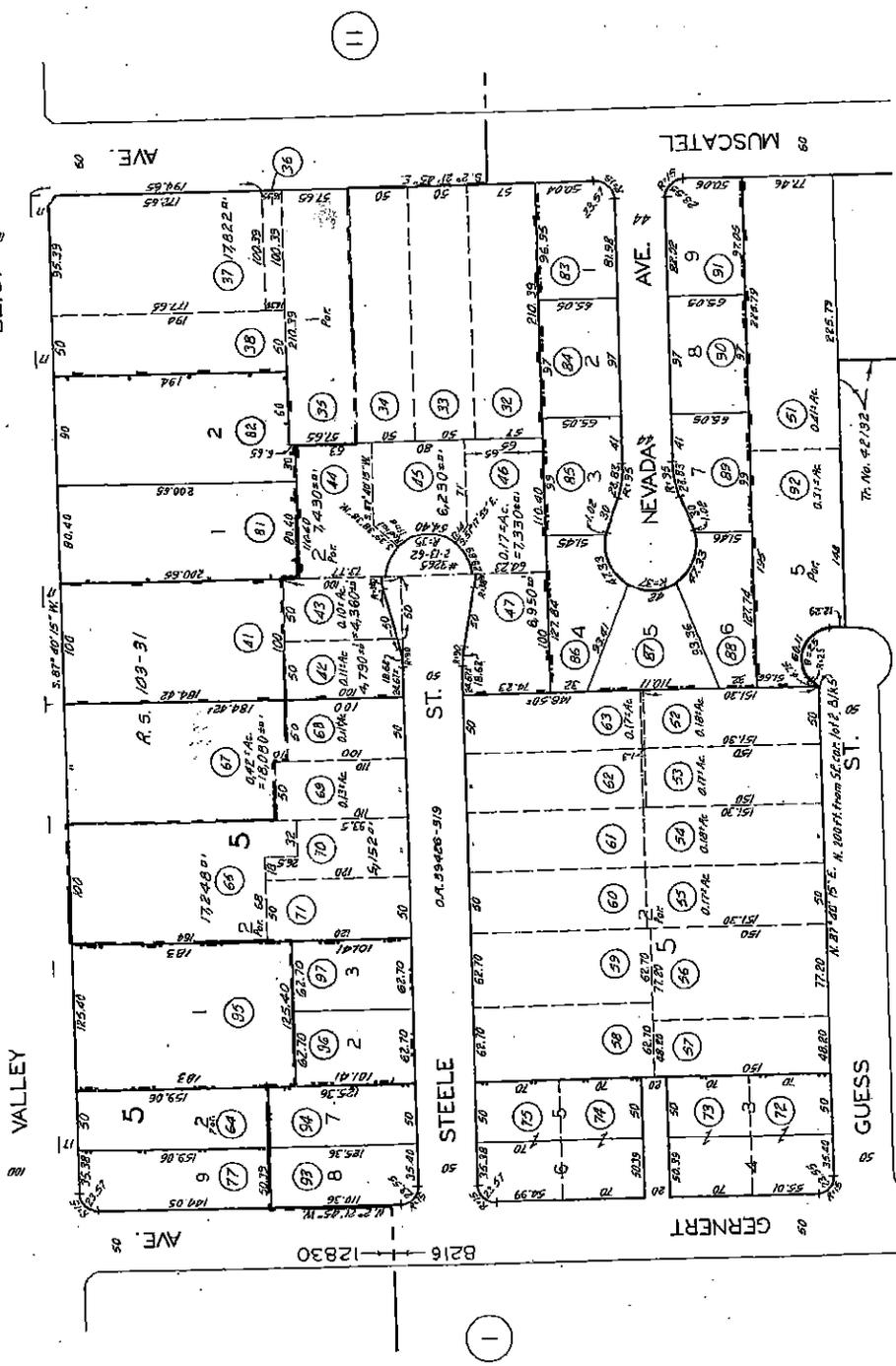
by L.J.L. 10/05/10



74219  
 75031080-4  
 75012910A-  
 780271  
 77037101  
 770293202  
 850624310-84  
 840223-84-84  
 010110

5390 10  
 SCALE 1" = 100'

2001



BK  
 5391

CODE  
 8216  
 12630

ROSEMEAD M.B. 21-114-115  
 TRACT NO. 3380 - M.B. 37-1  
 TRACT NO. 10195 M.B. 28-82-84  
 PARCEL MAP P.M. 75-74

TRACT NO. 33036 - M.B. 880-36-37  
 PARCEL MAP P.M. 163-65

NO. 903 FOR PREV. ASSMT SEE.  
 5390-11, 13 & 14

ASSESSOR'S MAP  
 COUNTY OF LOS ANGELES, CALIF.

April 3 1919

374

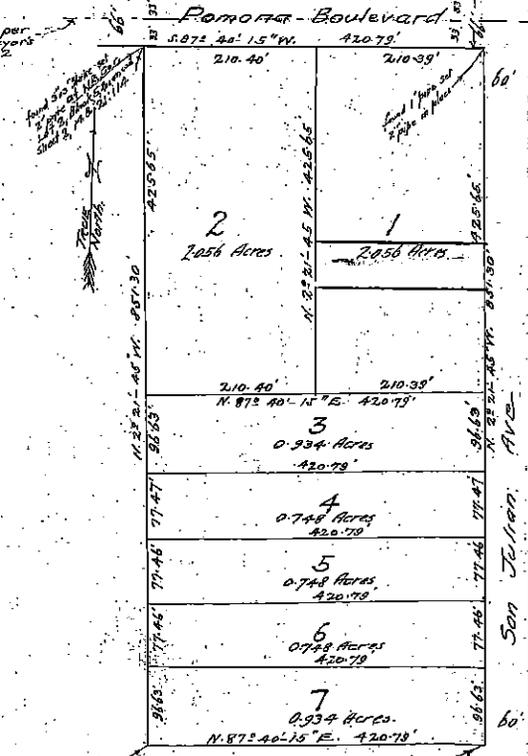
V. J. Rowan, Surveyor, certifies that this map was prepared and is a true and correct copy of the original map on file in his office in February 1919.

TRACT No. 3360  
in the County of Los Angeles, California --  
being a subdivision of Lot 3 Block 5 Rosemead Sheet 2 as  
per map recorded in Book 21 page 114 of Maps Records of said County.  
Scale 100 feet to one inch. Surveyed in February 1919.

Note: Bearings based upon bearing of Los Angeles and San Bernardino Road, as shown of Map of Rosemead Sheet 2, Book 21 of Maps. (Now Pomona Boulevard)

Center line of said County Surveyor's Map No. 7252

2 1/2 Meters before  
noon for sale on  
duly commissioned on year  
V. J. Rowan, S. R. P. C. A.  
M. J. S. 15  
M. J. S. 15  
Geo. McSmith



we are  
bldg  
s. 11 E

we are  
s. 11 E

Geo. McSmith

Geo. McSmith

Geo. McSmith

Owner  
APR 3 1919  
56 39 1 P.M.  
M.P.S.

Geo. McSmith  
540

Tract No. 3360  
In set of 23...

April 3 1919

37-1

V. J. Rosemead hereby certifies that the attached map containing an e. sheet in February 1919  
the monument's whereabouts  
V. J. Rosemead

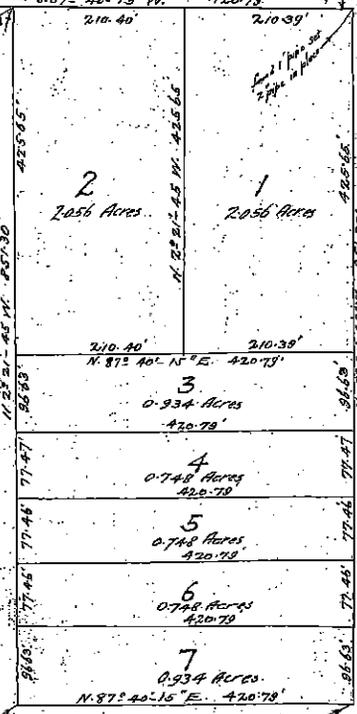
TRACT No. 3360  
in the County of Los Angeles, California -  
being a subdivision of Lot 3 Block 5 Rosemead Sheet 2 as  
per map recorded in Book 21 page 114 of Maps Records of said County.  
Scale 100 feet to one inch  
Surveyed in February 1919.

Note, Bearings based upon bearing of Los Angeles and San Bernardino Road, as shown of Map of Rosemead Sheet 2, but to have us of Map. (now Pomona Boulevard)

February 1919  
before me  
man for said e. sheet  
duly commissioned on said  
V. J. Rosemead  
A. J. Smith

Center line as per  
County Surveyors  
Map No. 7252

Pomona Boulevard



Found 3/10 1/2 miles SE of Rosemead, sheet 2, B. 21, 114

Found 7/6 1/2 miles SE of Rosemead, sheet 2, B. 21, 114

A. J. Smith  
A. J. Smith and R. Smith  
A. J. Smith

OWNER  
APR 3 1919  
J. B. 37  
M. P. 3

W. J. Smith  
1919

Tract No. 3360  
Jan 27 0.934

RECORDED

JAN 5 1928

34 2 PM  
128  
82  
map



SHEET N° 1

# TRACT N° 10195

*G. Antonman* IN THE COUNTY OF LOS ANGELES  
502 Cashier

We hereby certify that we are the owners of, or are interested in, the land included in the the subdivision shown on the annexed map, and that we are the only persons whose consent is necessary to pass a clear title to said land, and we consent to the making of said map and subdivision as shown within the colored border line, and we hereby dedicate to the public use the streets, avenue, boulevard, and alleys as shown on said map within said subdivision.

Rosemead Rancho - Owner

By *John W. Calland* Pres.  
By *John W. Calland* Asst. Sec.

California Trust Co. - Owner

By *Frederick R. Schmidt* Pres. and Trust Officer  
By *Frederick R. Schmidt* Asst. Sec.

Huntington Land and Improvement Co. - <sup>Holders of</sup> Easement

By *Frederick R. Schmidt* Pres.  
By *Frederick R. Schmidt* Asst. Sec.

