

**OVERSIGHT BOARD TO THE SUCCESSOR AGENCY
OF THE WEST COVINA
REDEVELOPMENT AGENCY**

A G E N D A

West Covina City Hall
City Hall Council Chambers
1444 West Garvey Avenue, West Covina, CA 91790

**THURSDAY, SEPTEMBER 24, 2015
4:00 p.m.**

Carrie A. Sutkin, Chairperson
Luzmaria Chavez, Board Member
Robert R. Coghlan, Board Member
Mike Gregoryk, Board Member
Gerry Hertzberg, Board Member
Kelly McDonald, Board Member
David Stewart, Board Member

AMERICANS WITH DISABILITIES ACT

The Board complies with the Americans with Disabilities Act (ADA). If you will need special assistance at Board Meetings, please call (626) 939-8433 (voice) or (626) 960-4422 (TTY) from 8 to 5 Monday through Thursday, at least 48 hours prior to the meeting to make arrangements.

AGENDA MATERIAL

Agenda material is available for review at the West Covina City Clerk's Office, Room 317 in City Hall, 1444 W. Garvey Avenue South and at www.westcovina.org. Any writings or documents regarding any item on this agenda not exempt from public disclosure, provided to a majority of the Oversight Board that is distributed less than 72 hours, before the meeting, will be made available for public inspection in the City Clerk's Office, Room 317 of City Hall during normal business hours.

PUBLIC COMMENT

Any member of the public may address the Board on items within the Board's subject matter jurisdiction during Public Comments. The Board may not take action on matters not listed on the posted agenda. If you would like to address the Board, please complete a Speaker Card and submit to the Board Secretary. All comments are limited to five (5) minutes per speaker. All speakers shall observe decorum and order as specified in the *Rules of Procedure of the Oversight Board to the Successor Agency of the West Covina Redevelopment Agency*.

SPECIAL MEETING
AGENDA
Thursday, September 24, 2015
4:00 p.m.

I. CALL TO ORDER

A. Roll Call

Carrie A. Sutkin, Chairperson
Luzmaria Chavez, Board member
Robert R. Coghlan, Board Member
Mike Gregoryk, Board member
Gerry Hertzberg, Board Member
Kelly McDonald, Board Member
David Stewart, Board Member

B. Pledge of Allegiance

II. CHANGES TO THE AGENDA

III. PUBLIC COMMENT

This is the time set aside for public comments. Please step forward to the podium and state your name and city of residence for the record when recognized by the Chairperson. Comments are limited to five (5) minutes per speaker.

IV. CONSENT CALENDAR

All matters listed on the CONSENT CALENDAR are considered to be routine and can be acted on by one roll call vote. There will be no separate discussion of these items unless members of the Oversight Board request a specific item to be removed from the Consent Calendar for separate discussion or action.

A. Approval of Long-Range Property Management Plan for the West Covina Successor Agency of the Former West Covina Redevelopment Agency

Recommendation

It is recommended that the Oversight Board to the Successor Agency of the West Covina Redevelopment Agency adopt the following resolution:

RESOLUTION NO. OB-0036 – A RESOLUTION OF THE OVERSIGHT BOARD TO THE SUCCESSOR AGENCY OF THE WEST COVINA REDEVELOPMENT AGENCY APPROVING THE WEST COVINA SUCCESSOR AGENCY’S LONG RANGE PROPERTY MANAGEMENT PLAN PURSUANT TO CALIFORNIA HEALTH AND SAFETY CODE SECTION 34179.

- B. Loan Agreement concerning Litigation Fees incurred for the ROPS periods of February 2012 to June 2012, July 2012 to December 2012, and January 2014 to June 2014 which exceeded the Litigation Cost Estimates for those Same Periods**

Recommendation

It is recommended that the Oversight Board to the Successor Agency of the West Covina Redevelopment Agency adopt the following resolution:

RESOLUTION NO. OB-0037 – A RESOLUTION OF THE OVERSIGHT BOARD TO THE SUCCESSOR AGENCY OF THE WEST COVINA REDEVELOPMENT AGENCY APPROVING THE LOAN AGREEMENT CONCERNING LITIGATION FEES INCURRED FOR THE RECOGNIZED OBLIGATION PAYMENT SCHEDULE PERIODS OF FEBRUARY 2012 TO JUNE 2012, JULY 2012 TO DECEMBER 2012, AND JANUARY 2014 TO JUNE 2014 WHICH EXCEEDED THE LITIGATION COST ESTIMATES FOR THOSE SAME PERIODS.

- C. Revised amendment to Reimbursement Agreement for the Renewal of the Letter of Credit for the 1999 Tax Allocation Bonds**

Recommendation

It is recommended that the Oversight Board to the Successor Agency of the former West Covina Redevelopment Agency adopt the following resolution:

RESOLUTION NO. OB-0038 – A RESOLUTION OF THE OVERSIGHT BOARD TO THE SUCCESSOR AGENCY OF THE FORMER WEST COVINA REDEVELOPMENT AGENCY AUTHORIZING THE EXECUTION AND DELIVERY BY THE AGENCY OF A FIRST AMENDMENT TO REIMBURSEMENT AGREEMENT AND THE TAKING OF CERTAIN ACTIONS IN CONNECTION THEREWITH.

- D. Approval and Transmittal of an Administrative Budget for the Successor Agency to the Former West Covina Redevelopment Agency and a Recognized Obligation Payment Schedule “ROPS” Pursuant to AB1X 26 for the Period of January 1, 2016 through June 30, 2016**

Recommendation

It is recommended that the Oversight Board to the Successor Agency of the Former West Covina Redevelopment Agency adopt the following resolution:

RESOLUTION NO. OB-0039 – A RESOLUTION OF THE OVERSIGHT BOARD TO THE SUCCESSOR AGENCY OF THE WEST COVINA REDEVELOPMENT AGENCY APPROVING AND AUTHORIZING THE TRANSMITTAL OF AN ADMINISTRATIVE BUDGET FOR THE SUCCESSOR AGENCY TO THE FORMER WEST COVINA REDEVELOPMENT AGENCY AND A RECOGNIZED OBLIGATION PAYMENT SCHEDULE “ROPS” FOR THE PERIOD JANUARY 1, 2016 THROUGH JUNE 30, 2016, PURSUANT TO ASSEMBLY BILL 1X 26 (AB1X 26).

V. BOARD MEMBERS' COMMENTS

VI. ADJOURNMENT

Copies of staff reports or other written documentation, *if any*, relating to each item of business described above are on file in the West Covina City Hall, City Clerk's Office, 1444 West Garvey Avenue, West Covina CA 91790, and are available for public inspection upon request during regular business hours of 8:00 a.m. to 5:30 p.m., Monday through Thursday.

Should any person have a question concerning any of the above agenda items prior to the meeting described herein, he or she may contact Paulina Morales, Senior Project Manager, either in person in the Community Development Commission Office at West Covina City Hall, 1444 West Garvey Avenue, West Covina, CA 91790, or by calling via telephone at (626) 939-8417 during regular business hours.

**OVERSIGHT BOARD TO THE SUCCESSOR AGENCY
OF THE WEST COVINA REDEVELOPMENT AGENCY**

AGENDA REPORT

Item No. IV-A
Date: September 24, 2015

TO: Chairperson and Board Members of the Oversight Board to the Successor Agency of the West Covina Redevelopment Agency

FROM: Chris Freeland, Executive Director

BY: Paulina Morales, Sr. Project Manager

SUBJECT: APPROVAL OF LONG-RANGE PROPERTY MANAGEMENT PLAN FOR THE WEST COVINA SUCCESSOR AGENCY OF THE FORMER WEST COVINA REDEVELOPMENT AGENCY

RECOMMENDED ACTION:

It is recommended that the Oversight Board to the Successor Agency of the West Covina Redevelopment Agency adopt the following resolution:

RESOLUTION NO. OB-0036 - A RESOLUTION OF THE OVERSIGHT BOARD TO THE SUCCESSOR AGENCY OF THE WEST COVINA REDEVELOPMENT AGENCY APPROVING THE WEST COVINA SUCCESSOR AGENCY'S LONG RANGE PROPERTY MANAGEMENT PLAN PURSUANT TO CALIFORNIA HEALTH AND SAFETY CODE SECTION 34179

Background:

In June 2012, the State of California adopted Assembly Bill 1484 (AB 1484), which dissolved redevelopment agencies throughout the State and created Successor Agencies tasked with the responsibility to unwind the operations of the former redevelopment agencies. Section 34191.5 of the California Health and Safety Code was established under AB 1484 and requires each Successor Agency to prepare and approve a Long-Range Property Management Plan (LRPMP) to address the disposition and use of the real properties of the former Redevelopment Agency. These properties cannot be disposed/transferred/sold to a 3rd party or the appropriate jurisdiction until the Successor Agency prepares a LRPMP and it has been approved by the Oversight Board and the California Department of Finance (DOF).

The property is to be disposed of in one of the following manners:

1. Retention for governmental use pursuant to California Health and Safety Code § 34181(a)¹;

¹ Dispose of all assets and properties of the former redevelopment agency; provided, however, that the oversight board may instead direct the successor agency to transfer ownership of those assets that were constructed and used for a governmental purpose, such as roads, school buildings, parks, police and fire stations, libraries, and local agency administrative buildings, to the appropriate public jurisdiction pursuant to any existing agreements relating to the construction or use of such an asset.

2. Retention for future development;
3. Sale of the property; or
4. Use of property to fulfill an enforceable obligation.

The LRPMP has to be submitted to DOF within six months after being issued a "Finding of Completion". DOF's issuance of an FOC signifies the resolution of outstanding matters related to the obligations of the former RDA. The West Covina Successor Agency has not received its FOC, due to pending litigation with DOF pertaining to reimbursement agreements between the City and former Redevelopment Agency. As the City is optimistic the litigation will be resolved in the next few months, with the pending transfer of local Oversight Boards to the County in 2016, and the deadline for the LRPMP by January 1, 2016 staff has prepared the LRPMP in preparation of having the FOC and LRPMP completed by the January 2016 deadline. Additionally, DOF has informed staff of their willingness to review West Covina's LRPMP prior to issuing an FOC.

The Successor Agency has contracted with Kosmont Companies to assist in the development of the LRPMP. Kosmont Companies have provided similar services for cities/successor agencies across California and has been successful in obtaining approvals of LRPMPs and settling other dissolution related matters with the DOF.

DISCUSSION:

The LRPMP is required to inventory all property previously owned by the RDA, which is now under the ownership of the Successor Agency. As previously noted, the disposition or transfer of the properties can only occur upon the completion of the LRPMP, with the approvals of the Oversight Board and DOF. On July 21, 2015 the Successor Agency approved the proposed LRPMP.

The LRPMP is required to have the following information:

1. Date of acquisition of the property, the value of the property at that time, and an estimate of the current value of the property;
2. Purpose for which the property was acquired;
3. Parcel data, including address, lot size, and current zoning in the former redevelopment agency redevelopment plan or specific, community, or general plan;
4. Estimate of the current value of the parcel including, if available, any appraisal information;
5. Estimate of any lease, rental, or any other revenues generated by the property, and a description of the contractual requirements for the disposition of those funds;
6. History of environmental contamination, including designation as a brownfield site, and related environmental studies, and history of any remediation efforts;
7. Description of the property's potential for transit-oriented development and the advancement of the planning objectives of the successor agency;
8. Brief history of previous development proposals and activity, including the rental or lease of property; and
9. Discussion on the proposed use of the property or disposition into one of the four categories
 - a. Retention for governmental use pursuant to California Health and Safety Code § 34181(a);
 - b. Retention for future development;
 - c. Sale of the property; or

d. Use of property to fulfill an enforceable obligation.

Attached is the draft LRPMP for the West Covina Successor Agency's thirty-two (32) real property assets; which are all subject to be disposed or transferred in the LRPMP (Attachment No. 1). The thirty two (32) parcels include a myriad of properties that fall under the categories of governmental use, enforceable obligation, and sale in terms of their ultimate disposition.

Of the total thirty two (32) parcels, twenty six (26) of the assets consist of public right-of-way, road infrastructure, parking lots and parking structures that are non-revenue generating and are contractually obligated to remain as parking, and restricted-use open space. These parcels are all proposed to be transferred to the City of West Covina as a governmental use. Current legislation (SB 107) which was passed by the Assembly and Senate and is currently pending Governor Brown's signature, expands the definition of Government Purpose assets to include parking facilities and lots dedicated solely to public parking. Should the legislation be enacted it would facilitate the government transfer of the public parking assets.

The remaining six (6) assets are proposed to be sold and consist of one (1) small out lot at the entrance to the West Covina Sportsplex, three (3) properties that are restricted to remain as open space or be used for a golf course, and two (2) small landlocked properties that are intended to be used for the construction of a public water tank.

The Successor Agency's LRPMP properties listed in the LRPMP are located at four locations:

1. Plaza West Covina Mall Assets: At the Plaza West Covina, the LRPMP requests the transfer of eleven (11) parcels (Assets 1-11) that are parking lots, roadways, and parking structures be transferred to the City of West Covina for governmental use (i.e. public parking). The City contends that these parcels provide public parking at no cost to the Plaza and are identified in various development agreements to be preserved as parking. The locations of the 11 parcels at the Plaza are summarized in Attachment No. 2.
2. Eastland Shopping Center Assets: At the Eastland Shopping Center, the LRPMP requests the transfer of one (1) parcel (Asset 12) that is a parking lot to be transferred to the City of West Covina for governmental use (i.e. public parking). The City contends that this parcel provides public parking at no cost to the Eastland Shopping Center and is identified in various development agreements to be preserved as parking. The location of the one parcel at the Eastland Shopping Center is summarized in Attachment No. 3.
3. The Lakes Office Complex Assets: At the Lakes Office Complex, the LRPMP requests the transfer of two (2) parcels (Assets 13-14) that are parking lots, roadways, and parking structures be transferred to the City of West Covina for governmental use (i.e. public parking). The City contends that these parcels provide public parking at no cost to the Lakes Office Complex and are identified in various development agreements to be preserved as parking. The locations of the two parcels at the Lakes Office Complex are summarized in Attachment No. 4.
4. West Covina Sportsplex Assets: At the West Covina Sportsplex, the LRPMP requests the transfer of seven (7) parcels (Assets 16-22) that the City is required to preserve as Coastal Sage Scrub Habitat; and five (5) parcels (Assets 23-27) that are roadways to access the Coastal Sage Scrub Habitats (CSS) and other future development parcels be transferred to the City of West Covina for governmental use. The City contends that these parcels must remain dedicated for the CSS habitat and public roadways.

In addition, the LRPMP seeks to sell six (6) parcels at the West Covina Sportsplex that were identified for the future golf course, water tank site, and potential retail development on properties adjacent to the BKK Landfill.

- One (1) parcel (Asset 15) is located on the corner of Azusa Avenue and Giambi Lane. This property was being marketed for a retail development prior to the dissolution of redevelopment. It has been identified to be sold at fair market value with the proceeds to be shared with the various taxing entities.
- Two (2) parcels (Assets 28-29) are located adjacent to the BKK Landfill and are identified to be for a Public Water Tank for the future office and golf course development projects. As there are no deed restrictions on the property, Kosmont companies is recommending these properties be listed for sale at fair market value with the proceeds going to the taxing entities.
- The three (3) remaining parcels (Assets 30-32) were identified for the future golf course or to be preserved as CSS open space. These properties all have restrictions placed upon them by various government entities, due to the close proximity to the former BKK Landfill. As such, the only two permissible uses are a golf course or CSS open space. It is important to note that the City of West Covina issued bonds for the grading and moving of soil for the future golf course development, which the City is currently paying the debt service. The original bond issuance was for \$13.5 million, of which, \$10.5 million is still outstanding.