~~Title Guarantee & Trust Co. - Trustee~~

~~By *Frederick R. Schmidt* Pres.  
By *Frederick R. Schmidt* Sec.~~

Citizens Trust & Savings Bank - Trustee

By *R. D. ...* Pres.  
By *R. D. ...* Sec.

I, W. C. Mason, hereby certify that I am civil engineer and that this map consisting of 3 sheets represents a survey made under my supervision in November, 1927, and that all of the monuments shown thereon actually exist, and their positions are correctly shown.  
*W. C. Mason*

State of California } ss.  
County of Los Angeles }

On this 4 day of Dec. in the year 1927, before me *Notary Public* in and for the said County and State, duly commissioned and sworn, personally appeared W. C. Mason known to me to be the person whose name is subscribed to the within instrument and acknowledged to me that he executed the same.

IN WITNESS WHEREOF, I have hereunto set my hand and affixed my official seal the day and year in this certificate first above written.

*W. C. Mason* Notary Public in and for Los Angeles Co.

State of California } ss.  
County of Los Angeles }

On this 23 day of Dec. in the year 1927, before me *Bessie Wiley* a notary public in and for said County and State, duly commissioned and sworn, personally appeared *Frederick R. Schmidt* known to me to be the *Vice President*, and *F. R. Schmidt* known to me to be the *Secretary* of the California Trust Co., the corporation that executed the within instrument, known to me to be the persons whose names are subscribed thereto and acknowledged to me that such corporation executed the same.

In Witness Whereof, I have hereunto set my hand and affixed my official seal the day and year in this certificate first above written.

*Bessie Wiley* Notary Public in and for Los Angeles Co.

State of California } ss.  
County of Los Angeles }

On this 20 day of Dec. in the year 1927, before me *W. F. Koehl*, a notary public in and for said County and State, residing therein, duly commissioned and sworn, personally appeared *A. G. Walker* known to me to be the pres. and *E. L. Callahan* known to me to be the *Secy* of the Huntington Land & Improvement Co., the corporation that executed the within instrument, known to me to be the persons whose names are subscribed thereto and acknowledged to me that such corporation executed the same.

In Witness Whereof, I have hereunto set my hand and affixed my official seal the day and year in this certificate first above written.

*W. F. Koehl* Notary Public in and for Los Angeles Co.

120+00

# TRACT No 10195

IN THE COUNTY OF LOS ANGELES

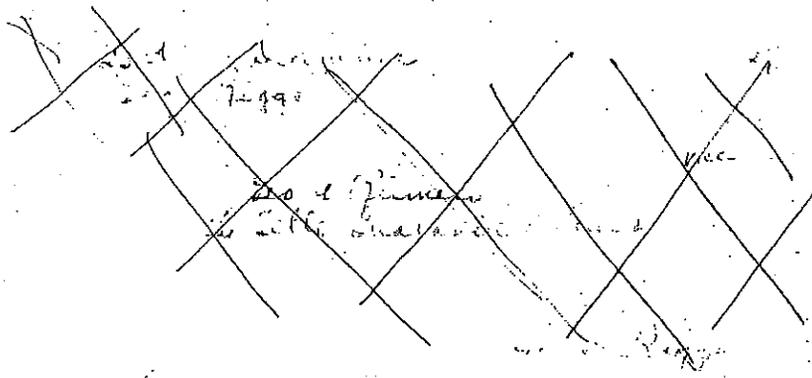
State of California } ss.  
County of Los Angeles }

On this 23<sup>rd</sup> day of Dec. in the year 1927, before me, Bessie Willey, a notary public in and for said County and State, residing therein, duly commissioned and sworn, personally appeared Earle Bennett known to me to be the president, and John W. Callard known to me to be the secy of Rosemead Ranch of the corporation that executed the within instrument, known to me to be the persons whose names are subscribed thereto and acknowledged to me that such Corporation

executed the same.

In witness whereof, I have hereunto set my hand and affixed my official seal, the day and year in this certificate first above written.

Bessie Willey  
Notary Public in and for Los Angeles County California



RECORDED  
JAN 5 1928  
34 2 PM  
128  
83  
Moff

Robertson  
Cashier

Tract No 10195  
Tract No 10195

Beatey

Jan. 3, 1928

J. O'Bannon

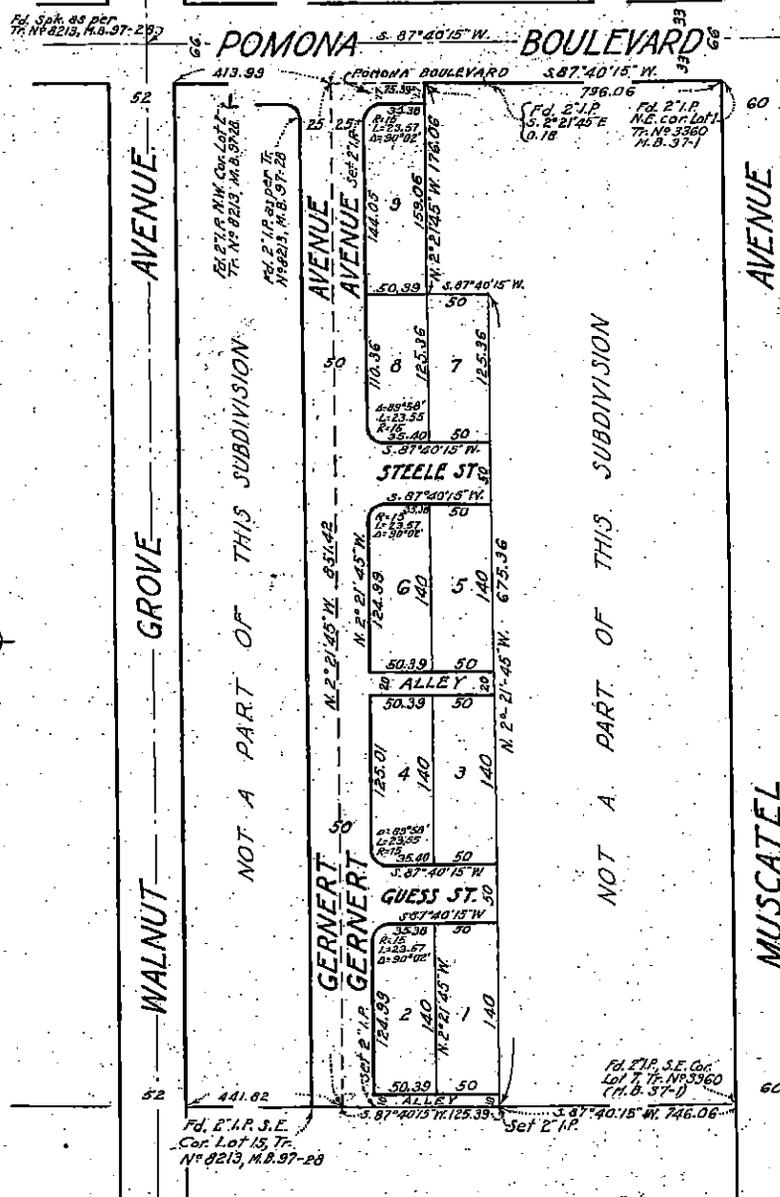
# TRACT N<sup>o</sup> 10195

IN THE COUNTY OF LOS ANGELES

BEING A SUBDIVISION OF A PORTION OF LOT 2, BLOCK 5, ROSEMEAD SHEET-2, RECORDED IN BOOK 21, PAGES 114 & 115 OF MAPS, RECORDS OF LOS ANGELES COUNTY

NOVEMBER 1927 SCALE: 1"=100'

W. C. Mason--C.E.



RECORDED  
JAN 5 1928  
34 2 PM  
128  
84  
*[Signature]*

Fd. 2<sup>d</sup> I.P. S.E. Cor. Lot 15, Tr. No. 8213, M.B. 97-28  
Set 2<sup>d</sup> I.P.  
S. 87° 40' 15" W. 125.39' Set 2<sup>d</sup> I.P.  
S. 87° 40' 15" W. 746.06'

Fd. 2<sup>d</sup> I.P. per c.s. 6597  
Note: The bearing of the easterly line of Burton Ave., as shown on map of Tract N<sup>o</sup> 8213, recorded in Book 37, pages 28 to 30 of Maps, was used as the basis for bearings shown on this map.

# TRACT NO 33036

77-779714

IN THE CITY OF ROSEMEAD, COUNTY OF LOS ANGELES, STATE OF CALIFORNIA

BEING A SUBDIVISION OF LOTS 3 & 4, TRACT NO. 3360 AS SHOWN ON MAP FILED IN BOOK 37 PAGE 1 OF MAPS IN THE OFFICE OF THE RECORDER OF THE COUNTY OF LOS ANGELES

FILED AT REQUEST OF OWNER  
July 19, 1977  
2:11 PM  
IN BOOK 880  
AT PAGE 36  
OF MAP, RECORDS AND AMPLIES COUNTY, CALIF.  
Register: Recorder  
John Karsin  
8700

OR WILL BE IN PLACE WITHIN TWENTY-FOUR MONTHS FROM THE FILING OF THIS MAP AND THAT THE NOTES TO ALL CENTERLINE MONUMENTS SHOWN AS "SET" WILL BE DELETED TO THE OFFICE OF THE COUNTY ENGINEER WITHIN TWENTY-FOUR MONTHS FROM THE FILING OF THIS MAP AND THAT THE NOTES TO ALL CENTERLINE MONUMENTS SHOWN AS "SET" ARE ON FILE IN COUNTY ENGINEER FIELD BOOK NO. 4075 PAGE 93.