As there is a potential for a private development (golf course), Kosmont Companies is recommending the sale of these properties at fair market value, with the proceeds paying the debt owned on the bonds and any remaining funds being shared with the various taxing entities.

The location of the 18 parcels at the West Covina Sportsplex are summarized in Attachment No. 5.

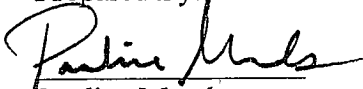
The LRPMP provides for the disposition of the properties. The LRPMP does not establish a value of the properties nor does it require the properties to be sold immediately. Upon approval of the LRPMP by DOF, staff will bring back a report for the on the process, timing, and value determination of the properties to be sold per the LRPMP.

At this time, staff is seeking Oversight Board approval of the attached LRPMP. It is also important to note that the appendices referenced in the report are not attached as they represent over 30 documents/agreements, in excess of 500 sheets of paper. These documents can be requested for review in the City Manager's Office.

ALTERNATIVE:

The Oversight Board can choose not to approve the LRPMP and request additional information be provided, or they can provide alternate direction. If not approved tonight, the LRPMP will need to be approved at a future meeting to maintain compliance with State law.

Prepared By:



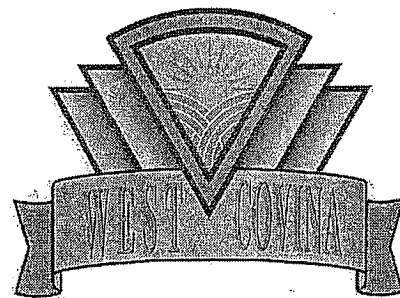
Paulina Morales
Sr. Project Manager

Attachments:

1. Attachment No. 1 – West Covina Successor Agency Draft Long Range Property Management Plan
2. Attachment No. 2 – Plaza West Covina Mall Assets
3. Attachment No. 3 – Eastland Shopping Center Asset
4. Attachment No. 4 – The Lakes Office Complex Assets
5. Attachment No. 5 – West Covina Sportsplex Assets
6. Attachment No. 6 – Resolution No. OB-0036 – West Covina’s Long Range Property Management Plan

LONG-RANGE PROPERTY MANAGEMENT PLAN

SUCCESSOR AGENCY TO THE REDEVELOPMENT AGENCY OF THE CITY OF WEST COVINA



Prepared By:



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www.kosmont.com

October 24, 2015

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1.0 Introduction

1.1 Background & Purpose

Health and Safety Code Section 34191.5 was established under Assembly Bill 1484 ("AB 1484", signed into law on June 27, 2012), and requires each successor agency to prepare and approve a Long-Range Property Management Plan ("LRPMP") addressing the disposition and use of the real properties of the former West Covina Redevelopment Agency ("RDA"). Properties held by a successor agency cannot be disposed of until the State Department of Finance ("DOF") has approved the LRPMP. This document is the LRPMP for the Successor Agency to the former West Covina Redevelopment Agency ("Successor Agency").

The Successor Agency's LRPMP properties listed in the LRPMP generally fall into the following broad categories:

- Contractually restricted properties that can only be utilized for parking at the Plaza West Covina Mall
- Contractually restricted property that can only be utilized for parking at the Eastland Center
- Contractually restricted properties that can only be utilized for parking at the Lakes Offices
- Environmentally restricted property at the West Covina Sportsplex.

These properties are discussed in further detail later in this report in the form and format required by the Department of Finance ("DOF").

1.2 Legal Requirements

Pursuant to Health and Safety Code section 34191.5, a successor agency holding property owned by a former redevelopment agency is required to submit a LRPMP to the DOF for approval within six months after it receives a "Finding of Completion" from the DOF.¹ Prior to the submittal of the PMP to the DOF, the oversight board to the successor agency must review and approve the PMP. Pursuant to AB 1484 this PMP includes the following components:

1. An inventory of all properties in the Community Redevelopment Property Trust Fund ("Property Trust Fund"), established to serve as the repository of the former redevelopment agency's real properties. This inventory includes the following information:
 - a. Date of acquisition of the property, the value of the property at that time, and an estimate of the current value of the property.

¹ As of July 10, 2015, the Successor Agency has not received an FOC. However, the DOF has confirmed their willingness to review the LRPMP prior to the issuance of an FOC.

-
- b. Purpose for which the property was acquired.
 - c. Parcel data, including address, lot size, and current zoning in the former redevelopment agency redevelopment plan or specific, community, or general plan.
 - d. Estimate of the current value of the parcel including, if available, any appraisal information.
 - e. Estimate of any lease, rental, or any other revenues generated by the property, and a description of the contractual requirements for the disposition of those funds.
 - f. History of environmental contamination, including designation as a brownfield site, and related environmental studies, and history of any remediation efforts.
 - g. Description of the property's potential for transit-oriented development and the advancement of the planning objectives of the successor agency.
 - h. Brief history of previous development proposals and activity, including the rental or lease of property.
2. A discussion of the proposed use or disposition of all properties in the Property Trust Fund. Permissible uses include:
 - a. Retention for governmental use pursuant to subdivision (a) of Section 34181;
 - b. Retention for future development;
 - c. Sale of the property; or
 - d. Use of property to fulfill an enforceable obligation.
3. Identification and a list of properties in the Property Trust Fund dedicated to governmental use purposes and properties retained for purposes of fulfilling an enforceable obligation. With respect to the use or disposition of all other properties, all the following apply:
 - a. If the plan directs the use or liquidation of the property for a project identified in an approved redevelopment plan, the property shall be transferred to the city, county, or city and county.
 - b. If the plan directs the liquidation of the property or the use of revenues generated from the property, such as lease or parking revenues, for any purpose other than (i) to fulfill an enforceable obligation, or (ii) that specified in subsection 3(a) above, the proceeds from the sale shall be distributed as property tax to the taxing agencies.
 - c. Property shall not be transferred to a successor agency, city, county, or city and county, unless the PMP has been approved by the oversight board and DOF.

1.3 Real Property Asset Summary

The former RDA owned and controlled thirty two (32) real property assets prior to dissolution; all of which are now the responsibility of the Successor Agency to dispose of pursuant to the law. The thirty two (32) assets (Assets #1 - #32 in the list that follows) include a myriad of properties that fall under the categories of governmental use, enforceable obligation, and sale in terms of their ultimate disposition.

Of the total thirty two (32) LRPMP assets, twenty six (26) of the assets consist of public right-of-way, road infrastructure, parking lots and parking structures that are not only non revenue generating but are contractually obligated to remain as parking, and restricted-use open space, which are proposed to be transferred to the City of West Covina ("City") as a governmental use.

The remaining six (6) LRPMP assets are proposed to be sold and consist of one (1) small out lot at the entrance to the West Covina Sportsplex, three (3) properties that are restricted to remain as open space or be used for a golf course, and two (2) small landlocked properties that are intended to be used for the construction of a public water tank.

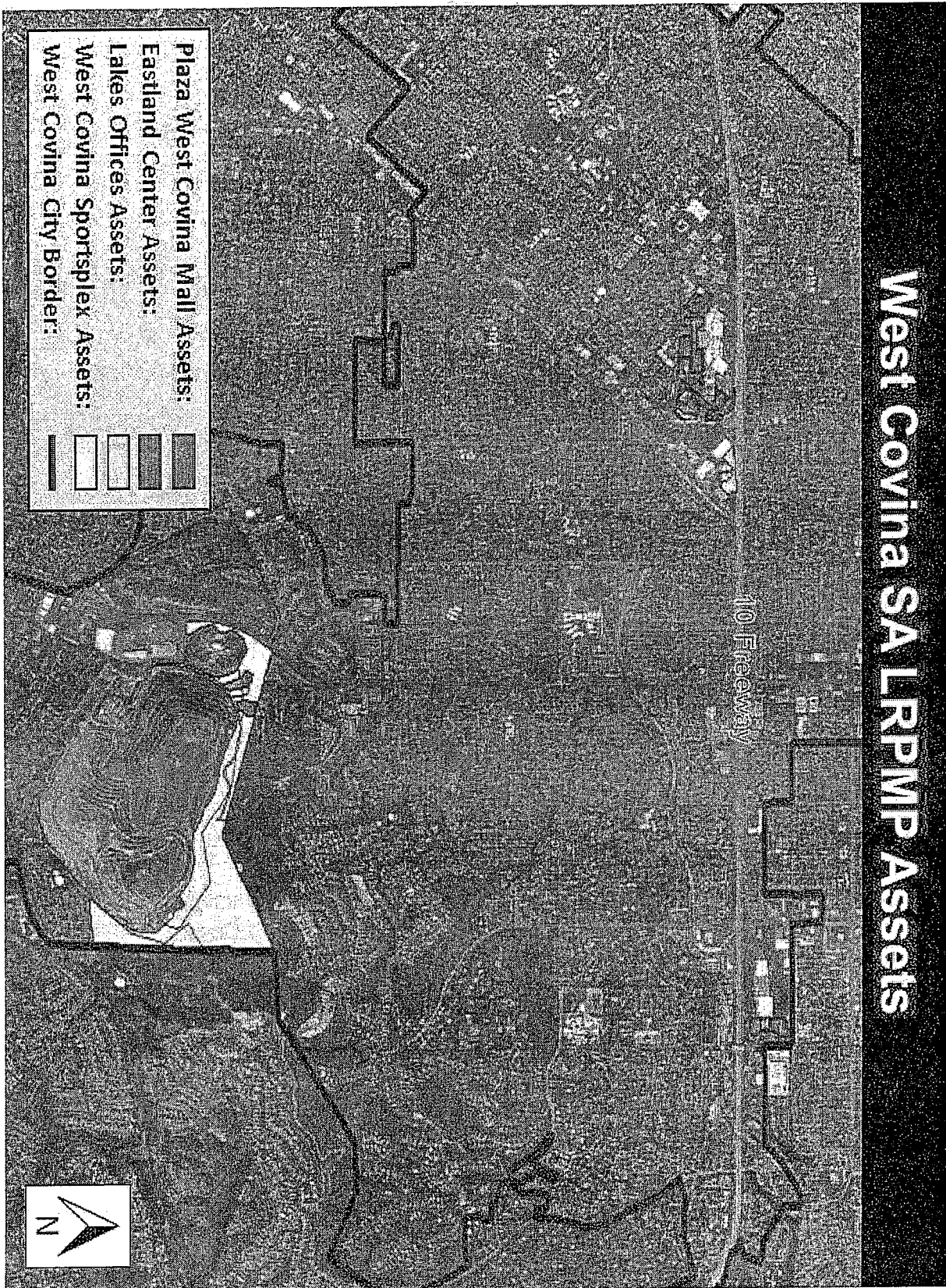
The summary table below details the four permissible categories that real property assets of the former RDA may be disposed of in accordance with the requirements outlined in AB 1484.

Table 1 – Summary of LRPMP Property Disposition Categories

West Covina Successor Agency Summary of LRPMP Property Disposition Categories	
Permissible Use Under AB1 1484	# of Properties
Government Use	26
Sale of Property	6
Fulfill an Enforceable Obligation	0
Retain for Future Development	0
Total	32

It should be noted that many of the properties listed above as Government Use are parking lots/decks/structures that are being proposed to be transferred to the City. Each property is subject to various easement, covenant, and/or contractual restrictions to remain as public parking and the City and Successor Agency believe that this documentation will demonstrate the public purpose component of the parking areas. However, there is pending legislation (SB 107 - the Budget Trailer Bill) that in essence would allow the transfer of parking lots/decks/structures to the sponsoring city in the Government Use category as long as the parking did not generate revenue in surplus of operation and maintenance costs. Should this legislation pass during the process of Oversight Board or DOF approval of the LRPMP then the Successor Agency reserves the right to transfer the parking lots to the City at no cost under the allowable Government Use category of the LRPMP because none of the parking lots generate any revenue.

West Covina SA LRPMP Assets



2.0 Successor Agency Long-Range Property Management Plan

As mentioned in the opening section of this report, the former RDA owned 32 assets prior to dissolution. Each of these assets has been designated an asset number, and grouped into four distinctive areas which are based on parcel adjacencies and geographic location as follows:

- Plaza West Covina Mall (Assets #1 - #11)
- Eastland Center (Asset #12)
- Lakes Offices (Assets #13 and #14)
- West Covina Sportsplex (Assets #15 - #32)

In each designated subarea listed above, the individual assets display the permissible use categories identified in AB 1484:

- Governmental Use
- Enforceable Obligation
- Retain for Future Development
- Sale of Property

2.1 Valuation Methodology

Pursuant to Health and Safety Code Section 34191.5(c) (1) (D), the Successor Agency is required to provide an estimate of current value for each property in the Long Range Property Management Plan ("LRPMP").

Valuations contained in this report, as well as the DOF's inventory worksheet (Appendix A) were determined based on available information including book values, appraisals, title research, and analysis of market conditions. However, it should be noted that the marketplace will ultimately dictate what the properties will yield in terms of a sale price prior to ultimate liquidation of the assets identified in the LRPMP in the For Sale category.

Actual values achievable in the market could vary, especially if properties are sold on an individual versus aggregated basis, and/or with provisions requiring the installation of infrastructure improvements or environmental contamination present. Therefore, in some cases, current property values contained in the following sections reflect a zero value due to a lack of available information as it relates to the book value of the assets proposed to be sold. Where applicable, the Successor Agency has utilized information at its disposal to determine the current market value of the following assets.

3.0 Plaza West Covina Mall (LRPMP Assets # 1 - # 11)

The LRPMP assets at the Plaza West Covina Mall ("Mall") consist of eleven assets dedicated solely to road infrastructure and parking lots/structures to serve the Plaza West Covina Mall. Ten of the assets consist of surface parking, roads, landscaping, and curbs and gutters and the remaining asset is comprised of a three-story parking structure. The parking lots are used for mall patrons, a US Post Office, and a park and ride facility. The provision of public parking is a critical element to the success of the Plaza West Covina Mall and to help support economic stability in the City.

The former RDA acquired the subject assets (Assets #1 - #11) for the provision of surface parking lots and structures around the Plaza West Covina Mall in a series of purchases in the 1970s, 80s and 90s. In 1972, the former RDA entered into a Participation Agreement ("Agreement" - dated November 22, 1972) with Sylvan Shulman ("Developer") to develop the Mall property. Under the Agreement, the former RDA was required to construct a 2,100 space parking structure and surface parking to support the development. As part of the Agreement, the Developer and Agency also entered into a Construction, Operations, and Reciprocal Easement Agreement ("REA") on November 5, 1973, last amended in October 14, 1993 (Appendix D-1), which approves covenants that provide: "*non-exclusive easements in the Agency Tract for ingress to and egress from Agency Tract for the passage and **parking** of vehicles.*" The REA **does not contain an expiration date** and also states that it will "*continue so long as the Grantee's Store is in existence or is in the process of being restored.*"

On July 26, 1989, the former RDA and Developer entered into an Owner Participation Agreement ("OPA") (Appendix D-1), which provided for the addition of a new anchor tenant (May Company), the addition of 100,000 square feet of mall space, and another 82,000 square feet of additional development. Under the OPA, the use of the existing parking facilities granted are "*non-exclusive easements to use the parking facilities of the Public Improvements for automobile parking and vehicular pedestrian access in common with members of the public*" and the "*parking facilities of the public improvement **shall be devoted to and available for use as public parking** without preference or priority to any person and shall be subject to reasonable restrictions and regulations as may be permitted by applicable tax laws governing the Public Financing.*" Given the importance of these agreements and the legal requirements that these parcels remain as public parking, the owner of the shopping mall has submitted a letter to the Successor Agency outlining the legal extent they are willing to go to protect these agreements and ensure they are followed.