WE HEREBY CERTIFY THAT WE ARE THE OWNERS OF OR ARE INTERESTED IN THE LANDS INCLUDED WITHIN THE SUBDIVISION SHOWN ON THIS MAP WITHIN THE DISTINCTIVE BORDER LINES, AND WE CONSENT TO THE PREPARATION AND FILING OF SAID MAP AND SUBDIVISION. WE HEREBY DEDICATE TO THE PUBLIC USE ALL STREETS, HIGHWAYS, AND OTHER PUBLIC WAYS SHOWN ON SAID MAP, AND ALSO DEPOSITE TO THE CITY OF ROSEMEAD THE EASEMENTS FOR UTILITY AND PLANTING PURPOSES SO DESIGNATED ON SAID MAP AND ALL EASEMENTS THEREIN INCLUDING THE RIGHT TO MAKE CONNECTIONS THEREFROM FROM ANY ADJOINING PROPERTIES. WE FURTHER CERTIFY THAT, EXCEPT AS SHOWN ON A COPY OF THIS MAP ON FILE IN THE OFFICE OF THE SUPERINTENDENT OF STREETS, WE KNOW OF NO EASEMENT OR STRUCTURE EXISTING WITHIN THE EASEMENTS HEREIN OFFERED FOR DEDICATION TO THE PUBLIC, OTHER THAN PUBLICLY OWNED WATER LINES, SEWERS, OR STORM DRAINS, THAT WE WILL GRANT NO RIGHT OR INTEREST WITHIN THE BOUNDARIES OF SAID EASEMENTS OFFERED TO THE PUBLIC, EXCEPT WHERE SUCH RIGHT OR INTEREST IS EXPRESSLY MADE SUBJECT TO THE SAID EASEMENTS.

STA-JO INCORPORATED, A CALIFORNIA CORPORATION

Paul Friedman PRESIDENT  
Leslie Friedman SECRETARY-TREASURER

William J. Mize  
L.S. NO. 3222

THE BEARING N. 2° 21' 15" W. OF THE CENTERLINE OF MUSCATEL AVENUE AS SHOWN ON COUNTY SURVEYOR'S MAP C.S. 8-2496 WAS USED AS THE BASIS OF BEARINGS ON THIS MAP.

ALL 2" I.P.'S ARE SET FLUSH.

IMPERIAL CORPORATION OF AMERICA, A CORPORATION TRUSTEE UNDER DEED OF TRUST, RECORDED UNDER THE DEED RECORDS OF LOS ANGELES COUNTY.  
William J. Mize  
DEEDS & RECORDS VICE PRESIDENT

THE SIGNATURE OF HUNTINGTON LAND AND IMPROVEMENT COMPANY, A CORPORATION, IN WITNESS WHEREOF, THE SIGNATURE OF THE PRESIDENT OF THE BOARD OF DIRECTORS OF SAID COMPANY, AS DISCLOSED IN BOOK 538A, PAGE 836 OF DEEDS, RECORDS OF LOS ANGELES COUNTY, AND THE SIGNATURE OF SOUTHERN CALIFORNIA Edison COMPANY, MEMBER OF AN EASEMENT, TO CONSTRUCT USE, MAINTAIN AND/OR ADD TO NEARBY NEGLIGENTLY LOCATED POWER LINES AND POLES AS LOCATED IN BOOK 538A, PAGE 836 OF DEEDS, RECORDS OF LOS ANGELES COUNTY, HAVE BEEN OMITTED UNDER THE PROVISIONS OF SECTION 66436, SUBSECTION (b) (3) OF THE SUBDIVISION MAP ACT, INASMUCH AS SUCH OWNERSHIP DOES NOT INCLUDE A RIGHT OF ENTRY ON THE SURFACE OF THE LAND.

STATE OF CALIFORNIA )  
COUNTY OF LOS ANGELES )  
ON THIS 14<sup>TH</sup> DAY OF APRIL, 1977 BEFORE ME SANDRA L. VALENTINE, A NOTARY PUBLIC IN AND FOR SAID STATE, PERSONALLY APPEARED PAUL FRIEDMAN KNOWN TO ME TO BE THE PRESIDENT AND LESLIE FRIEDMAN KNOWN TO ME TO BE THE SECRETARY-TREASURER OF STA-JO INCORPORATED, THE CORPORATION THAT EXECUTED THE WITHIN INSTRUMENT AND KNOWN TO ME TO BE THE PERSONS WHO EXECUTED THE WITHIN INSTRUMENT ON BEHALF OF THE CORPORATION HEREIN NAMED AND ACKNOWLEDGED TO ME THAT SUCH CORPORATION EXECUTED THE SAME.

OFFICIAL SEAL  
SANDRA L. VALENTINE  
NOTARY PUBLIC-CALIFORNIA  
PRINCIPAL OFFICE IN LOS ANGELES COUNTY  
My Commission Expires Feb. 8, 1980

Sandra L. Valentine  
NOTARY PUBLIC

THE SIGNATURE OF HUNBLE OIL AND REFINING COMPANY, OWNER OF SUBSURFACE OIL LEASE, PER LICENSE NO. 10000 IN BOOK M-309 PAGE 596 OF OFFICIAL RECORDS OF LOS ANGELES COUNTY, HAS BEEN OMITTED UNDER THE PROVISIONS OF SECTION 66436, SUBSECTION (b) (3) (1) OF THE SUBDIVISION MAP ACT, INASMUCH AS SUCH OWNERSHIP DOES NOT INCLUDE A RIGHT OF ENTRY ON THE SURFACE OF THE LAND.

SOIL REPORTS CONCERNING THE LAND INCLUDED WITHIN THE BOUNDARY OF THIS SUBDIVISION WERE PREPARED BY FOUNDATION ENGINEERING COMPANY ON JAN 24 1977 SIGNED BY T. J. HAUSER R.C.E. 18582

STATE OF CALIFORNIA ) S.S.  
COUNTY OF LOS ANGELES )  
ON THIS 11<sup>TH</sup> DAY OF MAY, 1977 BEFORE ME Mary L. Jones, A NOTARY PUBLIC IN AND FOR SAID STATE, PERSONALLY APPEARED DOUGLAS T. LEWIS KNOWN TO ME TO BE THE VICE PRESIDENT OF IMPERIAL CORPORATION OF AMERICA, THE CORPORATION THAT EXECUTED THE WITHIN INSTRUMENT AND KNOWN TO ME TO BE THE PERSON WHO EXECUTED THE WITHIN INSTRUMENT ON BEHALF OF THE CORPORATION HEREIN NAMED AND ACKNOWLEDGED TO ME THAT SUCH CORPORATION EXECUTED THE SAME AS TRUSTEE.

OFFICIAL SEAL  
MARY L. JONES  
NOTARY PUBLIC-CALIFORNIA  
PRINCIPAL OFFICE IN ORANGE COUNTY  
My Commission Expires June 23, 1978

Mary L. Jones  
NOTARY PUBLIC

I HEREBY CERTIFY THAT ALL DEEDS, RECORDS, MAPS, AND DEPOSITS HAVE BEEN MADE AND ARE REQUIRED UNDER THE PROVISIONS OF SECTIONS 66492 AND 66493 OF THE SUBDIVISION MAP ACT.

JAMES S. MIZE, EXECUTIVE OFFICER, CLERK OF THE BOARD OF SUPERVISORS OF THE COUNTY OF LOS ANGELES, STATE OF CALIFORNIA.  
By James S. Mize CLERK

I HEREBY CERTIFY THAT A GOOD AND SUFFICIENT BOND IN THE SUM OF \$ 3250.00 HAS BEEN APPROVED BY THE BOARD OF SUPERVISORS OF THE COUNTY OF LOS ANGELES, HAS BEEN DEPOSITED WITH SAID BOARD AS SECURITY FOR THE PAYMENT OF TAXES AND SPECIAL ASSESSMENTS AND COLLECTED TAXES ON LAND SHOWN ON THIS MAP.

NO. 33036 AS REQUIRED BY SECTION 66436 OF THE SUBDIVISION MAP ACT.  
JAMES S. MIZE, EXECUTIVE OFFICER, CLERK OF THE BOARD OF SUPERVISORS OF THE COUNTY OF LOS ANGELES, STATE OF CALIFORNIA.  
By James S. Mize CLERK

I HEREBY CERTIFY THAT I HAVE EXAMINED THIS MAP AND THAT IT CONFORMS SUBSTANTIALLY TO THE TENTATIVE MAP AND ALL APPROVED ALTERATIONS THEREON THAT ARE APPLICABLE AT THE TIME OF APPROVAL OF THE TENTATIVE MAP. AND THAT I AM SATISFIED THAT THIS MAP IS TECHNICALLY CORRECT IN ALL RESPECTS TO CITY RECORDS.  
DATE: 6-22-77  
George J. Francis  
ASSISTANT CHIEF CLERK

I HEREBY CERTIFY THAT I HAVE EXAMINED THIS MAP AND THAT IT CONFORMS WITH ALL REQUIREMENTS OF THE LAW APPLICABLE AT THE TIME OF APPROVAL OF THE TENTATIVE MAP AND THAT I AM SATISFIED THAT THIS MAP IS TECHNICALLY CORRECT IN ALL RESPECTS TO CITY RECORDS.  
DATED: JUL 19 1977  
John Karsin

IN TRACT NO. 33036 IT IS ORDERED THAT THE MAP OF TRACT NO. 33036 IS HEREBY APPROVED.