It should also be noted that these parking lots **do not provide any revenue** stream to the Successor Agency/City and any valuation listed in the LRPMP is based on the value as listed in the City's financial statements (Book Value), if available, and **would not** constitute a current market value. The Successor Agency contends that these parking lots **are a public benefit and should be transferred to the City of West Covina as a governmental use** in order to continue to remain available to the public and **any deviation from the aforementioned**

agreements and contracts would result in a failure on the Successor Agency's part to legally perform its duties and obligations and could result in future legal challenges and litigation. At this time, the City has continued to bear the cost of operating and maintaining the parking lots annually and, if transferred, would continue to do so in order to provide free parking to its residents, patrons, and surrounding businesses.

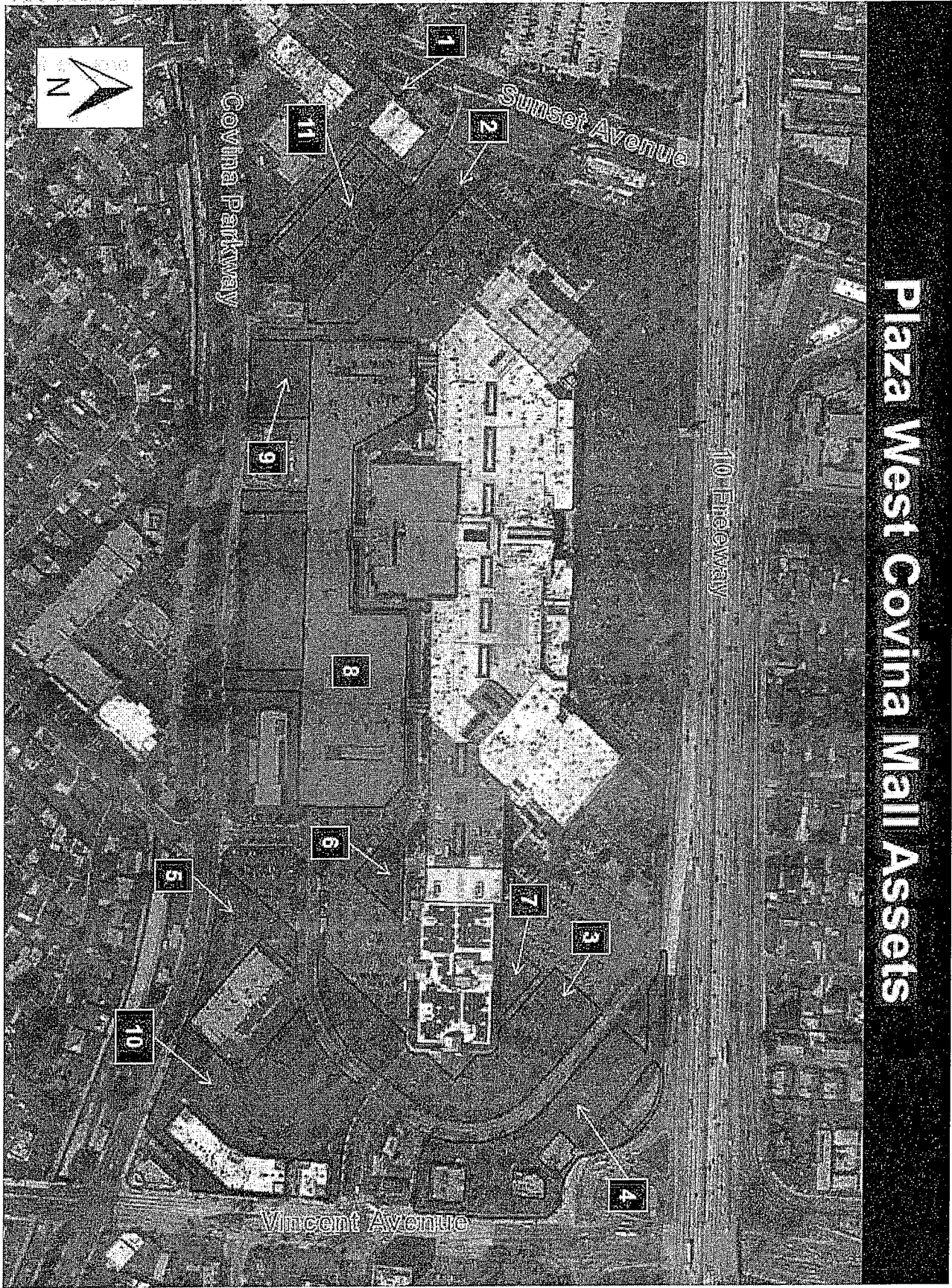
The following table provides a summary of the permissible use categories for each individual asset contained in this section as legally required. An aerial is provided on the following page, which provides more detail on the location of each of the assets contained in this section.

Table 2 – Summary of Plaza West Covina Mall LRPMP Property Disposition Categories

West Covina Successor Agency Plaza West Covina Mall Property Disposition Categories	
Permissible Use Under AB 1484	# of Properties
Government Use	11
Sale of Property	0
Fulfill an Enforceable Obligation	0
Retain for Future Development	0
Total	11

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Aerial of the Plaza West Covina Mall



Plaza West Covina Mall Assets

Asset 1: Road Infrastructure

Parcel Data	
Location	Plaza West Covina
APN	8474-003-915
Lot Size	0.07 acres
Use	Road infrastructure to serve public parking
Zoning	Regional Commercial
Current Title	West Covina Redevelopment Agency

Acquisition & Valuation Information	
Purchase Date	12/16/1983
Purchase Price	\$0 (original purchase price could not be located)
Purpose	Road Infrastructure to Serve Public Parking Lot
Estimate of Current Value	\$0 (The RDA did not carry any book value for this property)
Method of Valuation	Book Value

Revenues Generated by Property & Contractual Requirements	
City / Successor Agency Lease Agreement	The parcel does not generate revenue.

Overview of Environmental Contamination, Remediation Efforts and Other Deficiencies	
None	This property does not have a history of environmental contamination.

Transit-Oriented Development & Advancement of Agency Planning Objectives	
Potential for TOD	Not applicable
Agency Planning Objectives	Assist in the enforcement of existing contracts and agreements that require this parcel to be used as public infrastructure to service the Plaza West Covina Mall.

Recommendation for Disposition	
Transfer to City as Government Use	There are existing contracts and agreements in place that require this parcel to remain as public infrastructure to service the Plaza West Covina Mall. Any attempt on the part of the Successor Agency to deviate from these agreements and contracts would result in a failure on the Successor Agency's part to legally perform its duties and obligations and could result in future legal challenges and litigation.

Asset 2: Public Parking Lot

Parcel Data	
Location	Plaza West Covina
APN	8474-003-918
Lot Size	1.74 acres
Use	Public Parking Lot
Zoning	Regional Commercial
Current Title	West Covina Redevelopment Agency

Acquisition & Valuation Information	
Purchase Date	11/4/1974
Purchase Price	\$0 (original purchase price could not be located)
Purpose	Public Parking Lot
Estimate of Current Value	\$0 (The RDA did not carry any book value for this property)
Method of Valuation	Book Value

Revenues Generated by Property & Contractual Requirements	
City / Successor Agency Lease Agreement	The parcel does not generate revenue.

Overview of Environmental Contamination, Remediation Efforts and Other Deficiencies	
None	This property does not have a history of environmental contamination.

Transit-Oriented Development & Advancement of Agency Planning Objectives	
Potential for TOD	Not applicable
Agency Planning Objectives	Assist in the enforcement of existing contracts and agreements that require this parcel to be used as public infrastructure to service the Plaza West Covina Mall.

Recommendation for Disposition	
Transfer to City as Government Use	There are existing contracts and agreements in place that require this parcel to remain as parking to service the Plaza West Covina Mall. Any attempt on the part of the Successor Agency to deviate from these agreements and contracts would result in a failure on the Successor Agency's part to legally perform its duties and obligations and could result in future legal challenges and litigation.

Asset 3: Public Parking Lot

Parcel Data	
Location	Plaza West Covina
APN	8474-007-928
Lot Size	3.01 acres
Use	Public Parking Lot
Zoning	Regional Commercial
Current Title	West Covina Redevelopment Agency

Acquisition & Valuation Information	
Purchase Date	05/21/1993
Purchase Price	\$0 (original purchase price could not be located)
Purpose	Public Parking Lot
Estimate of Current Value	\$0 (The RDA did not carry any book value for this property)
Method of Valuation	Book Value

Revenues Generated by Property & Contractual Requirements	
City / Successor Agency Lease Agreement	The parcel does not generate revenue.

Overview of Environmental Contamination, Remediation Efforts and Other Deficiencies	
None	This property does not have a history of environmental contamination.

Transit-Oriented Development & Advancement of Agency Planning Objectives	
Potential for TOD	Not applicable
Agency Planning Objectives	Assist in the enforcement of existing contracts and agreements that require this parcel to be used as public parking to service the Plaza West Covina Mall.

Recommendation for Disposition	
Transfer to City as Government Use	Existing contracts and agreements in place require this parcel to remain as public parking to service the Plaza West Covina Mall. Any attempt on the part of the Successor Agency to deviate from these agreements and contracts would result in a failure on the Successor Agency's part to legally perform its duties and obligations and could result in future legal challenges and litigation.

Asset 4: Public Parking Lot

Parcel Data	
Location	Plaza West Covina
APN	8474-007-929
Lot Size	2.98 acres
Use	Public Parking Lot
Zoning	Regional Commercial
Current Title	West Covina Redevelopment Agency

Acquisition & Valuation Information	
Purchase Date	05/21/1993
Purchase Price	\$0 (original purchase price could not be located)
Purpose	Public Parking Lot
Estimate of Current Value	\$0 (The RDA did not carry any book value for this property)
Method of Valuation	Book Value

Revenues Generated by Property & Contractual Requirements	
City / Successor Agency Lease Agreement	The parcel does not generate revenue.

Overview of Environmental Contamination, Remediation Efforts and Other Deficiencies	
None	This property does not have a history of environmental contamination.

Transit-Oriented Development & Advancement of Agency Planning Objectives	
Potential for TOD	Not applicable
Agency Planning Objectives	Assist in the enforcement of existing contracts and agreements that require this parcel to be used as public parking to service the Plaza West Covina Mall.

Recommendation for Disposition	
Transfer to City as Government Use	Existing contracts and agreements require this parcel to remain as public parking to service the Plaza West Covina Mall. Any attempt to deviate from these agreements and contracts would result in a failure on the Successor Agency's part to legally perform its duties and obligations and could result in future legal challenges and litigation.

Asset 5: Public Parking Lot – Surface Parking for Post Office

Parcel Data	
Location	Plaza West Covina by Post Office
APN	8474-007-931
Lot Size	0.99 acres
Use	Public Parking Lot
Zoning	Regional Commercial
Current Title	West Covina Redevelopment Agency

Acquisition & Valuation Information	
Purchase Date	05/21/1993
Purchase Price	\$0 (original purchase price could not be located)
Purpose	Public Parking Lot
Estimate of Current Value	\$0 (The RDA did not carry any book value for this property)
Method of Valuation	Book Value

Revenues Generated by Property & Contractual Requirements	
City / Successor Agency Lease Agreement	The parcel does not generate revenue.

Overview of Environmental Contamination, Remediation Efforts and Other Deficiencies	
None	This property does not have a history of environmental contamination.

Transit-Oriented Development & Advancement of Agency Planning Objectives	
Potential for TOD	Not applicable
Agency Planning Objectives	Assist in the enforcement of existing contracts and agreements that require this parcel to be used as public parking to service the Post Office at the Plaza West Covina Mall.

Recommendation for Disposition	
Transfer to City as Government Use	Existing contracts and agreements in place require this parcel to remain as public parking to service the Post Office at the Plaza West Covina Mall. Any attempt on the part of the Successor Agency to deviate from these agreements and contracts would result in a failure on the Successor Agency's part to legally perform its duties and obligations and could result in future legal challenges and litigation.

Asset 6: Public Parking Lot

Parcel Data	
Location	Plaza West Covina by Macy's
APN	8474-007-932
Lot Size	0.39 acres
Use	Public Parking Lot
Zoning	Regional Commercial
Current Title	West Covina Redevelopment Agency

Acquisition & Valuation Information	
Purchase Date	03/15/1993
Purchase Price	\$0 (original purchase price could not be located)
Purpose	Public Parking Lot
Estimate of Current Value	\$0 (The RDA did not carry any book value for this property)
Method of Valuation	Book Value

Revenues Generated by Property & Contractual Requirements	
City / Successor Agency Lease Agreement	The parcel does not generate revenue.

Overview of Environmental Contamination, Remediation Efforts and Other Deficiencies	
None	This property does not have a history of environmental contamination.

Transit-Oriented Development & Advancement of Agency Planning Objectives	
Potential for TOD	Not applicable
Agency Planning Objectives	Assist in the enforcement of existing contracts and agreements that require this parcel to be used as public parking to service the Plaza West Covina Mall.

Recommendation for Disposition	
Transfer to City as Government Use	Existing contracts and agreements in place require this parcel to remain as public parking to service the Plaza West Covina Mall. Any attempt on the part of the Successor Agency to deviate from these agreements and contracts would result in a failure on the Successor Agency's part to legally perform its duties and obligations and could result in future legal challenges and litigation.

Asset 7: Public Parking Lot

Parcel Data	
Location	Plaza West Covina by Macy's
APN	8474-007-933
Lot Size	0.28 acres
Use	Public Parking Lot
Zoning	Regional Commercial
Current Title	West Covina Redevelopment Agency

Acquisition & Valuation Information	
Purchase Date	08/01/1990
Purchase Price	\$0 (original purchase price could not be located)
Purpose	Public Parking Lot
Estimate of Current Value	\$0 (The RDA did not carry any book value for this property)
Method of Valuation	Book Value

Revenues Generated by Property & Contractual Requirements	
City / Successor Agency Lease Agreement	The parcel does not generate revenue.

Overview of Environmental Contamination, Remediation Efforts and Other Deficiencies	
None	This property does not have a history of environmental contamination.

Transit-Oriented Development & Advancement of Agency Planning Objectives	
Potential for TOD	Not applicable
Agency Planning Objectives	To assist in the enforcement of existing contracts and agreements that require this parcel to be used as public parking to service the Plaza West Covina Mall.

Recommendation for Disposition	
Transfer to City as Government Use	Existing contracts and agreements in place require this parcel to remain as public parking to service the Plaza West Covina Mall. Any attempt on the part of the Successor Agency to deviate from these agreements and contracts would result in a failure on the Successor Agency's part to legally perform its duties and obligations and could result in future legal challenges and litigation.

Asset 8: Public Parking Structure

Parcel Data	
Location	Plaza West Covina
APN	8474-007-934
Lot Size	6.84 acres
Use	Public Parking Lot
Zoning	Regional Commercial
Current Title	West Covina Redevelopment Agency

Acquisition & Valuation Information	
Purchase Date	04/30/1973
Purchase Price	\$11,101,902
Purpose	Public Parking Structure
Estimate of Current Value	\$0 (The RDA did not carry any book value for this property)
Method of Valuation	Book Value

Revenues Generated by Property & Contractual Requirements	
City / Successor Agency Lease Agreement	The parcel does not generate revenue.

Overview of Environmental Contamination, Remediation Efforts and Other Deficiencies	
None	This property does not have a history of environmental contamination.