THAT ALL STREETS, HIGHWAYS AND OTHER PUBLIC WAYS AND EASEMENTS SHOWN ON SAID MAP AND OFFERED FOR DEDICATION BE AND THE SAME ARE HEREBY ACCEPTED ON BEHALF OF THE PUBLIC.  
July 13, 1977 Ellen Povich  
DATE CITY CLERK



880137

SCALE: 1" = 50'

# TRACT NO 33036

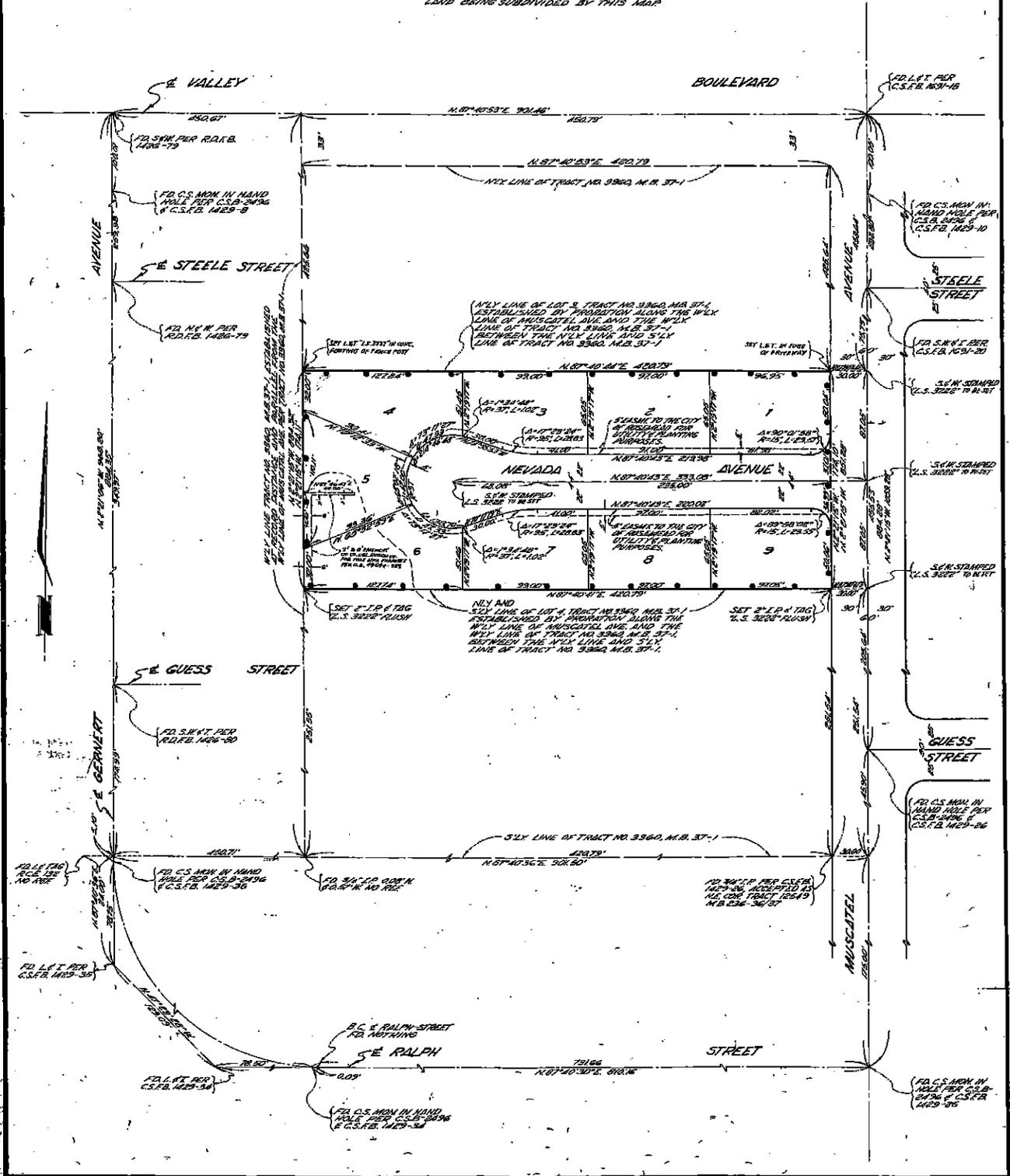
IN THE CITY OF ROSEMead, COUNTY OF LOS ANGELES, STATE OF CALIFORNIA

FILED WITH LOS ANGELES COUNTY RECORDER  
JUL 19 1977

BEING A SUBDIVISION OF LOTS 3 & 4, TRACT NO. 3360 AS SHOWN ON MAP FILED IN BOOK 37 PAGE 1 OF MAPS IN THE OFFICE OF THE RECORDER OF THE COUNTY OF LOS ANGELES

NOTE: THE BEARING N 2° 21' 15" W OF THE CENTERLINE OF MUSCATEL AVENUE AS SHOWN ON COUNTY SUPERVISOR'S MAP 87-4036 WAS USED AS THE BASIS OF BEARINGS ON THIS MAP

--- INDICATES THE BOUNDARY OF THE LAND BEING SUBDIVIDED BY THIS MAP



# TRACT NO 33036

77-773714

IN THE CITY OF ROSEMEAD, COUNTY OF LOS ANGELES, STATE OF CALIFORNIA

BEING A SUBDIVISION OF LOTS 3 & 4, TRACT NO. 3360 AS SHOWN ON MAP FILED IN BOOK 37 PAGE 1 OF MAPS IN THE OFFICE OF THE RECORDER OF THE COUNTY OF LOS ANGELES

FILED AT REQUEST OF OWNER  
July 12, 1977  
11:30 AM  
21 PAST 3 PM  
IN BOOK 880  
ON PAGE 36  
OF MAP RECORDS  
LOS ANGELES COUNTY, CALIF.

Register/Recorder  
John Garcia  
8/70

OR WILL BE IN PLACE WITHIN TWENTY-FOUR MONTHS FROM THE FILING OF THIS MAP AND THAT THE NOTES TO ALL CENTERLINE MONUMENTS SHOWN AS TO BE SET WILL BE ON FILE IN THE OFFICE OF THE COUNTY ENGINEER WITHIN TWENTY-FOUR MONTHS FROM THE FILING DATE SHOWN HEREON.

WE HEREBY CERTIFY THAT WE ARE THE OWNERS OF OR ARE INTERESTED IN THIS LANDS INCLUDED WITHIN THE SUBDIVISION SHOWN ON THIS MAP WITHIN THE DISTINCTIVE BORDER LINES, AND WE CONSENT TO THE PREPARATION AND FILING OF SAID MAP AND SUBDIVISION, WE HEREBY DEDICATE TO THE PUBLIC USE ALL STREETS, HIGHWAYS, AND OTHER PUBLIC WAYS SHOWN ON SAID MAP, AND ALSO AGREE TO THE CITY'S REQUIREMENT FOR UTILITY AND PLUMBING SERVICES TO BE LOCATED ON SAID MAP AND ALL USES PERMITTED THEREBY INCLUDING THE RIGHT TO MAKE CONNECTIONS THEREFROM TO ANY ADJOINING PROPERTIES.

William J. Mize  
L.S. No. 3222

THE BEARING N. 2° 21' 15" W. OF THE CENTERLINE OF MUSCATEL AVENUE AS SHOWN ON COUNTY SURVEYOR'S MAP C.S. B-2496 WAS USED AS THE BASIS OF BEARINGS ON THIS MAP.

ALL 2" I.P.'S ARE SET FLUSH.

STA JO INCORPORATED, A CALIFORNIA CORPORATION  
Paul Friedman, President  
Leslie Friedman, Secretary-Treasurer

IMPERIAL CORPORATION OF AMERICA, A CORPORATION TRUSTEE UNDER DEED OF TRUST RECORDED UNDER THE 1977 AS INSTRUMENT NO. 77-83324, OFFICIAL RECORDS, RECORDS OF LOS ANGELES COUNTY.  
Douglas T. Adams, Vice President

THE SIGNATURE OF MOUNTAIN LAND AND IMPROVEMENT COMPANY, HOLDER OF AN EASEMENT BLANKET IN FORCE OF THE EASEMENT OF THE RIGHT OF ENTRY FOR LAYING AND MAINTAINING WATER MAINS AS DISCLOSED IN BOOK 832A, PAGE 832 OF DEEDS, RECORDS OF LOS ANGELES COUNTY AND THE SIGNATURE OF SOUTHWEST CALIFORNIA EASON COMPANY, MEMBER OF AN EASEMENT TO CONSTRUCT, USE, MAINTAIN, ALTER AND TO REPAIR REPLACES AND/OR REMOVE POWER LINES AND PILES AS DISCLOSED IN BOOK 832A, PAGE 832 OF DEEDS, RECORDS OF LOS ANGELES COUNTY, HAVE BEEN OMITTED UNDER THE PROVISIONS OF SECTION 66416, SUBSECTION (2) OF THE SUBDIVISION MAP ACT, THEIR INTEREST IS SUCH THAT IT CANNOT BE SET INTO A FILE WITH SAID SIGNATURES ARE NOT REQUIRED BY THE LOCAL AGENCY.

STATE OF CALIFORNIA )  
COUNTY OF LOS ANGELES )  
ON THIS 14<sup>TH</sup> DAY OF APRIL, 1977 BEFORE ME, SANDRA L. VALENTINE, A NOTARY PUBLIC IN AND FOR SAID STATE, PERSONALLY APPEARED PAUL FRIEDMAN, KNOWN TO ME TO BE THE PRESIDENT AND LESLIE FRIEDMAN, KNOWN TO ME TO BE THE SECRETARY-TREASURER OF STA-JO INCORPORATED, THE CORPORATION THAT EXECUTED THE WITHIN INSTRUMENT AND KNOWN TO ME TO BE THE PERSONS WHO EXECUTED THE WITHIN INSTRUMENT ON BEHALF OF THE CORPORATION HEREIN NAMED AND ACKNOWLEDGED TO ME THAT SUCH CORPORATION EXECUTED THE SAME.

THE SIGNATURE OF HUMBLE OIL AND REFINING COMPANY, OWNER OF SUBSURFACE OIL LEASE, PER LEASE RECORDED IN BOOK M-309 PAGE 596 OF OFFICIAL RECORDS, RECORDS OF LOS ANGELES COUNTY, HAS BEEN OMITTED UNDER THE PROVISIONS OF SECTION 66416, SUBSECTION (3) (1) OF THE SUBDIVISION MAP ACT, INASMUCH AS SUCH OWNERSHIP DOES NOT INCLUDE A RIGHT OF ENTRY ON THE SURFACE OF THE LAND.