Transit-Oriented Development & Advancement of Agency Planning Objectives	
Potential for TOD	Not applicable
Agency Planning Objectives	Assist in the enforcement of existing contracts and agreements that require this parcel to be used as public parking to service the Plaza West Covina Mall.

Recommendation for Disposition	
Transfer to City as Government Use	Existing contracts and agreements in place require this parcel to remain as public parking to service the Plaza West Covina Mall. Any attempt on the part of the Successor Agency to deviate from these agreements and contracts would result in a failure on the Successor Agency's part to legally perform its duties and obligations and could result in future legal challenges and litigation.

Asset 9: Public Parking Lot

Parcel Data	
Location	Plaza West Covina
APN	8474-007-935
Lot Size	0.78 acres
Use	Public Parking Lot
Zoning	Regional Commercial
Current Title	West Covina Redevelopment Agency

Acquisition & Valuation Information	
Purchase Date	06/21/1990
Purchase Price	\$0 (original purchase price could not be located)
Purpose	Public Parking Lot
Estimate of Current Value	\$0 (The RDA did not carry any book value for this property)
Method of Valuation	Book Value

Revenues Generated by Property & Contractual Requirements	
City / Successor Agency Lease Agreement	The parcel does not generate revenue.

Overview of Environmental Contamination, Remediation Efforts and Other Deficiencies	
None	This property does not have a history of environmental contamination.

Transit-Oriented Development & Advancement of Agency Planning Objectives	
Potential for TOD	Not applicable
Agency Planning Objectives	Assist in the enforcement of existing contracts and agreements that require this parcel to be used as public parking to service the Plaza West Covina Mall.

Recommendation for Disposition	
Transfer to City as Government Use	Existing contracts and agreements in place require this parcel to remain as public parking to service the Plaza West Covina Mall. Any attempt on the part of the Successor Agency to deviate from these agreements and contracts would result in a failure on the Successor Agency's part to legally perform its duties and obligations and could result in future legal challenges and litigation.

Asset 10: Public Parking Lot

Parcel Data	
Location	Plaza West Covina
APN	8474-007-939
Lot Size	3.40 acres
Use	Public Parking Lot
Zoning	Regional Commercial
Current Title	West Covina Redevelopment Agency

Acquisition & Valuation Information	
Purchase Date	05/21/1993
Purchase Price	\$0 (original purchase price could not be located)
Purpose	Public Parking Lot
Estimate of Current Value	\$0 (The RDA did not carry any book value for this property)
Method of Valuation	Book Value

Revenues Generated by Property & Contractual Requirements	
City / Successor Agency Lease Agreement	The parcel does not generate revenue.

Overview of Environmental Contamination, Remediation Efforts and Other Deficiencies	
None	This property does not have a history of environmental contamination.

Transit-Oriented Development & Advancement of Agency Planning Objectives	
Potential for TOD	Not applicable
Agency Planning Objectives	Assist in the enforcement of existing contracts and agreements that require this parcel to be used as public parking to service the Plaza West Covina Mall.

Recommendation for Disposition	
Transfer to City as Government Use	Existing contracts and agreements in place require this parcel to remain as public parking to service the Plaza West Covina Mall. Any attempt on the part of the Successor Agency to deviate from these agreements and contracts would result in a failure on the Successor Agency's part to legally perform its duties and obligations and could result in future legal challenges and litigation.

Asset 11: Public Parking Lot

Parcel Data	
Location	Plaza West Covina
APN	8474-003-940
Lot Size	1.37 acres
Use	Public Parking Lot
Zoning	Regional Commercial
Current Title	West Covina Redevelopment Agency

Acquisition & Valuation Information	
Purchase Date	11/4/1974
Purchase Price	\$0 (original purchase price could not be located)
Purpose	Public Parking Lot
Estimate of Current Value	\$0 (The RDA did not carry any book value for this property)
Method of Valuation	Book Value

Revenues Generated by Property & Contractual Requirements	
City / Successor Agency Lease Agreement	The parcel does not generate revenue.

Overview of Environmental Contamination, Remediation Efforts and Other Deficiencies	
None	This property does not have a history of environmental contamination.

Transit-Oriented Development & Advancement of Agency Planning Objectives	
Potential for TOD	Not applicable
Agency Planning Objectives	Assist in the enforcement of existing contracts and agreements that require this parcel to be used as public infrastructure to service the Plaza West Covina Mall.

Recommendation for Disposition	
Transfer to City as Government Use	There are existing contracts and agreements in place that require this parcel to remain as parking to service the Plaza West Covina Mall. Any attempt on the part of the Successor Agency to deviate from these agreements and contracts would result in a failure on the Successor Agency's part to legally perform its duties and obligations and could result in future legal challenges and litigation.

4.0 The Eastland Center (LRPMP Asset # 12)

The parcel listed in this section pertains to the Eastland Shopping Center ("Eastland Center") in West Covina. Currently, a joint venture between DDR Corporation and Blackstone Corporation owns the Eastland Center. The Eastland Center has a total retail floor area of approximately 911,000 square feet. The original mall was first built in 1957 as a regional shopping mall. Owners converted the property to a Power Center in 1997. Current tenants include Target, Walmart, Albertsons and Marshalls.

The LRPMP property at the Eastland Center is a parking lot comprised of one parcel with a total acreage of approximately 5.81 acres. The former RDA acquired the surface parking lot (Asset # 12, also described herein as "Parcel D") in 1986. The asset is subject to an Owner Participation Agreement ("OPA"), a Public Parking Facilities Operation Agreement ("PPFOA"), Grant Deed, and Reciprocal Easement Agreements ("REA's"), which places restrictions on the use of the parcel as public parking.

On July 27, 1977, the OPA between the developer and RDA (Appendix D-2) was fully executed and set forth that the *"use of Parcel D shall be non-exclusive as to allow patrons of the retail stores on the Site to use any and **all parking facilities located on Parcel D without charge**"* for a period of 50 years from the date of conveyance to the former RDA or until November 23, 2027. The former RDA and developer also entered into the PPFOA on November 23, 1977 (Appendix D-2), which requires the management, operation and maintenance of the parking, at no cost to the Agency, *"for use by the general public as **off-street free public parking** for patrons of the Eastland Shopping Center and for other businesses in the City of West Covina"* for a 50-year term (expires November 23, 2027).

The asset is also subject to a Reciprocal Easement Agreement ("REA") (Appendix D-2), entered into between the former RDA and the developer on September 21, 1998, which provides for ongoing covenants of reciprocal parking, reciprocal ingress and egress and a required 5 to 1 parking ratio. The REA also requires written consent of other parties should any party attempt to make alterations and/or reductions to the parking ratio, which is unlikely to occur given the significant negative impact that the loss of parking would have on the Eastland Center as well as the disincentive of any other parties to purchase the existing free public parking for continued use.

It should also be noted that this public parking lot **does not provide any revenue** stream to the Successor Agency/City and any valuation listed in the LRPMP is based on the value as listed in the City's financial statements (Book Value), if available, and **would not** constitute a current market value. The Successor Agency contends that these parking lots **are a public benefit and should be transferred to the City of West Covina as a governmental use** in order to continue to remain available to the public. Further, **any deviation from the aforementioned**

agreements and contracts that restrict this asset for the sole purpose of the provision of free public parking would result in a failure on the Successor Agency's part to legally perform its duties and obligations and could result in future legal challenges and litigation.

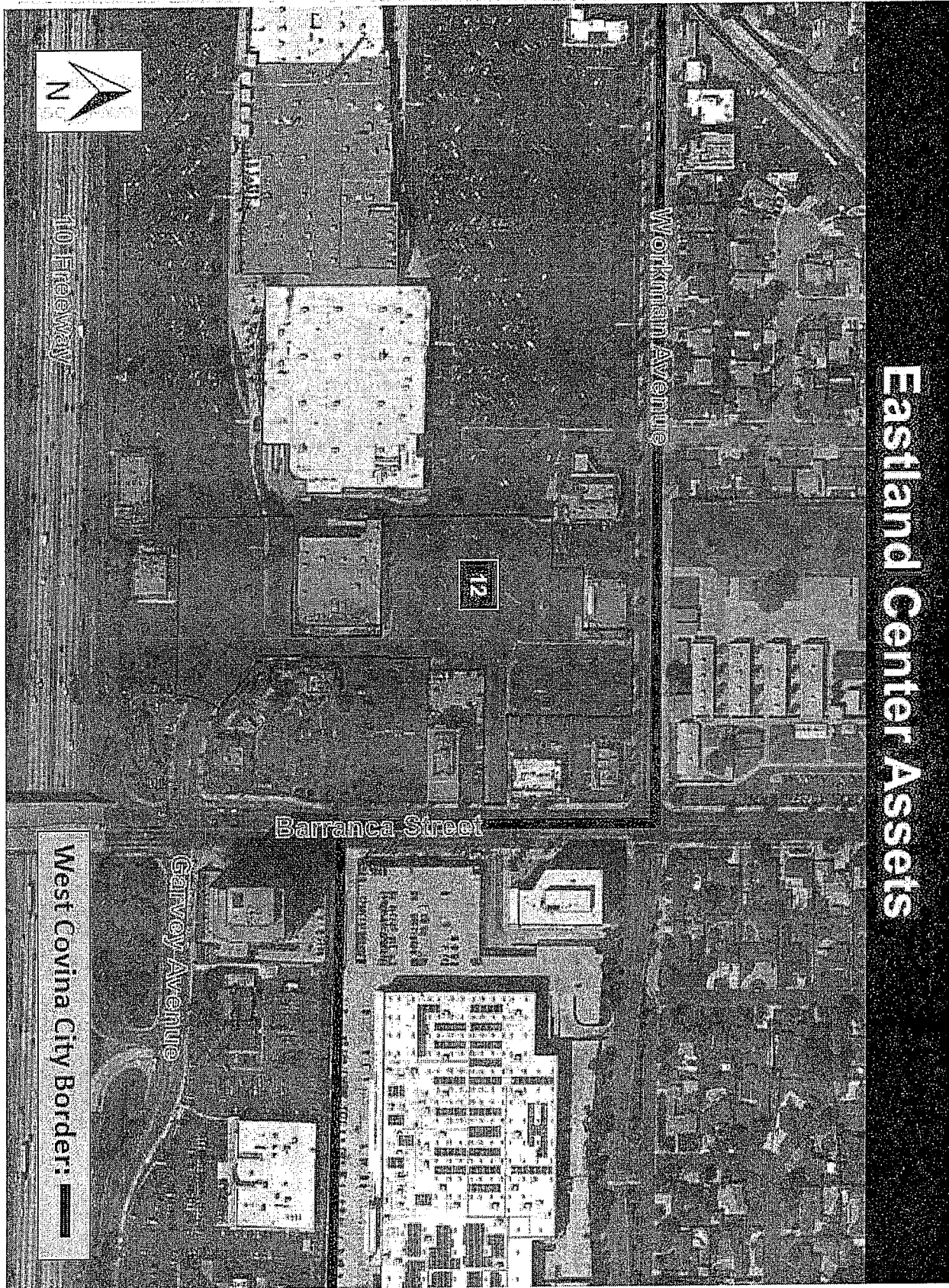
The following table provides a summary of the permissible use categories for each individual asset contained in this section as legally required. An aerial is provided on the following page, which provides more detail on the location of the asset contained in this section.

Table 3 - Summary of Eastland Center LRPMP Property Disposition Categories

West Covina Successor Agency Eastland Center Property Disposition Categories	
Permissible Use Under AB 1484	# of Properties
Government Use	1
Sale of Property	0
Fulfill an Enforceable Obligation	0
Retain for Future Development	0
Total	1

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Aerial of the Eastland Center



Asset 12: Public Parking Lot – Surface Parking Eastland Center (Parcel D)

Parcel Data	
Location	Eastland Center Public Parking Lot
APN	8451-012-907
Lot Size	5.81 acres
Use	Public Parking Lot
Zoning	Regional Commercial
Current Title	West Covina Redevelopment Agency

Acquisition & Valuation Information	
Purchase Date	07/15/1998
Purchase Price	\$0 (original purchase price could not be located)
Purpose	Public Parking Lot
Estimate of Current Value	\$0 (The RDA did not carry any book value for this property)
Method of Valuation	Book Value

Revenues Generated by Property & Contractual Requirements	
City / Successor Agency Lease Agreement	The parcel does not generate revenue.

Overview of Environmental Contamination, Remediation Efforts and Other Deficiencies	
None	This property does not have a history of environmental contamination.

Transit-Oriented Development & Advancement of Agency Planning Objectives	
Potential for TOD	Not applicable
Agency Planning Objectives	Assist in the enforcement of existing contracts and agreements that require this parcel to be used as public parking to service the Eastland Center.

Recommendation for Disposition	
Transfer to City as Government Use	Existing contracts and agreements in place require this parcel to remain as public parking to service the Eastland Center. Any attempt on the part of the Successor Agency to deviate from these agreements and contracts would result in a failure on the Successor Agency's part to legally perform its duties and obligations and could result in future legal challenges and litigation.

5.0 The Lakes Offices (LRPMP Assets # 13 & # 14)

The assets (Asset # 13 and # 14) listed in this section pertain to the Lakes Office Development in the City of West Covina. The Lakes Office development consists of two office towers with a usable area of 83,783 square feet each. The property is adjacent to the Plaza West Covina Mall. The two assets total approximately 4.16 acres in size and are solely dedicated to providing parking related improvements, which consist of surface parking spaces, two parking structures, and related infrastructure improvements.

The subject assets are governed by a number of agreements that specifically address the provision of parking for the general public and patrons of the Lakes Office development and adjacent businesses, which consist of lease agreements, Disposition and Development Agreements ("DDA's"), Indenture of Trust Agreement, Reimbursement Agreement, Installment Agreement, Agreement of Sublease, Agreement Regarding Option, Operating Agreement, reciprocal easement agreements ("REA's"), and Implementation Agreements.

The City of West Covina Parking Authority ("Parking Authority") first acquired and developed the property based on a November 1, 1973 Parking Facilities Lease between the City and Parking Authority. The Parking Authority issued tax-exempt Certificates of Participation ("COP Bonds") to acquire and construct the improvements on the property, which were later refinanced through Lease Revenue Refunding Bonds issued on August 1, 1988 for the former RDA to obtain ownership of the assets.

On August 1, 1988, the RDA also entered into a lease agreement ("Master Lease") (Appendix D-3) whereby the City leased the parking facilities from the RDA for an initial 30-year term (until August 1, 2018), with a provision to allow eleven (11) 5-year extensions (potentially to bring the lease terms out to 2073). Under Article IV, Section 4.1 of the City's Master Lease, *"The Project and the Site shall be used solely for the purpose of providing public parking and related and incidental uses."* On August 1, 1988, the Lakes Office Development entered into an Agreement to Sublease (Appendix D-3) under the same terms of the Master Lease. It is important to note that one of the tenants of the Lakes Office Development is the local office for the Federal Bureau of Investigation, which utilizes the parking in question and provides additional supporting evidence that these assets serve a governmental purpose.

As part of the Amended and Restated Construction, Operation and Reciprocal Easement Agreement ("REA") (Appendix D-3) the Agency further granted "nonexclusive easements in common with the general public without preference or priority" in connection with both parking structures that are contained on Asset 13 and 14.