OFFICIAL SEAL  
SANDRA L. VALENTINE  
NOTARY PUBLIC CALIFORNIA  
RESIDENCE OFFICE IN  
LOS ANGELES COUNTY  
My Commission Expires Feb. 8, 1980

Sandra L. Valentine  
NOTARY PUBLIC

SOIL REPORTS CONCERNING THE LAND INCLUDED WITHIN THE BOUNDARY OF THIS SUBDIVISION WERE PREPARED BY FOUNDATION ENGINEERING COMPANY ON JAN 24 1977 1977 SIGNED BY T. J. HAUSER R.C.E. 18582

STATE OF CALIFORNIA ) S.S.  
COUNTY OF LOS ANGELES )  
ON THIS 11<sup>TH</sup> DAY OF May, 1977 BEFORE ME, Mary L. Jones, a Notary Public in and for said state, personally appeared Douglas T. Adams, known to me to be the Vice President of IMPERIAL CORPORATION OF AMERICA, THE CORPORATION THAT EXECUTED THE WITHIN INSTRUMENT AND KNOWN TO ME TO BE THE PERSON WHO EXECUTED THE WITHIN INSTRUMENT ON BEHALF OF THE CORPORATION HEREIN NAMED AND ACKNOWLEDGED TO ME THAT SUCH CORPORATION EXECUTED THE SAME AS TRUSTEE

I HEREBY CERTIFY THAT I HAVE EXAMINED THIS MAP AND THAT IT CONFORMS SUBSTANTIALLY TO THE TENTATIVE MAP AND ALL APPROVED ALTERATIONS THEREON THAT ALL PROVISIONS OF SUBDIVISION ORDINANCES OF THE CITY OF LOS ANGELES ARE APPLICABLE AT THE TIME OF APPROVAL OF THE TENTATIVE MAP HAVE BEEN COMPLIED WITH AND THAT I AM SATISFIED THAT THIS MAP IS TECHNICALLY CORRECT WITH RESPECT TO CITY RECORDS.

OFFICIAL SEAL  
MARY L. JONES  
NOTARY PUBLIC - CALIFORNIA  
RESIDENCE OFFICE IN  
LOS ANGELES COUNTY  
My Commission Expires June 23, 1978

Mary L. Jones  
NOTARY PUBLIC

I HEREBY CERTIFY THAT ALL DEEDS UNDER WHICH BEEN FILED AND DEPOSITS HAVE BEEN MADE SAME ARE REQUIRED UNDER THE PROVISIONS OF SECTIONS 66492 AND 66493 OF THE SUBDIVISION MAP ACT.

JAMES S. MIZE, EXECUTIVE OFFICER, CLERK OF THE BOARD OF SUPERVISORS OF THE COUNTY OF LOS ANGELES, STATE OF CALIFORNIA  
BY: [Signature] DEPUTY



IN TRACT NO. 33031 IT IS ORDERED THAT THE MAP OF TRACT NO. 33036 IS HEREBY APPROVED.

THAT ALL STREETS, HIGHWAYS AND OTHER PUBLIC WAYS AND EASEMENTS SHOWN ON SAID MAP AND OFFERED FOR DEDICATION BE AND THE SAME ARE HEREBY ACCEPTED ON BEHALF OF THE PUBLIC.

July 13, 1977 Ellen Pochigian  
DATE CITY CLERK

I HEREBY CERTIFY THAT A GOOD AND SUFFICIENT BOND IN THE SUM OF \$ 3250.00 ONLY APPROVED BY THE BOARD OF SUPERVISORS OF THE COUNTY OF LOS ANGELES, HAS BEEN FILED WITH SAID BOARD AS SECURITY FOR THE PAYMENT OF TAXES AND SPECIAL ASSESSMENTS COLLECTED AS TAXES ON LAND SHOWN ON THIS MAP.

NO. 33036 AS REQUIRED BY SECTION 66492 AND 66493 OF THE SUBDIVISION MAP ACT.  
JAMES S. MIZE, EXECUTIVE OFFICER, CLERK OF THE BOARD OF SUPERVISORS OF THE COUNTY OF LOS ANGELES, STATE OF CALIFORNIA  
BY: [Signature] DEPUTY



I HEREBY CERTIFY THAT I HAVE EXAMINED THIS MAP AND THAT IT COMPLES WITH ALL PROVISIONS OF THE LAW APPLICABLE AT THE TIME OF APPROVAL OF THE TENTATIVE MAP AND THAT I AM SATISFIED THAT THIS MAP IS TECHNICALLY CORRECT IN ALL RESPECTS AND CERTIFIED TO BY THE CITY ENGINEER.  
DATED: JUL 19 1977



## **RESOLUTION: 2012-0010**

### **A RESOLUTION OF THE OVERSIGHT BOARD FOR THE SUCCESSOR AGENCY TO THE ROSEMEAD COMMUNITY DEVELOPMENT COMMISSION APPROVING REVISED TERMS FOR THE PROMISSORY NOTE WITH THE ROSEMEAD CHAMBER OF COMMERCE DATED SEPTEMBER 14, 2010**

WHEREAS, The former Rosemead Community Development Commission approved a Promissory Note with the Rosemead Chamber of Commerce on September 14, 2010; and

WHEREAS, on October 6, 2010 the former Rosemead Community Development Commission funded the Promissory Note in the amount of twenty-five thousand dollars (\$25,000); and

WHEREAS, according to the terms of the Promissory Note, the first payment in the amount of six thousand dollars (\$6,000) was due on July 1, 2012; and

WHEREAS, on August 16, 2012 the Rosemead Chamber of Commerce sent a letter to the Rosemead Successor Agency requesting a renegotiations of the terms of the Promissory Note; and

WHEREAS, the proposed revised terms would not forgive any of the principal due and the Promissory Note would be paid in full by the original maturity date of July 1, 2015.

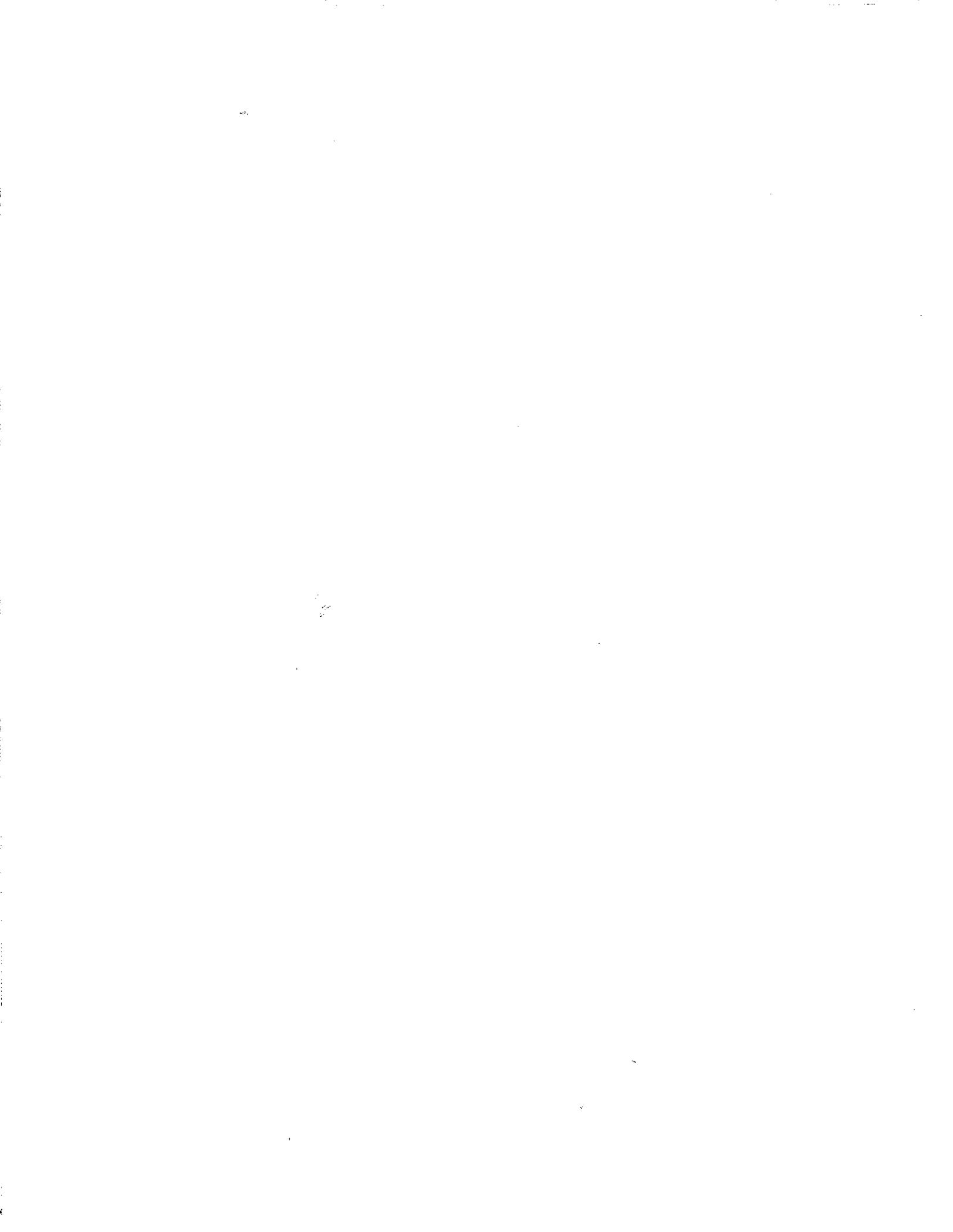
### **NOW THEREFORE, THE OVERSIGHT BOARD FOR THE SUCCESSOR AGENCY TO ROSEMEAD COMMUNITY DEVELOPMENT COMMISSION HEREBY RESOLVES:**

1. The Promissory Note is amended to reflect a payment term beginning July 1, 2013 in the amount of eight thousand dollars (\$8,000), a second payment due on July 1, 2014 in the amount of eight thousand dollars (\$8,000) and a final payment due on July 1, 2015 in the amount of nine thousand dollars (\$9,000).
2. That any late fees owed from the delay in payment from July 1, 2012 until the date of the renegotiated terms be waived.
3. That the Successor Agency staff transmits the Oversight Board's approval to the Department of Finance for consideration and approval.