It should also be noted that these public parking lots **do not provide any revenue** stream to the Successor Agency/City and any valuation listed in the LRPMP is based on the value as listed in the City's financial statements (Book Value), if available, and **would not** constitute a current

market value. The Successor Agency contends that these parking lots are a public benefit and should be transferred to the City of West Covina as a governmental use in order to continue to remain available to the public. Further, any deviation from the aforementioned agreements and contracts that restrict this asset for the sole purpose of the provision of free public parking would result in a failure on the Successor Agency's part to legally perform its duties and obligations and could result in future legal challenges and litigation

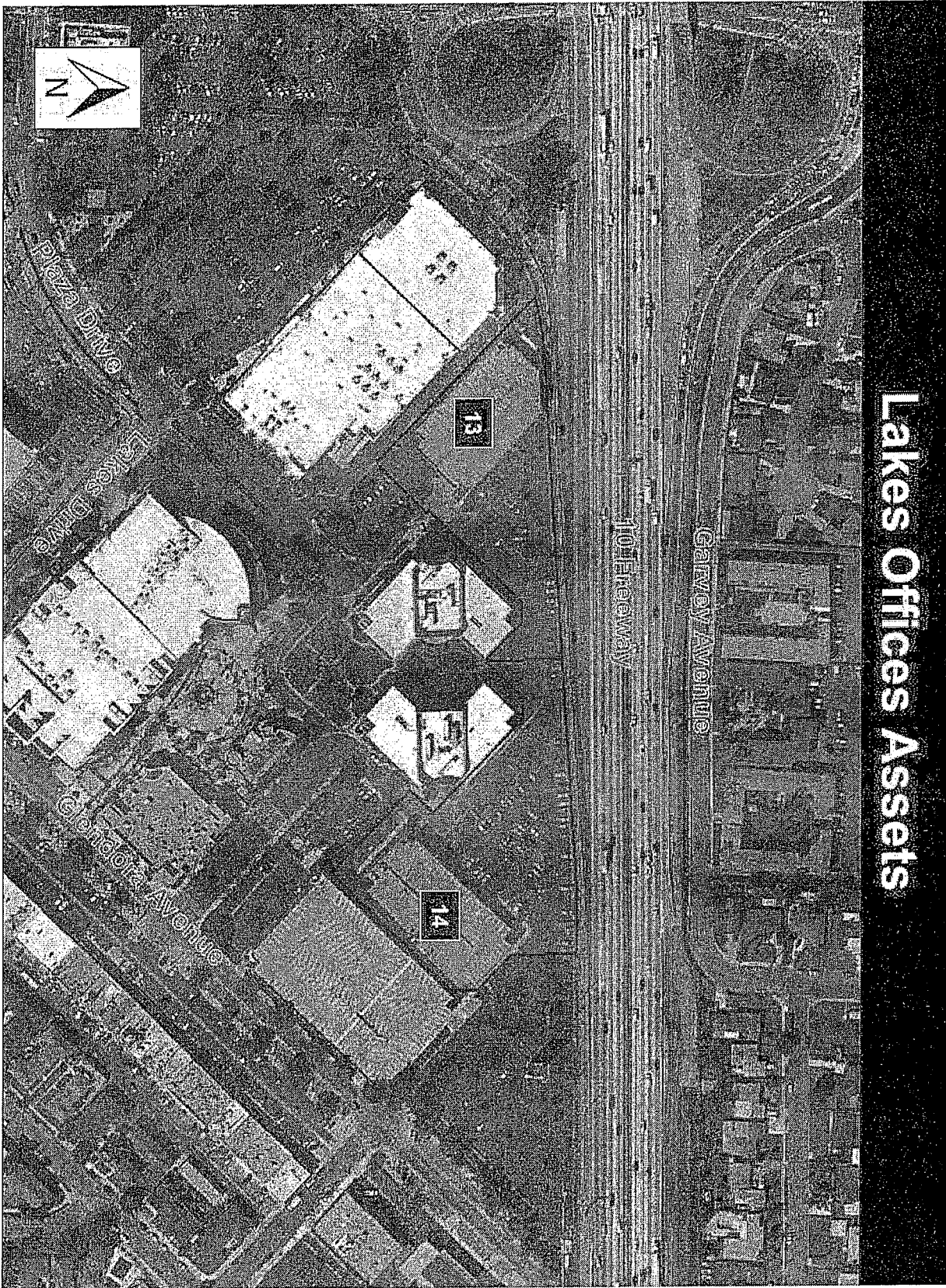
The following table provides a summary of the permissible use categories for each individual asset contained in this section as legally required. An aerial is provided on the following page, which provides more detail on the location of each of the assets contained in this section.

Table 4 - Summary of Lakes Offices LRPMP Property Disposition Categories

West Covina Successor Agency Lakes Offices Property Disposition Categories	
Permissible Use Under AB 1484	# of Properties
Government Use	2
Sale of Property	0
Fulfill an Enforceable Obligation	0
Retain for Future Development	0
Total	2

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Aerial of the Lakes Offices



Lakes Offices Assets

Asset 13: Public Parking Lot – Parking Lot and Parking Structure

Parcel Data	
Location	1000 Lakes Drive Parking Lot and Structure 1
APN	8474-011-942
Lot Size	1.77 acres
Use	Public Parking Lot
Zoning	Regional Commercial
Current Title	West Covina Redevelopment Agency

Acquisition & Valuation Information	
Purchase Date	06/27/1988
Purchase Price	\$3,297,476
Purpose	Public Parking Lot
Estimate of Current Value	\$0 (The RDA did not carry any book value for this property)
Method of Valuation	Book Value

Revenues Generated by Property & Contractual Requirements	
City / Successor Agency Lease Agreement	The parcel does not generate revenue.

Overview of Environmental Contamination, Remediation Efforts and Other Deficiencies	
None	This property does not have a history of environmental contamination.

Transit-Oriented Development & Advancement of Agency Planning Objectives	
Potential for TOD	Not applicable
Agency Planning Objectives	To assist in the enforcement of existing contracts and agreements that require this parcel to be used as public parking to service the Lakes Offices.

Recommendation for Disposition	
Transfer to City as Government Use	Existing contracts and agreements in place require that this parcel remain as public parking to service the Lakes Office Development. Any attempt on the part of the Successor Agency to deviate from these agreements and contracts would result in a failure on the Successor Agency's part to legally perform its duties and obligations and could result in future legal challenges and litigation.

Asset 14: Public Parking Lot – Parking lot and Structure

Parcel Data	
Location	Lakes Offices Public Parking Lot
APN	8474-011-943
Lot Size	2.39 acres
Use	Public Parking Lot
Zoning	Regional Commercial
Current Title	West Covina Redevelopment Agency

Acquisition & Valuation Information	
Purchase Date	06/27/1988
Purchase Price	\$4,452,524
Purpose	Public Parking Lot
Estimate of Current Value	\$0 (The RDA did not carry any book value for this property)
Method of Valuation	Book Value

Revenues Generated by Property & Contractual Requirements	
City / Successor Agency Lease Agreement	The parcel does not generate revenue.

Overview of Environmental Contamination, Remediation Efforts and Other Deficiencies	
None	This property does not have a history of environmental contamination

Transit-Oriented Development & Advancement of Agency Planning Objectives	
Potential for TOD	None
Agency Planning Objectives	To assist in the enforcement of existing contracts and agreements that require this parcel to be used as public parking to service the Lakes Offices.

Recommendation for Disposition	
Transfer to City as Government Use	Existing contracts and agreements in place require that this parcel remain as public parking to service the Lakes Office Development. Any attempt on the part of the Successor Agency to deviate from these agreements and contracts would result in a failure on the Successor Agency's part to legally perform its duties and obligations and could result in future legal challenges and litigation.

6.0 West Covina Sportsplex (LRPMP Assets # 15 - # 32)

The LRPMP parcels (Asset #s 15 to # 32) listed in this section pertain to the properties at the West Covina Sportsplex, which consist of road infrastructure, protected coastal sage scrub habitat land, proposed public water tanks, and other vacant undevelopable land. The West Covina Sportsplex surrounds a former BKK Landfill. From 1962 to 1996, the BKK Corporation operated a Landfill in the City that accepted Class I solid and liquid toxic waste as well as Class III municipal waste.

During the Landfill's operation, it accepted approximately 3.4 million tons of Class I hazardous waste and an additional 20 million tons of Class III municipal waste. The former BKK Landfill site encompasses approximately 583 acres, and reaches a maximum height of approximately 1,030 feet. The Class I portion of the Landfill is unlined and covers approximately 190 acres generally in the southeast portion of the property. BKK operated a lined solid waste landfill on about 170 acres of the remaining property.

The landfill ceased operations in September 1996, but hazardous materials and the environmental remediation costs associated with the property made efforts to redevelop the property a challenge. West Covina's Community Development Commission ("CDC") worked with citizens and businesses in the City to determine a vision for the former BKK site. While the CDC recognized that the project needed significant environmental remediation, it developed a draft site specific plan ("Specific Plan") to utilize some parts of the property.

The former RDA and BKK entered into a purchase and sale agreement (July 27, 2002) to purchase approximately 231 acres to provide recreation amenities to the community, eliminate the potential development of a proposed industrial park, alleviate blighting conditions as a result of the Class I and Class III landfills, and help facilitate the closure of the Class III landfill that has been a blight on the community for the last 50 years. The master plan for the area envisioned a Big League Dreams Sports Park, 27-acre commercial retail center, restaurants, trails, open space, and an 18-hole municipal golf course. Since the former RDA purchased the property, only the Big League Dreams baseball park and the Heights commercial development, a 340,000 square foot retail center has been completed.

However, other proposed developments remain unconstructed due to the fact that it is adjacent to the BKK landfill, which presents financial and legal liabilities as well as limitations, conditions, and obligations. The former RDA purchased the subject properties under terms and conditions within agreements and permits with not only BKK but state and federal regulatory agencies. Importantly, the agreements included covenants in which the US EPA would not sue the City (Appendix D-4).

The City first worked with the United States Environmental Protection Agency ("US EPA") and the California Department of Toxic Substance Control ("CDTSC") to receive environmental clearance to redevelop part of the subject properties. On May 28, 2003, the US EPA entered

into two purchaser agreements with the RDA to buy the former landfill property from BKK Corporation.²

The agreement also still held BKK Corporation liable for the cleanup of the contaminated site. BKK had to use approximately \$2.38 million of the net proceeds of the sale to conduct environmental work at the site. Another \$420,000 of the net proceeds went to monitoring the soil, vapors and air around the Big League Dreams Sportsplex development.

In an effort to fund the restoration, maintenance, and preservation of sensitive environmental habitat within the area that surrounds the BKK landfill, the City formed a community facilities district ("CDD"). All direct, administrative, and incidental annual costs and expenses related to the maintenance, operation and management are covered by the Coastal Sage Scrub Habitat Conservation and Monitoring Plan dated May 22, 2003 (Appendix D-4) As a result, many of the properties contained in the following section are considered a governmental use due to their location within the boundaries of the CDD and designation as restricted coastal sage scrub habitat land.

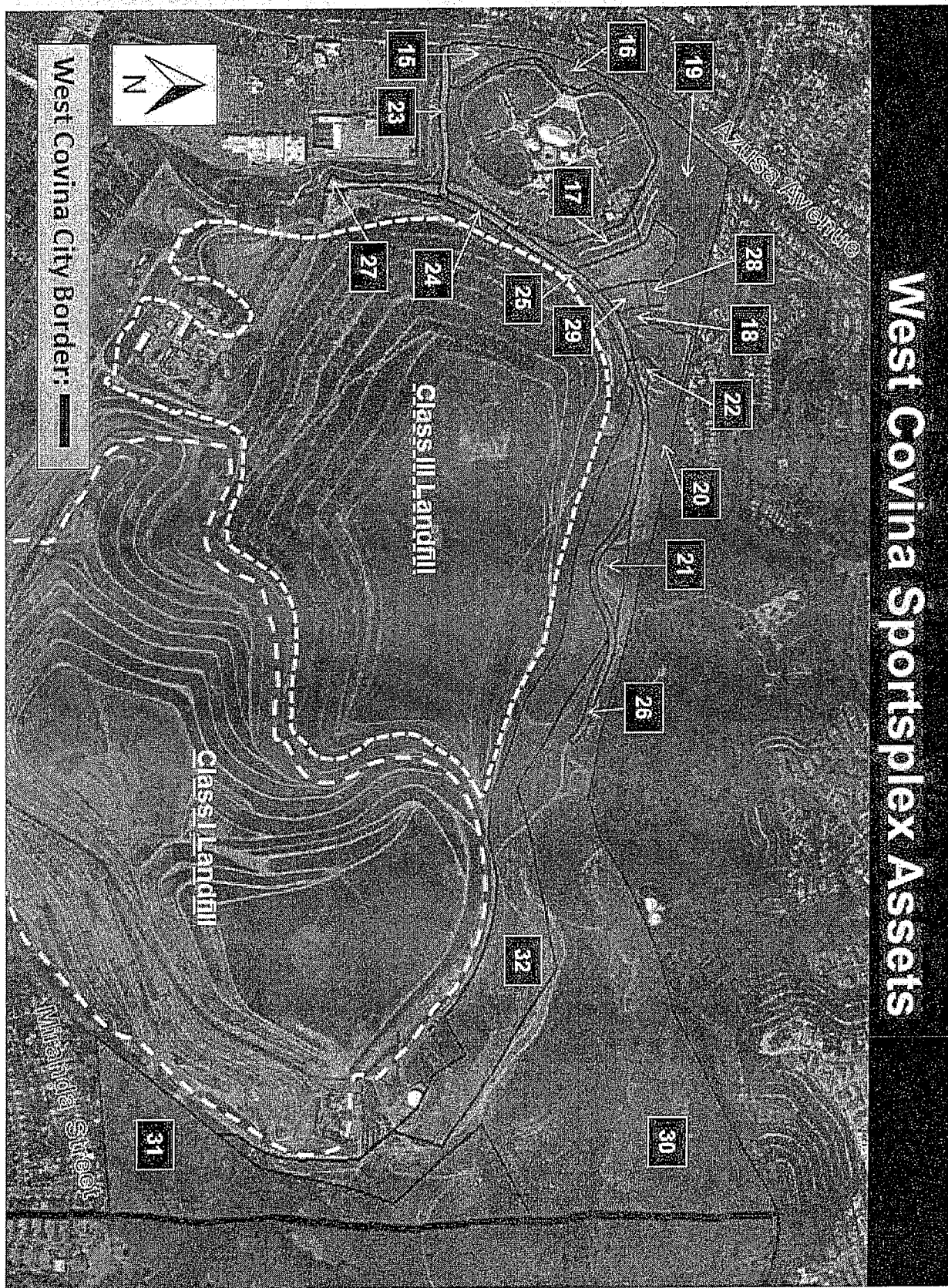
The following table provides a summary of the permissible use categories for each individual asset contained in this section as legally required. An aerial is provided on the following page, which provides more detail on the location of each of the assets contained in this section.

Table 4 - Summary of West Covina Sportsplex LRPMP Property Disposition Categories

West Covina Successor Agency West Covina Sportsplex Property Disposition Categories	
Permissible Use Under AB 1484	# of Properties
Government Use	12
Sale of Property	6
Fulfill an Enforceable Obligation	0
Retain for Future Development	0
Total	18

² "US EPA and California DTSC Give Green Light for Ballpark in West Covina," 5/28/2003. Accessed at: <http://yosemite.epa.gov/opa/admpress.nsf/d0cf6618525a9efb85257359003fb69d/eac21778ad528d96852570d8005e1546!OpenDocument>

Aerial of the West Covina Sportsplex Parcels



Asset 15: Sign Easement (AAA Pad)

Parcel Data	
Location	West Covina Sportsplex
APN	8735-001-912
Lot Size	2.17 acres
Use	Sign Easement
Zoning	Service Commercial
Current Title	West Covina Redevelopment Agency

Acquisition & Valuation Information	
Purchase Date	07/17/2003
Purchase Price	\$84,737
Purpose	Sign Easement
Estimate of Current Value	\$0 (The RDA did not carry any book value for this property)
Method of Valuation	Book Value

Revenues Generated by Property & Contractual Requirements	
City / Successor Agency Lease Agreement	The parcel does not generate revenue.