**PASSED, APPROVED AND ADOPTED** this 10th day of September 2012.

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Chairperson



ATTEST:

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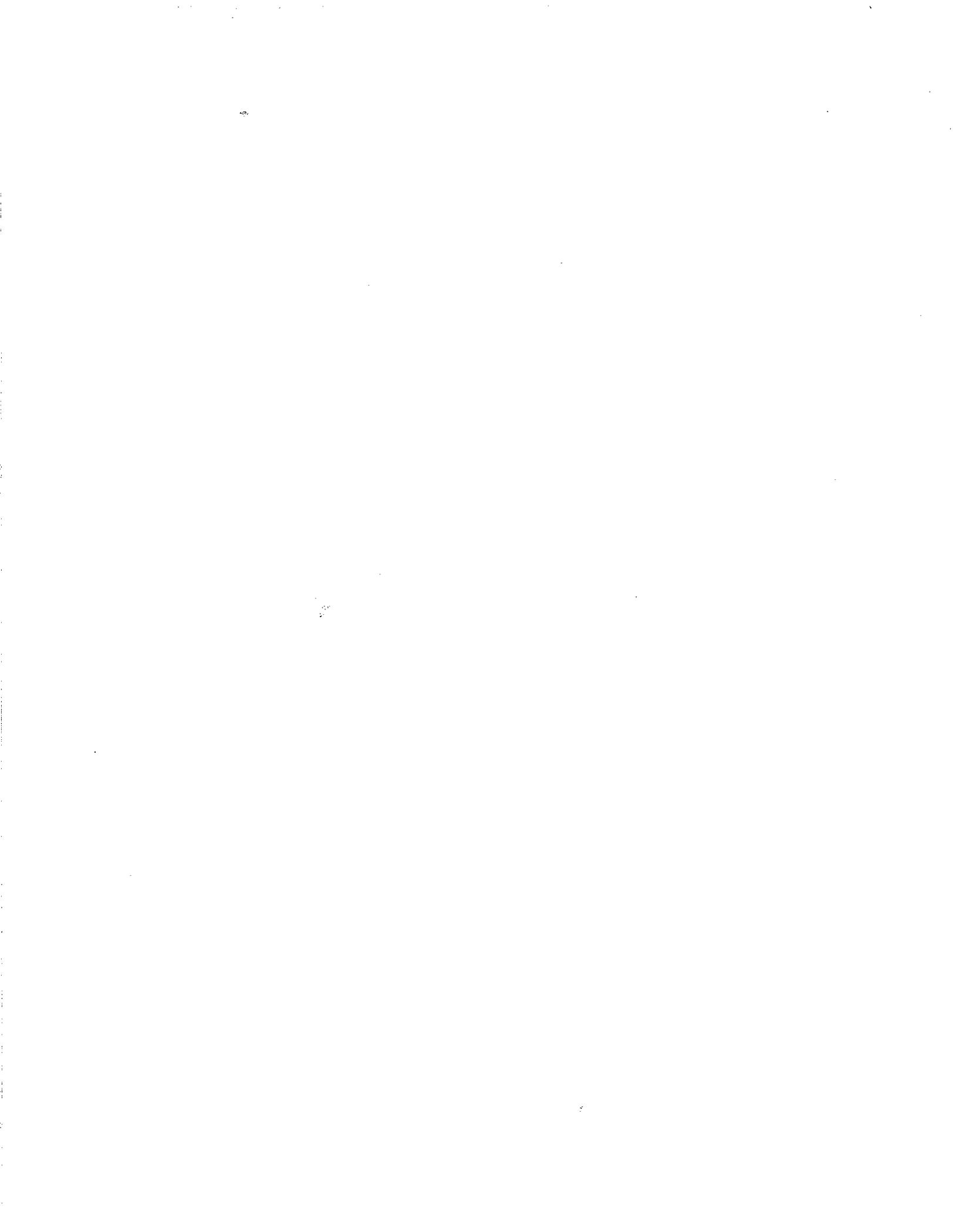
Matthew E. Hawkesworth  
Successor Agency Staff  
Assistant City Manager

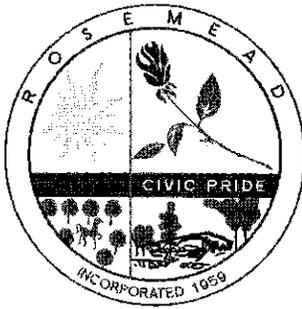
**I HEREBY CERTIFY** that the above and foregoing resolution was duly passed and adopted by the Oversight Board for the Successor Agency to the Rosemead Community Development Commission at its special meeting held on the 10<sup>th</sup> day of September 2013, by the following vote, to wit:

AYES:  
NOES:  
ABSENT:  
ABSTAINED:

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Matthew E. Hawkesworth  
Successor Agency Staff  
Assistant City Manager





# ROSEMEAD SUCCESSOR AGENCY STAFF REPORT

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TO: THE HONORABLE CHAIR AND BOARD MEMBERS  
FROM: MATTHEW HAWKESWORTH, ASSISTANT CITY MANAGER  
DATE: SEPTEMBER 10, 2012  
**SUBJECT: HOUSING DUE DILIGENCE REVIEW**

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## **SUMMARY**

Under AB1484, the Successor Agency is required to complete a due diligence review of the former low-moderate housing fund. The legislation requires that the review be completed by October 1, 2012 and transmitted to the Department of Finance (DOF) and various other agencies no later than October 15, 2012. Unfortunately, the guidelines for the review were not made available until August 27, 2012 which allowed for slightly more than one month to review a proposal from a certified public accountant, approve the contract by both the Oversight Board and the County, conduct the due diligence review, receive and review the report, hold a public hearing and transmit the final report to the DOF. Unfortunately, providing one month to complete all of these tasks is not realistic; however, the Successor Agency staff and the recommended accounting firm are committed towards working to meet the deadlines.

Realizing that the deadline imposed by AB1484 may not be attainable, Rosemead along with many other successor agencies have requested an extension by the DOF. The DOF has informed Rosemead that under AB1484, they do not have the authority to modify the due date of the report; however, they have also pointed out that there is no penalty for not filing the report by the deadline. The DOF response stated, "We just ask that you try your best to submit it as close to the deadline as possible." A copy of the email requesting a change in the date along with the response from the DOF has been attached for reference.

As previously mentioned to the Board, in order to expedite the review staff had recommended to continue using the same firm that the County had hired to conduct the due diligence review of the former redevelopment agency. The firm of Vavrinek, Trine, Day & Co., LLP does not have a previous relationship with the City and was included on a list of acceptable firms provided by the County. The firm is currently working on a proposal, but it was not available at the time the agenda was prepared. The proposal will be forwarded to the Board as soon as it is available.

## **Staff Recommendation:**

That the Oversight Board authorize Successor Agency staff to enter into an agreement with Vavrinek, Trine, Day & Co., LLP to perform the Low and Moderate Income Housing Fund due diligence review.

**ITEM NO. \_\_\_\_\_**

## **BACKGROUND**

Per Health and Safety Code Section 34179.5 each Successor Agency is required to employ a licensed accountant, approved by the county auditor-controller and with experience and expertise in local government accounting, to conduct a due diligence review to determine the unobligated balances available for transfer to taxing entities. As an alternative, an audit provided by the county auditor-controller that provides the information required by this section may be used to comply with this section with the concurrence of the oversight board.

Due Diligence reviews of the Low and Moderate Income Housing Fund must be submitted to the Oversight Board, the county auditor-controller, the State Controller's Office and the Department of Finance by October 1, 2012. All of the parties involved will be working to finalize the review by the October 1<sup>st</sup> deadline. After October 1<sup>st</sup> and prior to October 15<sup>th</sup>, the Oversight Board will be required to hold two public meetings. The first meeting will be held in order to receive public comment as required by Health and Safety Code Section 34179.6 and the second meeting will be held in order to approve the due diligence review. The Health and Safety Code requires that these two meetings be held at least five business days apart and with the 72-hour noticing requirement of the Ralph M. Brown Act, this allows the Board very little room to work with. If the report is ready on October 1<sup>st</sup>, the public comment session could not be held until October 4<sup>th</sup> without calling a special meeting to avoid the 72-hour noticing requirement. Then the 5 business day requirement between meetings would push the second meeting date back to October 15<sup>th</sup>. With this schedule the Successor Agency staff could transmit the approved report immediately following the approval on the 15<sup>th</sup> and meet the requirements. In the event that a quorum cannot be established for this meeting schedule or the due diligence review has not been finalized by October 1<sup>st</sup>, subsequent meetings will need to be scheduled as soon as feasibly possible.

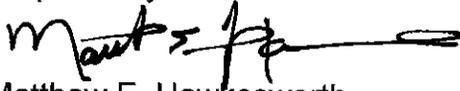
Department of Finance reviews of the determinations provided by the Oversight Boards will be completed no later than November 9, 2012. Any decision to overturn determinations made by the Oversight Board to authorize a Successor Agency to retain assets or funds will be conveyed to the Oversight Board and Successor Agency via a letter. Successor Agencies have five days from receipt of the decisions to request "meet and confer" if necessary.

## **PUBLIC NOTICE PROCESS**

This item has been noticed through the regular agenda notification process in accordance with the Brown Act.

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Prepared by:

A handwritten signature in black ink, appearing to read "Matthew E. Hawkesworth", with a long horizontal flourish extending to the right.

Matthew E. Hawkesworth  
Assistant City Manager

Attachments: A – Email Correspondence with the DOF  
B – Due Diligence Review Guidelines

**Matt Hawkesworth**

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**From:** Redevelopment Administration <RedevelopmentAdministration@dof.ca.gov>  
**Sent:** Tuesday, September 04, 2012 10:23 AM  
**To:** Matt Hawkesworth  
**Subject:** RE: Due Diligence Review Procedures

We do recognize the very difficult timeframe for completing the Due Diligence Reviews. Unfortunately, there is nothing we can do to change the due date, as that is set in statute. However, we do note that there are no penalties associated with submitting the review past the deadline in statute. We just ask that you try your best to submit it as close to the deadline as possible.

Department of Finance  
 Redevelopment Agency Administration

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**From:** Matt Hawkesworth [mailto:mhawkesworth@cityofrosemead.org]  
**Sent:** Monday, August 27, 2012 2:27 PM  
**To:** Redevelopment Administration  
**Subject:** RE: Due Diligence Review Procedures

In light of the fact that CPA firms still must prepare a proposal, the Oversight Board must approve a contract, the audit/review must take place and then a public hearing and review must be finalized by the Oversight Board all in less than 1 month, has there been any consideration or discussion regarding an extension of the October 1st deadline? I do not believe that completing all of the above tasks in one month's time is realistic or feasible.

Respectfully,  
 Matt Hawkesworth

---

Matthew E. Hawkesworth  
 Assistant City Manager/Finance Director  
 City of Rosemead  
 8838 E. Valley Blvd.  
 Rosemead, CA 91770  
 Phone (626) 569-2107  
 Fax (626) 307-9218  
[www.cityofrosemead.org](http://www.cityofrosemead.org)

 Please consider the environment before printing this e-mail.

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**From:** Redevelopment Administration [mailto:RedevelopmentAdministration@dof.ca.gov]  
**Sent:** Monday, August 27, 2012 12:37 PM  
**To:** [eileen.dalton@acgov.org](mailto:eileen.dalton@acgov.org); [dpotter@ci.alameda.ca.us](mailto:dpotter@ci.alameda.ca.us); [cadams@albanyca.org](mailto:cadams@albanyca.org); [wcosin@CityofBerkeley.info](mailto:wcosin@CityofBerkeley.info); [dauker@ci.emeryville.ca.us](mailto:dauker@ci.emeryville.ca.us); [hcommons@fremont.gov](mailto:hcommons@fremont.gov); [kelly.morariu@hayward-ca.gov](mailto:kelly.morariu@hayward-ca.gov); [etpeter@ci.livermore.ca.us](mailto:etpeter@ci.livermore.ca.us); [terrence.grindall@newark.org](mailto:terrence.grindall@newark.org); [SSchlenk@oaklandnet.com](mailto:SSchlenk@oaklandnet.com); [jkay@sanleandro.org](mailto:jkay@sanleandro.org); [MarkE@ci.union-city.ca.us](mailto:MarkE@ci.union-city.ca.us); [jhenness@ci.chico.ca.us](mailto:jhenness@ci.chico.ca.us); [khelvey@gridley.ca.us](mailto:khelvey@gridley.ca.us); [salsimj@cityoforoville.org](mailto:salsimj@cityoforoville.org); [gwill@townofparadise.com](mailto:gwill@townofparadise.com); [dmerchant@ci.antioch.ca.us](mailto:dmerchant@ci.antioch.ca.us); [kbreen@brentwoodca.gov](mailto:kbreen@brentwoodca.gov); [mpelletier@ci.clayton.ca.us](mailto:mpelletier@ci.clayton.ca.us); [johnm@ci.concord.ca.us](mailto:johnm@ci.concord.ca.us); [Maureen.Toms@dcd.cccounty.us](mailto:Maureen.Toms@dcd.cccounty.us); [ehudson@danville.ca.gov](mailto:ehudson@danville.ca.gov); [Ltrevino@ci.el-cerrito.ca.us](mailto:Ltrevino@ci.el-cerrito.ca.us); [NMastay@ci.hercules.ca.us](mailto:NMastay@ci.hercules.ca.us);

**List of Procedures for Due Diligence Review****General information regarding these procedures:**

1. The procedures associated with Sections 34179.5(c)(1) through 34179.5(c)(3) and Sections 34179.5(c)(5) through 34179.5(c)(6) are to be applied separately to (a) the Low and Moderate Income Housing Fund of the Successor Agency and to (b) all other funds of the Successor Agency combined (excluding the Low and Moderate Income Housing Fund).
2. The due date for the report associated with the Low and Moderate Income Housing Fund is October 1, 2012.
3. The due date for the report associated with all other funds of the Successor Agency combined (excluding the Low and Moderate Income Housing Fund) is December 15, 2012.
4. Because the procedures required by Section 34179.5(c)(4) pertain to the Successor Agency as a whole, these procedures should be addressed in the report that is due on December 15, 2012.

Fiscal year references below refer to fiscal years ending on June 30. This language should be modified for those agencies that have a different fiscal year-end.

For purposes of the procedures below and the related exhibits, the amount of the assets presented should be based upon generally accepted accounting principles (GAAP), unless otherwise noted.

To the extent the procedures listed below are duplicative to the agreed upon procedures that were performed pursuant to HSC 34182 (a)(1), it is acceptable to obtain and use information from the HSC 34182 (a)(1) procedures for purposes of this due diligence review without having to re-perform the procedures. When this is done, the due diligence report should refer to the report that was issued for the agreed upon procedures performed under HSC 34182 (a)(1).

Certain assets may qualify as a deduction under more than one category of deduction. In such cases, care should be taken to ensure that such assets have been included as a deduction in the summary schedule only once.

**Citation:**

*34179.5(c)(1) The dollar value of assets transferred from the former redevelopment agency to the successor agency on or about February 1, 2012.*

**Suggested Procedure(s):**

1. Obtain from the Successor Agency a listing of all assets that were transferred from the former redevelopment agency to the Successor Agency on February 1, 2012. Agree the amounts on this listing to account balances established in the accounting records of the Successor Agency. Identify in the Agreed-Upon Procedures (AUP) report the amount of the assets transferred to the Successor Agency as of that date.

**Citation:**

*34179.5(c)(2) The dollar value of assets and cash and cash equivalents transferred after January 1, 2011, through June 30, 2012, by the redevelopment agency or the successor agency to the city, county, or city and county that formed the redevelopment agency and the purpose of each transfer. The review shall provide documentation of any enforceable obligation that required the transfer.*

**Suggested Procedure(s):**

2. If the State Controller's Office has completed its review of transfers required under both Sections 34167.5 and 34178.8 and issued its report regarding such review, attach a copy of that report as an exhibit to the AUP report. If this has not yet occurred, perform the following procedures:
  - A. Obtain a listing prepared by the Successor Agency of transfers (excluding payments for goods and services) from the former redevelopment agency to the city, county, or city and county that formed the redevelopment agency for the period from January 1, 2011 through January 31, 2012. For each transfer, the Successor Agency should describe the purpose of the transfer and describe in what sense the transfer was required by one of the Agency's enforceable obligations or other legal requirements. Provide this listing as an attachment to the AUP report.
  - B. Obtain a listing prepared by the Successor Agency of transfers (excluding payments for goods and services) from the Successor Agency to the city, county, or city and county that formed the redevelopment agency for the period from February 1, 2012 through June 30, 2012. For each transfer, the Successor Agency should describe the purpose of the transfer and describe in what sense the transfer was required by one of the Agency's enforceable obligations or other legal requirements. Provide this listing as an attachment to the AUP report.
  - C. For each transfer, obtain the legal document that formed the basis for the enforceable obligation that required any transfer. Note in the AUP report the absence of any such legal document or the absence of language in the document that required the transfer.

**Citation:**

*34179.5(c)(3) The dollar value of any cash or cash equivalents transferred after January 1, 2011, through June 30, 2012, by the redevelopment agency or the successor agency to any other public agency or private party and the purpose of each transfer. The review shall provide documentation of any enforceable obligation that required the transfer.*

**Suggested Procedure(s):**

3. If the State Controller's Office has completed its review of transfers required under both Sections 34167.5 and 34178.8 and issued its report regarding such review, attach a copy of that report as an exhibit to the AUP report. If this has not yet occurred, perform the following procedures:

- A. Obtain a listing prepared by the Successor Agency of transfers (excluding payments for goods and services) [from the former redevelopment agency to any other public agency or to private parties for the period from January 1, 2011 through January 31, 2012. For each transfer, the Successor Agency should describe the purpose of the transfer and describe in what sense the transfer was required by one of the Agency's enforceable obligations or other legal requirements. Provide this listing as an attachment to the AUP report.
- B. Obtain a listing prepared by the Successor Agency of transfers (excluding payments for goods and services) [from the Successor Agency to any other public agency or private parties for the period from February 1, 2012 through June 30, 2012. For each transfer, the Successor Agency should describe the purpose of the transfer and describe in what sense the transfer was required by one of the Agency's enforceable obligations or other legal requirements. Provide this listing as an attachment to the AUP report.
- C. For each transfer, obtain the legal document that formed the basis for the enforceable obligation that required any transfer. Note in the AUP report the absence of any such legal document or the absence of language in the document that required the transfer.

**Citation:**

*34179.5(c)(4) The review shall provide expenditure and revenue accounting information and identify transfers and funding sources for the 2010–11 and 2011–12 fiscal years that reconciles balances, assets, and liabilities of the successor agency on June 30, 2012 to those reported to the Controller for the 2009–10 fiscal year.*

**Suggested Procedure(s):**

4. Perform the following procedures:
  - A. Obtain from the Successor Agency a summary of the financial transactions of the Redevelopment Agency and the Successor Agency in the format set forth in the attached schedule for the fiscal periods indicated in the schedule. For purposes of this summary, the financial transactions should be presented using the modified accrual basis of accounting. End of year balances for capital assets (in total) and long-term liabilities (in total) should be presented at the bottom of this summary schedule for information purposes.
  - B. Ascertain that for each period presented, the total of revenues, expenditures, and transfers accounts fully for the changes in equity from the previous fiscal period.
  - C. Compare amounts in the schedule relevant to the fiscal year ended June 30, 2010 to the state controller's report filed for the Redevelopment Agency for that period.
  - D. Compare amounts in the schedule for the other fiscal periods presented to account balances in the accounting records or other supporting schedules. Describe in the report the type of support provided for each fiscal period.

**Citation:**

*34179.5(c)(5) A separate accounting for the balance for the Low and Moderate Income Housing Fund for all other funds and accounts combined shall be made as follows:*

*(A) A statement of the total value of each fund as of June 30, 2012.*

**Suggested Procedure(s):**

5. Obtain from the Successor Agency a listing of all assets of the Low and Moderate Income Housing Fund as of June 30, 2012 for the report that is due October 1, 2012 and a listing of all assets of all other funds of the Successor Agency as of June 30, 2012 (excluding the previously reported assets of the Low and Moderate Income Housing Fund) for the report that is due December 15, 2012. When this procedure is applied to the Low and Moderate Income Housing Fund, the schedule attached as an exhibit will include only those assets of the Low and Moderate Income Housing Fund that were held by the Successor Agency as of June 30, 2012 and will exclude all assets held by the entity that assumed the housing function previously performed by the former redevelopment agency. Agree the assets so listed to recorded balances reflected in the accounting records of the Successor Agency. The listings should be attached as an exhibit to the appropriate AUP report.