Overview of Environmental Contamination, Remediation Efforts and Other Deficiencies	
No	This property does not have a history of environmental contamination.

Transit-Oriented Development & Advancement of Agency Planning Objectives	
Potential for TOD	Not applicable
Agency Planning Objectives	To fulfill the overall vision and plan for the West Covina Sportsplex by selling the property at fair market value so appropriate signage and entryway treatments can be added to the property and welcome visitors to the Sportsplex.

Recommendation for Disposition	
List Property for Sale	While a part of the overall West Covina Sportsplex, this property does not have restrictions as to its use or disposition. As such, the best LRPMP category for this property is to list it in the For Sale category and sell the property at fair market value. Any sale proceeds in excess of costs associated with the sale of the property will be distributed to the affected taxing entities.

Asset 16: Coastal Sage Scrub Habitat

Parcel Data	
Location	West Covina Sportsplex
APN	8735-001-915
Lot Size	1.39 acres
Use	Coastal Sage Scrub Habitat
Zoning	Open Space
Current Title	West Covina Redevelopment Agency

Acquisition & Valuation Information	
Purchase Date	07/17/2003
Purchase Price	\$54,278
Purpose	Required Open Space for Coastal Sage Scrub Habitat
Estimate of Current Value	\$0 (The RDA did not carry any book value for this property)
Method of Valuation	Book Value

Revenues Generated by Property & Contractual Requirements	
City / Successor Agency Lease Agreement	The parcel does not generate revenue.

Overview of Environmental Contamination, Remediation Efforts and Other Deficiencies	
Yes	This property is restricted to remain as coastal sage scrub habitat.

Transit-Oriented Development & Advancement of Agency Planning Objectives	
Potential for TOD	Not applicable
Agency Planning Objectives	To carry out the enforcement of existing covenants that specify this parcel must remain as coastal sage scrub habitat.

Recommendation for Disposition	
Transfer to City as Governmental Use	As part of the environmental remediation associated with the former BKK site, the City of West Covina was required to set aside approximately 23 acres of land around the site for Coastal Sage Scrub protection. On October 19, 2004, the City Council passed Resolution 2004-83 (Appendix D-4), which established a Mello-Roos District to finance the maintenance and monitoring of the habitat. On January 4, 2005, the City of West Covina issued a Notice of Special Tax Lien to record the special tax levy associated with the Coastal Sage Scrub habitat.

Asset 17: Coastal Sage Scrub Habitat

Parcel Data	
Location	West Covina Sportsplex
APN	8735-001-916
Lot Size	2.33 acres
Use	Coastal Sage Scrub Habitat
Zoning	Open Space
Current Title	West Covina Redevelopment Agency

Acquisition & Valuation Information	
Purchase Date	07/17/2003
Purchase Price	\$90,984
Purpose	Required Open Space for Coastal Sage Scrub Habitat
Estimate of Current Value	\$0 (The RDA did not carry any book value for this property)
Method of Valuation	Book Value

Revenues Generated by Property & Contractual Requirements	
City / Successor Agency Lease Agreement	The parcel does not generate revenue.

Overview of Environmental Contamination, Remediation Efforts and Other Deficiencies	
Yes	This property is restricted to remain as coastal sage scrub habitat.

Transit-Oriented Development & Advancement of Agency Planning Objectives	
Potential for TOD Agency Planning Objectives	Not applicable To carry out the enforcement of existing covenants that specify this parcel must remain as coastal sage scrub habitat.

Recommendation for Disposition	
Transfer for City as Governmental Use	As part of the environmental remediation associated with the former BKK site, the City of West Covina was required to set aside approximately 23 acres of land around the site for Coastal Sage Scrub protection. On October 19, 2004, the City Council passed Resolution 2004-83 (Appendix D-4), which established a Mello-Roos District to finance the maintenance and monitoring of the habitat. On January 4, 2005, the City of West Covina issued a Notice of Special Tax Lien to record the special tax levy associated with the Coastal Sage Scrub habitat.

Asset 18: Coastal Sage Scrub Habitat

Parcel Data	
Location	West Covina Sportsplex
APN	8735-001-917
Lot Size	0.46 acres
Use	Coastal Sage Scrub Habitat
Zoning	Open Space
Current Title	West Covina Redevelopment Agency

Acquisition & Valuation Information	
Purchase Date	07/17/2003
Purchase Price	\$17,963
Purpose	Required Open Space for Coastal Sage Scrub Habitat
Estimate of Current Value	\$0 (The RDA did not carry any book value for this property)
Method of Valuation	Book Value

Revenues Generated by Property & Contractual Requirements	
City / Successor Agency Lease Agreement	The parcel does not generate revenue.

Overview of Environmental Contamination, Remediation Efforts and Other Deficiencies	
Yes	This property is restricted to remain as coastal sage scrub habitat.

Transit-Oriented Development & Advancement of Agency Planning Objectives	
Potential for TOD	Not applicable
Agency Planning Objectives	To carry out the enforcement of existing covenants that specify this parcel must remain as coastal sage scrub habitat.

Recommendation for Disposition	
Transfer to City as Governmental Use	As part of the environmental remediation associated with the former BKK site, the City of West Covina was required to set aside approximately 23 acres of land around the site for Coastal Sage Scrub protection. On October 19, 2004, the City Council passed Resolution 2004-83 (Appendix D-4), which established a Mello-Roos District to finance the maintenance and monitoring of the habitat. On January 4, 2005, the City of West Covina issued a Notice of Special Tax Lien to record the special tax levy associated with the Coastal Sage Scrub habitat.

Asset 19: Coastal Sage Scrub Habitat

Parcel Data	
Location	West Covina Sportsplex
APN	8735-001-918
Lot Size	14.39 acres
Use	Coastal Sage Scrub Habitat
Zoning	Open Space
Current Title	West Covina Redevelopment Agency

Acquisition & Valuation Information	
Purchase Date	07/17/2003
Purchase Price	\$561,917
Purpose	Required Open Space for Coastal Sage Scrub Habitat
Estimate of Current Value	\$0 (The RDA did not carry any book value for this property)
Method of Valuation	Book Value

Revenues Generated by Property & Contractual Requirements	
City / Successor Agency Lease Agreement	The parcel does not generate revenue.

Overview of Environmental Contamination, Remediation Efforts and Other Deficiencies	
Yes	This property is restricted to remain as coastal sage scrub habitat.

Transit-Oriented Development & Advancement of Agency Planning Objectives	
Potential for TOD Agency Planning Objectives	Not applicable To carry out the enforcement of existing covenants that specify this parcel must remain as coastal sage scrub habitat.

Recommendation for Disposition	
Transfer to City as Governmental Use	As part of the environmental remediation associated with the former BKK site, the City of West Covina was required to set aside approximately 23 acres of land around the site for Coastal Sage Scrub protection. On October 19, 2004, the City Council passed Resolution 2004-83 (Appendix D-4), which established a Mello-Roos District to finance the maintenance and monitoring of the habitat. On January 4, 2005, the City of West Covina issued a Notice of Special Tax Lien to record the special tax levy associated with the Coastal Sage Scrub habitat.

Asset 20: Coastal Sage Scrub Habitat

Parcel Data	
Location	West Covina Sportsplex
APN	8735-001-919
Lot Size	7.96 acres
Use	Coastal Sage Scrub Habitat.
Zoning	Open Space
Current Title	West Covina Redevelopment Agency

Acquisition & Valuation Information	
Purchase Date	07/17/2003
Purchase Price	\$310,831
Purpose	Required Open Space for Coastal Sage Scrub Habitat
Estimate of Current Value	\$0 (The RDA did not carry any book value for this property)
Method of Valuation	Book Value

Revenues Generated by Property & Contractual Requirements	
City / Successor Agency Lease Agreement	The parcel does not generate revenue.

Overview of Environmental Contamination, Remediation Efforts and Other Deficiencies	
Yes	This property is restricted to remain as coastal sage scrub habitat.

Transit-Oriented Development & Advancement of Agency Planning Objectives	
Potential for TOD	Not applicable
Agency Planning Objectives	To carry out the enforcement of existing covenants that specify this parcel must remain as coastal sage scrub habitat.

Recommendation for Disposition	
Transfer to City as Governmental Use	As part of the environmental remediation associated with the former BKK site, the City of West Covina was required to set aside approximately 23 acres of land around the site for Coastal Sage Scrub protection. On October 19, 2004, the City Council passed Resolution 2004-83 (Appendix D-4), which established a Mello-Roos District to finance the maintenance and monitoring of the habitat. On January 4, 2005, the City of West Covina issued a Notice of Special Tax Lien to record the special tax levy associated with the Coastal Sage Scrub habitat.

Asset 21: Coastal Sage Scrub Habitat

Parcel Data	
Location	West Covina Sportsplex
APN	8735-001-920
Lot Size	1.24 acres
Use	Coastal Sage Scrub Habitat
Zoning	Open Space
Current Title	West Covina Redevelopment Agency

Acquisition & Valuation Information	
Purchase Date	07/17/2003
Purchase Price	\$48,421
Purpose	Required Open Space for Coastal Sage Scrub Habitat
Estimate of Current Value	\$0 (The RDA did not carry any book value for this property)
Method of Valuation	Book Value

Revenues Generated by Property & Contractual Requirements	
City / Successor Agency Lease Agreement	The parcel does not generate revenue.

Overview of Environmental Contamination, Remediation Efforts and Other Deficiencies	
Yes	This property is restricted to remain as coastal sage scrub habitat.

Transit-Oriented Development & Advancement of Agency Planning Objectives	
Potential for TOD Agency Planning Objectives	Not applicable To carry out the enforcement of existing covenants that specify this parcel must remain as coastal sage scrub habitat.

Recommendation for Disposition	
Transfer to City as Governmental Use	As part of the environmental remediation associated with the former BKK site, the City of West Covina was required to set aside approximately 23 acres of land around the site for Coastal Sage Scrub protection. On October 19, 2004, the City Council passed Resolution 2004-83 (Appendix D-4), which established a Mello-Roos District to finance the maintenance and monitoring of the habitat. On January 4, 2005, the City of West Covina issued a Notice of Special Tax Lien to record the special tax levy associated with the Coastal Sage Scrub habitat.

Asset 22: Coastal Sage Scrub Habitat

Parcel Data	
Location	West Covina Sportsplex
APN	8735-001-921
Lot Size	0.19 acres
Use	Coastal Sage Scrub Habitat
Zoning	Open Space
Current Title	West Covina Redevelopment Agency

Acquisition & Valuation Information	
Purchase Date	07/17/2003
Purchase Price	\$7,419
Purpose	Required Open Space for Coastal Sage Scrub Habitat
Estimate of Current Value	\$0 (The RDA did not carry any book value for this property)
Method of Valuation	Book Value

Revenues Generated by Property & Contractual Requirements	
City / Successor Agency Lease Agreement	The parcel does not generate revenue.

Overview of Environmental Contamination, Remediation Efforts and Other Deficiencies	
Yes	This property is restricted to remain as coastal sage scrub habitat.

Transit-Oriented Development & Advancement of Agency Planning Objectives	
Potential for TOD	Not applicable
Agency Planning Objectives	To carry out the enforcement of existing covenants that specify this parcel must remain as coastal sage scrub habitat.

Recommendation for Disposition	
Transfer to City as Governmental Use	As part of the environmental remediation associated with the former BKK site, the City of West Covina was required to set aside approximately 23 acres of land around the site for Coastal Sage Scrub protection. On October 19, 2004, the City Council passed Resolution 2004-83 (Appendix D-4), which established a Mello-Roos District to finance the maintenance and monitoring of the habitat. On January 4, 2005, the City of West Covina issued a Notice of Special Tax Lien to record the special tax levy associated with the Coastal Sage Scrub habitat.

Asset 23: Road Infrastructure

Parcel Data	
Location	West Covina Sportsplex
APN	8735-001-928
Lot Size	1.03 acres
Use	Road Infrastructure
Zoning	Open Space
Current Title	West Covina Redevelopment Agency

Acquisition & Valuation Information	
Purchase Date	07/17/2003
Purchase Price	\$40,221
Purpose	Road to access Big League Dreams West Covina
Estimate of Current Value	\$0 (The RDA did not carry any book value for this property)
Method of Valuation	Book Value

Revenues Generated by Property & Contractual Requirements	
City / Successor Agency Lease Agreement	The parcel does not generate revenue.

Overview of Environmental Contamination, Remediation Efforts and Other Deficiencies	
No	This property does not have a history of environmental contamination.

Transit-Oriented Development & Advancement of Agency Planning Objectives	
Potential for TOD	Not applicable
Agency Planning Objectives	Assist in the enforcement of existing covenants and agreements that require this parcel to be used as public infrastructure to service the Big League Dreams Sportsplex West Covina.

Recommendation for Disposition	
Transfer to City Governmental Use	There are existing covenants in place that require this parcel to remain as public infrastructure to service the Big League Dreams West Covina. Any attempt on the part of the Successor Agency to deviate from these agreements and contracts would result in a failure on the Successor Agency's part to legally perform its duties and obligations and could result in future legal challenges and litigation.

Asset 24: Road Infrastructure

Parcel Data	
Location	West Covina Sportsplex
APN	8735-001-929
Lot Size	0.54 acres
Use	Road Infrastructure
Zoning	Open Space
Current Title	West Covina Redevelopment Agency

Acquisition & Valuation Information	
Purchase Date	07/17/2003
Purchase Price	\$21,087
Purpose	Road to access Big League Dreams West Covina
Estimate of Current Value	\$0 (The RDA did not carry any book value for this property)
Method of Valuation	Book Value

Revenues Generated by Property & Contractual Requirements	
City / Successor Agency Lease Agreement	The parcel does not generate revenue.

Overview of Environmental Contamination, Remediation Efforts and Other Deficiencies	
No	This property does not have a history of environmental contamination.

Transit-Oriented Development & Advancement of Agency Planning Objectives	
Potential for TOD	Not applicable
Agency Planning Objectives	Assist in the enforcement of existing covenants and agreements that require this parcel to be used as public infrastructure to service the Big League Dreams Sportsplex West Covina.

Recommendation for Disposition	
Transfer to City as Governmental Use	There are existing covenants in place that require this parcel to remain as public infrastructure to service the Big League Dreams West Covina. Any attempt on the part of the Successor Agency to deviate from these agreements and contracts would result in a failure on the Successor Agency's part to legally perform its duties and obligations and could result in future legal challenges and litigation.

Asset 25: Road Infrastructure

Parcel Data	
Location	West Covina Sportsplex
APN	8735-001-930
Lot Size	1.47 acres
Use	Road Infrastructure
Zoning	Open Space
Current Title	West Covina Redevelopment Agency

Acquisition & Valuation Information	
Purchase Date	07/17/2003
Purchase Price	\$57,402
Purpose	Road to access Big League Dreams West Covina and potential Office pads
Estimate of Current Value	\$0 (The RDA did not carry any book value for this property)
Method of Valuation	Book Value

Revenues Generated by Property & Contractual Requirements	
City / Successor Agency Lease Agreement	The parcel does not generate revenue.

Overview of Environmental Contamination, Remediation Efforts and Other Deficiencies	
No	This property does not have a history of environmental contamination.

Transit-Oriented Development & Advancement of Agency Planning Objectives	
Potential for TOD	Not applicable
Agency Planning Objectives	Assist in the enforcement of existing covenants and agreements that require this parcel to be used as public infrastructure to service the Big League Dreams Sportsplex West Covina.

Recommendation for Disposition	
Transfer to City as Governmental Use	There are existing agreements in place that require this parcel to remain as public infrastructure to service the Big League Dreams West Covina. Any attempt on the part of the Successor Agency to deviate from these covenants and agreements would result in a failure on the Successor Agency's part to legally perform its duties and obligations and could result in future legal challenges and litigation.

Asset 26: Road Infrastructure

Parcel Data	
Location	West Covina Sportsplex
APN	8735-001-931
Lot Size	2.36 acres
Use	Road Infrastructure
Zoning	Public Buildings
Current Title	West Covina Redevelopment Agency

Acquisition & Valuation Information	
Purchase Date	07/17/2003
Purchase Price	\$92,156
Purpose	Road to access
Estimate of Current Value	\$0 (The RDA did not carry any book value for this property)
Method of Valuation	Book Value

Revenues Generated by Property & Contractual Requirements	
City / Successor Agency Lease Agreement	The parcel does not generate revenue.

Overview of Environmental Contamination, Remediation Efforts and Other Deficiencies	
No	This property does not have a history of environmental contamination.

Transit-Oriented Development & Advancement of Agency Planning Objectives	
Potential for TOD	Not applicable
Agency Planning Objectives	Assist in the enforcement of existing covenants and agreements that require this parcel to be used as public infrastructure to service the Big League Dreams Sportsplex West Covina.

Recommendation for Disposition	
Transfer to City as Governmental Use	There are existing agreements in place that require this parcel to remain as public infrastructure to service the Big League Dreams West Covina. Any attempt on the part of the Successor Agency to deviate from these covenants and agreements would result in a failure on the Successor Agency's part to legally perform its duties and obligations and could result in future legal challenges and litigation.

Asset 27: Road Infrastructure

Parcel Data	
Location	West Covina Sportsplex
APN	8735-001-932
Lot Size	0.86 acres
Use	Roadway/walkway
Zoning	Open Space
Current Title	West Covina Redevelopment Agency

Acquisition & Valuation Information	
Purchase Date	07/17/2003
Purchase Price	\$33,582
Purpose	Road to access Big League Dreams West Covina
Estimate of Current Value	\$0 (The RDA did not carry any book value for this property)
Method of Valuation	Book Value

Revenues Generated by Property & Contractual Requirements	
City / Successor Agency Lease Agreement	The parcel does not generate revenue.

Overview of Environmental Contamination, Remediation Efforts and Other Deficiencies	
No	This property does not have a history of environmental contamination.

Transit-Oriented Development & Advancement of Agency Planning Objectives	
Potential for TOD	Not applicable
Agency Planning Objectives	Assist in the enforcement of existing covenants and agreements that require this parcel to be used as public infrastructure to service the Big League Dreams Sportsplex West Covina.

Recommendation for Disposition	
Transfer to City as Governmental Use	There are existing agreements in place that require this parcel to remain as public infrastructure to service the Big League Dreams West Covina. Any attempt on the part of the Successor Agency to deviate from these covenants and agreements would result in a failure on the Successor Agency's part to legally perform its duties and obligations and could result in future legal challenges and litigation.

Asset 28: Public Water Tank

Parcel Data	
Location	West Covina Sportsplex
APN	8735-001-933
Lot Size	0.52 acres
Use	Water Tank
Zoning	Open Space
Current Title	West Covina Redevelopment Agency

Acquisition & Valuation Information	
Purchase Date	07/17/2003
Purchase Price	\$20,306
Purpose	Infrastructure for West Covina Sportsplex
Estimate of Current Value	\$20,306
Method of Valuation	Book Value

Revenues Generated by Property & Contractual Requirements	
City / Successor Agency Lease Agreement	The parcel does not generate revenue.

Overview of Environmental Contamination, Remediation Efforts and Other Deficiencies	
No	This property does not have a history of environmental contamination.

Transit-Oriented Development & Advancement of Agency Planning Objectives	
Potential for TOD	Not applicable
Agency Planning Objectives	To fulfill the master plan objective for the West Covina Sportsplex by constructing a public water tank on this parcel.

Recommendation for Disposition	
List Property For Sale	While a part of the overall West Covina Sportsplex, this property does not have restrictions as to its use or disposition. As such the best LRPMP category for this property is to list it in the For Sale category and sell the property at fair market value in order to construct a public water tank. Proceeds of the sale will be utilized to defease outstanding debt tied to the property and any excess will be distributed to the taxing entities.

Asset 29: Public Water Tank

Parcel Data	
Location	West Covina Sportsplex
APN	8735-001-934
Lot Size	0.87 acres
Use	Water Tank
Zoning	Open Space
Current Title	West Covina Redevelopment Agency

Acquisition & Valuation Information	
Purchase Date	07/17/2003
Purchase Price	\$33,973
Purpose	Infrastructure for West Covina Sportsplex
Estimate of Current Value	\$33,973
Method of Valuation	Book Value

Revenues Generated by Property & Contractual Requirements	
City / Successor Agency Lease Agreement	The parcel does not generate revenue.

Overview of Environmental Contamination, Remediation Efforts and Other Deficiencies	
No	This property does not have a history of environmental contamination.

Transit-Oriented Development & Advancement of Agency Planning Objectives	
Potential for TOD	Not applicable
Agency Planning Objectives	To fulfill the master plan objective for the West Covina Sportsplex by constructing a public water tank on this parcel.

Recommendation for Disposition	
List Property For Sale	While a part of the overall West Covina Sportsplex, this property does not have restrictions as to its use or disposition. As such the best LRPMP category for this property is to list it in the For Sale category and sell the property at fair market value in order to construct a public water tank. Proceeds of the sale will be utilized to defease outstanding debt tied to the property and any excess will be distributed to the taxing entities.

Asset 30: Coastal Sage Scrub Habitat Area or Golf Course

Parcel Data	
Location	West Covina Sportsplex
APN	8735-002-906
Lot Size	71.52 acres
Use	Restricted to Golf Course use or required open space for Coastal Sage Scrub
Zoning	Public Buildings
Current Title	West Covina Redevelopment Agency

Acquisition & Valuation Information	
Purchase Date	07/17/2003
Purchase Price	\$2,792,792
Purpose	To remain habitat mitigation land or accommodate future development of a golf course.
Estimate of Current Value	\$0 (The RDA did not carry any book value for this property)
Method of Valuation	Book Value

Revenues Generated by Property & Contractual Requirements	
City / Successor Agency Lease Agreement	The parcel does not generate revenue.

Overview of Environmental Contamination, Remediation Efforts and Other Deficiencies	
Yes	This property is restricted to either remain as coastal sage scrub habitat or be used as a golf course.

Transit-Oriented Development & Advancement of Agency Planning Objectives	
Potential for TOD	Not applicable
Agency Planning Objectives	To assist in the fulfillment of existing covenants and restrictions that are in place for this parcel that it either remain as open space or be used as a golf course.

Recommendation for Disposition	
List Property For Sale	This parcel is limited by restrictions and agreements that it may only be used as open space or as a golf course. The Successor Agency will sell this property at fair market value. Proceeds of the sale will be utilized to defease outstanding debt tied to the property and any excess will be distributed to the taxing entities.

Asset 31: Coastal Sage Scrub Habitat Area or Golf Course

Parcel Data	
Location	West Covina Sportsplex
APN	8735-002-909
Lot Size	24.52 acres
Use	Restricted to Golf Course use or required open space for Coastal Sage Scrub
Zoning	Public Buildings
Current Title	West Covina Redevelopment Agency

Acquisition & Valuation Information	
Purchase Date	07/17/2003
Purchase Price	\$957,484
Purpose	To remain habitat mitigation land or accommodate future development of a golf course.
Estimate of Current Value	\$0 (The RDA did not carry any book value for this property)
Method of Valuation	Book Value

Revenues Generated by Property & Contractual Requirements	
City / Successor Agency Lease Agreement	The parcel does not generate revenue.

Overview of Environmental Contamination, Remediation Efforts and Other Deficiencies	
Yes	This property is restricted to either remain as coastal sage scrub habitat or be used as a golf course.

Transit-Oriented Development & Advancement of Agency Planning Objectives	
Potential for TOD	Not applicable
Agency Planning Objectives	To assist in the fulfillment of existing covenants and restrictions that are in place for this parcel that it either remain as open space or be used as a golf course.

Recommendation for Disposition	
List Property For Sale	This parcel is limited by restrictions and agreements that it may only be used as open space or as a golf course. The Successor Agency will sell this property at fair market value. Proceeds of the sale will be utilized to defease outstanding debt tied to the property and any excess will be distributed to the taxing entities.

Asset 32: Coastal Sage Scrub Habitat Area or Golf Course

Parcel Data	
Location	West Covina Sportsplex
APN	8735-002-910 (Note: This APN merged APNs 8735-002-907 and 908 into one APN)
Lot Size	26.03 acres
Use	Restricted to Golf Course use or required open space for Coastal Sage Scrub
Zoning	Public Buildings
Current Title	West Covina Redevelopment Agency

Acquisition & Valuation Information	
Purchase Date	07/17/2003
Purchase Price	\$1,016,448
Purpose	To remain habitat mitigation land or accommodate future development of a golf course.
Estimate of Current Value	\$0 (The RDA did not carry any book value for this property)
Method of Valuation	Book Value

Revenues Generated by Property & Contractual Requirements	
City / Successor Agency Lease Agreement	The parcel does not generate revenue.

Overview of Environmental Contamination, Remediation Efforts and Other Deficiencies	
Yes	This property is restricted to either remain as coastal sage scrub habitat or be used as a golf course.

Transit-Oriented Development & Advancement of Agency Planning Objectives	
Potential for TOD	Not applicable
Agency Planning Objectives	To assist in the fulfillment of existing covenants and restrictions that are in place for this parcel that it either remain as open space or be used as a golf course.

Recommendation for Disposition	
List Property For Sale	This parcel is limited by restrictions and agreements that it may only be used as open space or as a golf course. The Successor Agency will sell this property at fair market value. Proceeds of the sale will be utilized to defease outstanding debt tied to the property and any excess will be distributed to the taxing entities.

7.0 Appendices

Appendix A - Department of Finance LRPMP Tracking Worksheet

Appendix B - Redevelopment Implementation Plan

Appendix C - Department of Finance LRPMP Checklist

Appendix D - Agreements, Covenants, & Other Relevant Documentation

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**Appendix A
Department of Finance
LRPMP Tracking Worksheet**

DRAFT

Appendix B
Redevelopment Implementation Plan

DRAFT

**Appendix C
Department of Finance
LRPMP Checklist**

DRAFT

Appendix D

Agreements, Covenants, & Other Backup Documentation

D1 - PLAZA WEST COVINA MALL	
1. Attachment 4A – City Memorandum, May 4, 1993 – OPA Public Parking Facilities	May 4, 1993
2. Attachment 4B – Official Statement 1989 Special Tax Bond	March 1, 1990
3. Attachment 4C – REA 3 rd Amendment	Oct 14, 1993
4. Attachment 4D – OPA	June 26, 1989
5. Official Statement - 1996 Community Facilities District Bond	Aug 1, 1996
D2 - THE EASTLAND CENTER	
1. Attachment 2A – Owner Participation Agreement	July 27, 1977
2. Attachment 2B – Public Parking Facilities Operating Agreement	Nov 23, 1977
3. Attachment 2C – Parcel D Grant Deed	Dec 27, 1982
4. Attachment 2D - REA	Sept 21, 1988
D3 - THE LAKES OFFICES	
1. Attachment 3A – Parking Authority Resolution Approving Issuance of Certificate of Participations for Lakes Office Development and Fashion Plaza (Westfield Mall)	Nov 15, 1985
2. Attachment 3B – City Council Resolution Approving lease Revenue Refunding Bonds for Lakes project	June 27, 1988
3. Attachment 3C – Lease Agreement	Aug 1, 1988
4. Attachment 3D – Amended and Restated REA	Aug 2, 1994
5. Official Statement for Lease Revenue Bond at Lakes Project	Aug 26, 1998
D4 - WEST COVINA SPORTSPLEX	
1. Environmental Restriction Covenant and Agreement to Restrict Use of Property (Parcel 1)	April 17, 2001
2. Environmental Restriction Covenant and Agreement to Restrict Use of Property (Parcel 2)	April 17, 2001
3. Purchase and Sale Agreement & Joint Escrow Instructions (PSA)	June 27, 2002
4. 2 nd Amendment to PSA	Dec. 6, 2002
5. 3 rd Amendment to PSA	Jan. 27, 2003
6. 4 th Amendment to PSA	April 28, 2003
7. 5 th Amendment to PSA	May 15, 2003
8. 6 th Amendment to PSA (also contained Easement Agreement)	July 15, 2003
9. USEPA Agreement and Covenant Not To Sue (PPA)	May 23, 2003
10. DTSC Agreement and Covenant Not To Sue (PPA)	July 9, 2003
11. License Agreement	July 16, 2003
12. Escrow Agreement	July 16, 2003
13. Amendment to Environmental Restriction Covenant and Agreement to Restrict Use of Property (Parcel 10)	Nov. 5, 2007
14. Implementation Agreement	June 21, 2011
15. Official Statement - 2004 Golf Course Bond	Aug 12, 2004
16. Coastal Sage and Scrub Community Facilities District No. 1 - 2005	Dec, 7, 2004
17. City of West Covina Community Facilities District No. 2009-1	Jan. 26, 2010
18. City of West Covina Community Facilities District No. 2009-1 – Boundary Map	March 3, 2009
19. Draft EIR for BKK Class III Landfill Closure	July 1999

ATTACHMENT NO. 6

RESOLUTION NO. OB-0036

RESOLUTION NO. OB-0036 - A RESOLUTION OF THE OVERSIGHT BOARD TO THE SUCCESSOR AGENCY OF THE WEST COVINA REDEVELOPMENT AGENCY APPROVING THE WEST COVINA SUCCESSOR AGENCY'S LONG RANGE PROPERTY MANAGEMENT PLAN PURSUANT TO CALIFORNIA HEALTH AND SAFETY CODE SECTION 34179

WHEREAS, California Health and Safety Code Section 34179 requires within six-months after receipt of a Finding of Completion (Section 34191.3), the Successor Agency must submit a long range property management plan for the real-property of the former redevelopment agency for approval by the Oversight Board and the State's Department of Finance (DOF).

WHEREAS, pursuant to AB 1963 the deadline for Successor Agency's to obtain approval of their Long Range Property Management Plan was extended from January 1, 2015 to January 1, 2016; and

WHEREAS, the Successor Agency anticipates receiving a Finding of Completion in the next several months, pending litigation; and

WHEREAS, on July 21, 2015, the Successor Agency approved the West Covina Long Range Property Management Plan (Exhibit A); and

NOW, THEREFORE, the Oversight Board to the Successor Agency of the Redevelopment Agency of the City of West Covina hereby resolves:

1. The foregoing recitals are true and correct and are incorporated herein as if set forth in full.
2. The West Covina Successor Agency Long Range Property Management Plan attached hereto as Exhibit "A", is hereby approved.

APPROVED AND ADOPTED on this 24th day of September, 2015.