**Citation:**

*34179.5(c)(5)(B) An itemized statement listing any amounts that are legally restricted as to purpose and cannot be provided to taxing entities. This could include the proceeds of any bonds, grant funds, or funds provided by other governmental entities that place conditions on their use.*

**Suggested Procedure(s):**

6. Obtain from the Successor Agency a listing of asset balances held on June 30, 2012 that are restricted for the following purposes:
  - A. Unspent bond proceeds:
    - i. Obtain the Successor Agency's computation of the restricted balances (e.g., total proceeds less eligible project expenditures, amounts set aside for debt service payments, etc.)
    - ii. Trace individual components of this computation to related account balances in the accounting records, or to other supporting documentation (specify in the AUP report a description of such documentation).
    - iii. Obtain from the Successor Agency a copy of the legal document that sets forth the restriction pertaining to these balances. Note in the AUP report the absence of language restricting the use of the balances that were identified by the Successor Agency as restricted.

- B. Grant proceeds and program income that are restricted by third parties:
- i. Obtain the Successor Agency's computation of the restricted balances (e.g., total proceeds less eligible project expenditures).
  - ii. Trace individual components of this computation to related account balances in the accounting records, or to other supporting documentation (specify in the AUP report a description of such documentation).
  - iii. Obtain from the Successor Agency a copy of the grant agreement that sets forth the restriction pertaining to these balances. Note in the AUP report the absence of language restricting the use of the balances that were identified by the Successor Agency as restricted.
- C. Other assets considered to be legally restricted:
- i. Obtain the Successor Agency's computation of the restricted balances (e.g., total proceeds less eligible project expenditures).
  - ii. Trace individual components of this computation to related account balances in the accounting records, or to other supporting documentation (specify in the AUP report a description of such documentation).
  - iii. Obtain from the Successor Agency a copy of the legal document that sets forth the restriction pertaining to these balances. Note in the AUP report the absence of language restricting the use of the balances that were identified by Successor the Agency as restricted.
- D. Attach the above mentioned Successor Agency prepared schedule(s) as an exhibit to the AUP report. For each restriction identified on these schedules, indicate in the report the period of time for which the restrictions are in effect. If the restrictions are in effect until the related assets are expended for their intended purpose, this should be indicated in the report.

**Citation:**

*34179.5(c)(5)(C) An itemized statement of the values of any assets that are not cash or cash equivalents. This may include physical assets, land, records, and equipment. For the purpose of this accounting, physical assets may be valued at purchase cost or at any recently estimated market value. The statement shall list separately housing-related assets.*

**Suggested Procedure(s):**

7. Perform the following procedures:
  - A. Obtain from the Successor Agency a listing of assets as of June 30, 2012 that are **not** liquid or otherwise available for distribution (such as capital assets, land held for resale, long-term receivables, etc.) and ascertain if the values are listed at either purchase cost (based on book value reflected in the accounting records of the Successor Agency) or market value as recently estimated by the Successor Agency.
  - B. If the assets listed at 7(A) are listed at purchase cost, trace the amounts to a previously audited financial statement (or to the accounting records of the Successor Agency) and note any differences.

- C. For any differences noted in 7(B), inspect evidence of disposal of the asset and ascertain that the proceeds were deposited into the Successor Agency trust fund. If the differences are due to additions (this generally is not expected to occur), inspect the supporting documentation and note the circumstances.
- D. If the assets listed at 7(A) are listed at recently estimated market value, inspect the evidence (if any) supporting the value and note the methodology used. If no evidence is available to support the value and/or methodology, note the lack of evidence.

**Citation:**

*34179.5(c)(5)(D) An itemized listing of any current balances that are legally or contractually dedicated or restricted for the funding of an enforceable obligation that identifies the nature of the dedication or restriction and the specific enforceable obligation. In addition, the successor agency shall provide a listing of all approved enforceable obligations that includes a projection of annual spending requirements to satisfy each obligation and a projection of annual revenues available to fund those requirements. If a review finds that future revenues together with dedicated or restricted balances are insufficient to fund future obligations and thus retention of current balances is required, it shall identify the amount of current balances necessary for retention. The review shall also detail the projected property tax revenues and other general purpose revenues to be received by the successor agency, together with both the amount and timing of the bond debt service payments of the successor agency, for the period in which the oversight board anticipates the successor agency will have insufficient property tax revenue to pay the specified obligations.*

**Suggested Procedure(s):**

- 8. Perform the following procedures:
  - A. If the Successor Agency believes that asset balances need to be retained to satisfy enforceable obligations, obtain from the Successor Agency an itemized schedule of asset balances (resources) as of June 30, 2012 that are dedicated or restricted for the funding of enforceable obligations and perform the following procedures. The schedule should identify the amount dedicated or restricted, the nature of the dedication or restriction, the specific enforceable obligation to which the dedication or restriction relates, and the language in the legal document that is associated with the enforceable obligation that specifies the dedication of existing asset balances toward payment of that obligation.
    - i. Compare all information on the schedule to the legal documents that form the basis for the dedication or restriction of the resource balance in question.
    - ii. Compare all current balances to the amounts reported in the accounting records of the Successor Agency or to an alternative computation.
    - iii. Compare the specified enforceable obligations to those that were included in the final Recognized Obligation Payment Schedule approved by the California Department of Finance.
    - iv. Attach as an exhibit to the report the listing obtained from the Successor Agency. Identify in the report any listed balances for which the Successor Agency was

unable to provide appropriate restricting language in the legal document associated with the enforceable obligation.

- B. If the Successor Agency believes that future revenues together with balances dedicated or restricted to an enforceable obligation are insufficient to fund future obligation payments and thus retention of current balances is required, obtain from the Successor Agency a schedule of approved enforceable obligations that includes a projection of the annual spending requirements to satisfy each obligation and a projection of the annual revenues available to fund those requirements and perform the following procedures:
- i. Compare the enforceable obligations to those that were approved by the California Department of Finance. Procedures to accomplish this may include reviewing the letter from the California Department of Finance approving the Recognized Enforceable Obligation Payment Schedules for the six month period from January 1, 2012 through June 30, 2012 and for the six month period July 1, 2012 through December 31, 2012.
  - ii. Compare the forecasted annual spending requirements to the legal document supporting each enforceable obligation.
    - a. Obtain from the Successor Agency its assumptions relating to the forecasted annual spending requirements and disclose in the report major assumptions associated with the projections.
  - iii. For the forecasted annual revenues:
    - a. Obtain from the Successor Agency its assumptions for the forecasted annual revenues and disclose in the report major assumptions associated with the projections.
- C. If the Successor Agency believes that projected property tax revenues and other general purpose revenues to be received by the Successor Agency are insufficient to pay bond debt service payments (considering both the timing and amount of the related cash flows), obtain from the Successor Agency a schedule demonstrating this insufficiency and apply the following procedures to the information reflected in that schedule.
- i. Compare the timing and amounts of bond debt service payments to the related bond debt service schedules in the bond agreement.
  - ii. Obtain the assumptions for the forecasted property tax revenues and disclose major assumptions associated with the projections.
  - iii. Obtain the assumptions for the forecasted other general purpose revenues and disclose major assumptions associated with the projections.
- D. If procedures A, B, or C were performed, calculate the amount of current unrestricted balances necessary for retention in order to meet the enforceable obligations by performing the following procedures.
- i. Combine the amount of identified current dedicated or restricted balances and the amount of forecasted annual revenues to arrive at the amount of total resources available to fund enforceable obligations.

- ii. Reduce the amount of total resources available by the amount forecasted for the annual spending requirements. A negative result indicates the amount of current unrestricted balances that needs to be retained.
- iii. Include the calculation in the AUP report.

**Citation:**

*34179.5(c)(5)(E) An itemized list and analysis of any amounts of current balances that are needed to satisfy obligations that will be placed on the Recognized Obligation Payment Schedules for the current fiscal year.*

**Suggested Procedure(s):**

9. If the Successor Agency believes that cash balances as of June 30, 2012 need to be retained to satisfy obligations on the Recognized Obligation Payment Schedule (ROPS) for the period of July 1, 2012 through June 30, 2013, obtain a copy of the final ROPS for the period of July 1, 2012 through December 31, 2012 and a copy of the final ROPS for the period January 1, 2013 through June 30, 2013. For each obligation listed on the ROPS, the Successor Agency should add columns identifying (1) any dollar amounts of existing cash that are needed to satisfy that obligation and (2) the Successor Agency's explanation as to why the Successor Agency believes that such balances are needed to satisfy the obligation. Include this schedule as an attachment to the AUP report.

**Citation:**

*34179.5(c)(6) The review shall total the net balances available after deducting the total amounts described in subparagraphs (B) to (E), inclusive, of paragraph (5). The review shall add any amounts that were transferred as identified in paragraphs (2) and (3) of subdivision (c) if an enforceable obligation to make that transfer did not exist. The resulting sum shall be available for allocation to affected taxing entities pursuant to Section 34179.6. It shall be a rebuttable presumption that cash and cash equivalent balances available to the successor agency are available and sufficient to disburse the amount determined in this paragraph to taxing entities. If the review finds that there are insufficient cash balances to transfer or that cash or cash equivalents are specifically obligated to the purposes described in subparagraphs (B), (D), and (E) of paragraph (5) in such amounts that there is insufficient cash to provide the full amount determined pursuant to this paragraph, that amount shall be demonstrated in an additional itemized schedule.*

**Suggested Procedure(s):**

10. Include (or present) a schedule detailing the computation of the Balance Available for Allocation to Affected Taxing Entities. Amounts included in the calculation should agree to the results of the procedures performed in each section above. The schedule should also include a deduction to recognize amounts already paid to the County Auditor-Controller on July 12, 2012 as directed by the California Department of Finance. The amount of this deduction presented should be agreed to evidence of payment. The attached example summary schedule may be considered for this purpose. Separate schedules should be completed for the Low and Moderate Income Housing Fund and for all other funds combined (excluding the Low and Moderate Income Housing Fund).

**Suggested Procedure(s):**

11. Obtain a representation letter from Successor Agency management acknowledging their responsibility for the data provided to the practitioner and the data presented in the report or in any attachments to the report. Included in the representations should be an acknowledgment that management is not aware of any transfers (as defined by Section 34179.5) from either the former redevelopment agency or the Successor Agency to other parties for the period from January 1, 2011 through June 30, 2012 that have not been properly identified in the AUP report and its related exhibits. Management's refusal to sign the representation letter should be noted in the AUP report as required by attestation standards.