Chairperson
Oversight Board to the Successor Agency
of the West Covina Redevelopment Agency

ATTEST

Rosalia Conde, Secretary
Oversight Board to the Successor Agency
of the West Covina Redevelopment Agency

Approved as to form
John Harper
General Council to the Oversight Board
for the West Covina Redevelopment Agency

I HEREBY CERTIFY that the foregoing resolution was duly adopted by the Oversight Board to the Successor Agency of the West Covina Redevelopment Agency at a special meeting held on the 24th day of September by the following vote:

AYES:

NOES:

ABSENT:

ABSTAIN:

Rosalia Conde, Secretary
Oversight Board to the Successor Agency
of the West Covina Redevelopment Agency

Exhibit A

Please see Attachment No. 1 of Staff Report.

**OVERSIGHT BOARD TO THE SUCCESSOR AGENCY
OF THE WEST COVINA REDEVELOPMENT AGENCY**

AGENDA REPORT

Item No. I V-B

Date: September 24, 2015

TO: Chairperson and Board Members of the Oversight Board to the Successor Agency of the West Covina Redevelopment Agency

FROM: Chris Freeland, Executive Director

BY: Paulina Morales, Sr. Project Manager

SUBJECT: **LOAN AGREEMENT CONCERNING LITIGATION FEES INCURRED FOR THE ROPS PERIODS OF FEBRUARY 2012 TO JUNE 2012, JULY 2012 TO DECEMBER 2012, AND JANUARY 2014 TO JUNE 2014 WHICH EXCEEDED THE LITIGATION COST ESTIMATES FOR THOSE SAME PERIODS**

RECOMMENDED ACTION:

It is recommended that the Oversight Board to the Successor Agency of the West Covina Redevelopment Agency adopt the following resolution:

RESOLUTION NO. OB-0037 - A RESOLUTION OF THE OVERSIGHT BOARD TO THE SUCCESSOR AGENCY OF THE WEST COVINA REDEVELOPMENT AGENCY APPROVING THE LOAN AGREEMENT CONCERNING LITIGATION FEES INCURRED FOR THE RECOGNIZED OBLIGATION PAYMENT SCHEDULE PERIODS OF FEBRUARY 2012 TO JUNE 2012, JULY 2012 TO DECEMBER 2012, AND JANUARY 2014 TO JUNE 2014 WHICH EXCEEDED THE LITIGATION COST ESTIMATES FOR THOSE SAME PERIODS

DISCUSSION:

The former West Covina Redevelopment Agency was dissolved pursuant to state law on February 1, 2012. In the wake of this dissolution, the City elected to perform the functions of the "Successor Agency" to the former West Covina Redevelopment Agency as permitted by the redevelopment dissolution statutes. Because the City elected to perform such functions, Health & Safety Code section 34173(h) permits the City to loan funds to the Successor Agency for the purpose covering the Successor Agency's "administrative costs, enforceable obligations, or project-related expenses at the city's discretion."

Additionally, pursuant to Part 1.85 of the California Health & Safety Code, the Successor Agency is permitted to engage in activities, including litigation, for the purpose of protecting its assets and liabilities for the purpose of ensuring that the taxing entities receiving maximum benefit from the wind down of the former-West Covina Redevelopment Agency's affairs. In pursuit of those activities for the purpose of protecting its assets and liabilities to ensure that the taxing entities receive maximum benefit from the wind down of the former-West Covina

Redevelopment Agency's affairs, the Successor Agency was required to engage in litigation to protect such assets.

As part of the Recognized Obligation Payment Schedule process, the Successor Agency, in engaging in such litigation, provided estimates for its litigation costs on its Recognized Obligation Payment Schedules ("ROPS") for the periods February 2012 to June 2010, July 2012 to December 2012, and January 2014 to June 2014. However, such estimates for litigation costs were not sufficient to cover the actual costs of litigation occurring during the ROPS periods mentioned above. Thus, in order to continue to protect the assets of the Successor Agency during the ROPS periods mentioned above to the benefit of the Successor Agency's taxing entities, the City loaned the Agency funds in the amounts of \$821,365 and \$109,000 to cover such litigation costs discussed above as authorized under Health & Safety Code section 34173(h). To date, the City has only received \$60,000.00 in repayment on the \$109,000.00 loan it made to the Successor Agency.

The purpose of the Loan Agreement is to formalize the loan given under the authority of Health & Safety Code section 34173(h) such that the City can be repaid for the costs it incurred on behalf of the Successor Agency in performing and assisting in the performance of the Successor Agency's obligations under the redevelopment dissolution statutes. The Department of Finance (DOF) recommended entering into a loan agreement in order to legally effectuate reimbursement to the City.

On October 7, 2014 the City and Successor Agency executed the Loan Agreement and on December 4, 2014 the Oversight Board adopted resolution OB-0030 approving the Loan Agreement. The Oversight Board resolution was subsequently submitted to DOF. DOF's determination letter dated January 16, 2015 stated they did not approve the loan agreement. In order to obtain DOF approval, staff has revised the loan agreement to include a Promissory Note and a Deed of Trust to secure the loan. The attached loan agreement will be a new enforceable obligation on the ROPS, separate from the previously approved loan agreement dated October 7, 2014.

This Loan Agreement is in addition to and separate from a loan agreement concerning loans in the amount of \$48,413, which was approved by DOF. The attached Loan Agreement covers a variety of litigation costs pertaining to several cases incurred by the City on behalf of the Successor Agency during the ROPS periods of February 2012 to June 2010, July 2012 to December 2012, and January 2014 to June 2014. They are as follows:

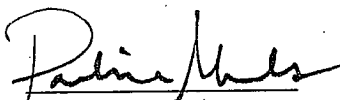
\$821,365.00 Loan (February 2012 to June 2010 and July 2012 to December 2012)		
Payee	ROPS Period	Amount
Squire Sanders	February 2012 to June 2012	\$587,509
Alvarez-Glasman Colvin	February 2012 to June 2012	\$22,204
Eminent Domain Law Group	February 2012 to June 2012	\$7,946
Hunsucker Goldstein	February 2012 to June 2012	\$429
Squire Sanders	July 2012 to December 2012	\$172,343
Alvarez-Glasman Colvin	July 2012 to December 2012	\$17,602
Eminent Domain Law Group	July 2012 to December 2012	\$13,182
Hunsucker Goldstein	July 2012 to December 2012	\$150
Total Outstanding:		\$821,365

\$109,000 Loan (January 2014 to June 2014)		
Payee	ROPS Period	Amount
Alvarez-Glasman Colvin	January 2014 to June 2014	\$18,661
Alvarez-Glasman Colvin	January 2014 to June 2014	\$14,447
Alvarez-Glasman Colvin	January 2014 to June 2014	\$67,459
Alvarez-Glasman Colvin	January 2014 to June 2014	\$4,456
Alvarez-Glasman Colvin	January 2014 to June 2014	\$3,977
	Subtotal:	\$109,000
	Payment Received by Agency:	(\$60,000)
	Total Outstanding:	\$49,000

The figures above were previously provided to DOF, staff is currently working on reconciling the accounts.

On September 1, 2015 the City Council and the Successor Agency approved Loan Agreement. Staff is recommending the Oversight Board approve the Loan Agreement, if approved the Resolution and Loan Agreement will be sent to the California Department of Finance for final approval.

Prepared By:



Paulina Morales
Sr. Project Manager

Attachment:

1. Resolution No. OB-0037 – Loan Agreement

ATTACHMENT NO. 1

RESOLUTION NO. OB-0037

A RESOLUTION OF THE OVERSIGHT BOARD TO THE SUCCESSOR AGENCY OF THE WEST COVINA REDEVELOPMENT AGENCY APPROVING THE LOAN AGREEMENT CONCERNING LITIGATION FEES INCURRED FOR THE RECOGNIZED OBLIGATION PAYMENT SCHEDULE PERIODS OF FEBRUARY 2012 TO JUNE 2012, JULY 2012 TO DECEMBER 2012, AND JANUARY 2014 TO JUNE 2014 WHICH EXCEEDED THE LITIGATION COST ESTIMATES FOR THOSE SAME PERIODS

WHEREAS, in June of 2011, the California State Legislature enacted legislation which resulted in the dissolution of all redevelopment agencies in the State of California, including the West Covina Redevelopment Agency, on February 1, 2012 (“Dissolution Law”);

WHEREAS, Dissolution Law created successor agencies for the purpose of winding down the affairs of the dissolved redevelopment agencies;

WHEREAS, the City of West Covina (“City”) elected to perform the functions of the Successor Agency to the West Covina Redevelopment Agency (“Successor Agency”);

WHEREAS, the Successor Agency and the City are distinct legal governmental entities pursuant to Health & Safety Code section 34173(g);

WHEREAS, pursuant to Part 1.85 of the California Health & Safety Code, the Successor Agency is permitted to engage in activities, including litigation, for the purpose of protecting its assets and liabilities for the purpose of ensuring that the taxing entities receiving maximum benefit from the wind down of the former-West Covina Redevelopment Agency’s affairs;

WHEREAS, in pursuit of those activities for the purpose of protecting its assets and liabilities to ensure that the taxing entities receive maximum benefit from the wind down of the former-West Covina Redevelopment Agency’s affairs, the Successor Agency was required to engage in litigation to protect such assets;

WHEREAS, the Successor Agency, in engaging in litigation, provided estimates for its litigation costs on its Recognized Obligation Payment Schedules (“ROPS”) for the periods February 2012 to June 2010, July 2012 to December 2012, and January 2014 to June 2014;

WHEREAS, such estimates for litigation costs were not sufficient to cover the actual costs of litigation occurring during the ROPS periods mentioned above;

WHEREAS, in order to continue to protect the assets of the Successor Agency during the ROPS periods mentioned above to the benefit of the Successor Agency’s taxing entities, the City loaned the Successor Agency funds in the amounts of \$821,365.00 and \$109,000.00 to cover those litigation costs discussed above pursuant to Health & Safety Code section 34173(h) (“Loan”);

WHEREAS, the City has already received \$60,000.00 repayment on the \$109,000.00 loaned to the Successor Agency;

WHEREAS, the City Council and Successor Agency Board approved the loan agreement concerning the Loan on October 7, 2014 (“Loan Agreement”), which is attached hereto and incorporated by this reference as Exhibit A;

WHEREAS, the Oversight Board now desires to express its approval of the Loan Agreement such that the City may be reimbursed for the costs it has incurred on the behalf of the Successor Agency.

NOW THEREFORE, THE OVERSIGHT BOARD TO THE SUCCESSOR AGENCY TO THE WEST COVINA REDEVELOPMENT AGENCY HEREBY RESOLVES:

SECTION 1. The Recitals set forth above are true and correct and are incorporated herein by this reference.

SECTION 2. The Loan Agreement, which is attached hereto and incorporated by this reference as Exhibit A, is hereby approved such that it is an enforceable obligation of the Successor Agency, as defined by Health & Safety Code.

SECTION 3. The Loan Agreement, is secured the loan with a Promissory Note and a Deed of Trust which are attached hereto and incorporated by this reference as Exhibit B, is hereby approved such that it is an enforceable obligation of the Successor Agency, as defined by Health & Safety Code.

SECTION 4. The Successor Agency staff is directed to transmit a copy of this Resolution and its Exhibits to the State Department of Finance and any other required agency pursuant to Dissolution Law.

SECTION 5. The Successor Agency staff is further directed to take all actions necessary and appropriate in carrying out this Resolution pursuant to Dissolution Law.

SECTION 6. The Oversight Board Secretary shall certify to the adoption of this Resolution.

APPROVED AND ADOPTED on this 24th day of September, 2015.

Chairperson
Oversight Board to the Successor Agency
of the West Covina Redevelopment Agency

ATTEST

Rosalia Conde, Secretary
Oversight Board to the Successor Agency
of the West Covina Redevelopment Agency

I HEREBY CERTIFY that the foregoing resolution was duly adopted by the Oversight Board to the Successor Agency of the West Covina Redevelopment Agency at a special meeting held on the 24th day of September by the following vote:

AYES:

NOES:

ABSENT:

ABSTAIN:

Rosalia Conde, Secretary
Oversight Board to the Successor Agency
of the West Covina Redevelopment Agency

Exhibit A

LOAN AGREEMENT BETWEEN THE CITY OF WEST COVINA AND THE SUCCESSOR AGENCY TO THE WEST COVINA REDEVELOPMENT AGENCY

THIS AGREEMENT ("Agreement") is made this ____ day of September 2015, by and between the City of West Covina, a Municipal Corporation of the State of California (the "City" or "Lender"); and Successor Agency to the West Covina Redevelopment Agency ("Agency"), a public body, corporate and politic organized and existing under the laws of the State of California ("**Borrower**").

RECITALS

WHEREAS, in June of 2011, the California State Legislature enacted legislation which resulted in the dissolution of all redevelopment agencies in the State of California, including the West Covina Redevelopment Agency, on February 1, 2012 ("Dissolution Law");

WHEREAS, Dissolution Law created successor agencies for the purpose of winding down the affairs of the dissolved redevelopment agencies;

WHEREAS, the City elected to perform the functions of the Successor Agency to the West Covina Redevelopment Agency;

WHEREAS, the Borrower and the City are distinct legal governmental entities pursuant to Health & Safety Code section 34173(g);

WHEREAS, pursuant to Part 1.85 of the California Health & Safety Code, the Borrower is permitted to engage in activities, including litigation, for the purpose of protecting its assets and liabilities for the purpose of ensuring that the taxing entities receiving maximum benefit from the wind down of the former-West Covina Redevelopment Agency's affairs;

WHEREAS, in pursuit of those activities for the purpose of protecting its assets and liabilities to ensure that the taxing entities receive maximum benefit from the wind down of the former-West Covina Redevelopment Agency's affairs, the Borrower was required to engage in litigation to protect such assets;

WHEREAS, the Borrower, in engaging in litigation, provided estimates for its litigation costs on its Recognized Obligation Payment Schedules ("ROPS") for the periods February 2012 to June 2012, July 2012 to December 2012, and January 2014 to June 2014;

WHEREAS, such estimates for litigation costs were not sufficient to cover the actual costs of litigation occurring during the ROPS periods mentioned above;

WHEREAS, in order to continue to protect the assets of the Agency during the ROPS periods mentioned above to the benefit of the Agency's taxing entities, the City loaned the Agency

funds in the amounts of \$821,365.00 and \$109,000.00 to cover those litigation costs discussed above pursuant to Health & Safety Code section 34173(h) ("Loan");

WHEREAS, the City has already received \$60,000.00 repayment on the \$109,000.00 loaned to the Agency;

WHEREAS, the parties now desire to memorialize the Loan.

NOW, THEREFORE, for and in consideration of the mutual promises and covenants herein set forth, and for other good and valuable consideration, the adequacy and receipt of which is hereby acknowledged by each of the parties hereto, the parties hereto hereby agree as follows:

1. **Recitals**

The recitals set forth above are true and correct and incorporated herein by this reference.

2. **Loan and Repayment.**

- (a) Borrower agrees to accept and borrow from Lender the aggregate principal sum not to exceed Eight Hundred Seventy Thousand Three Hundred Sixty-Five Dollars (\$870,365.00) (the "Loan"). The Loan will accrue interest at the rate of eight percent (8%) per annum.
- (b) Subject to the terms and conditions of this Agreement, Borrower agrees and promises to pay the City in the amount of Eight Hundred Seventy Thousand Three Hundred Sixty-Five Dollars (\$870,365.00). The Loan amounts represent the following loans made by the City to the Agency to cover the Agency's litigation costs and constitutes the Loan discussed above:

\$821,365.00 Loan (February 2012 to June 2012 and July 2012 to December 2012)		
Payee	ROPS Period	Amount
Squire Sanders	February 2012 to June 2012	\$587,509
Alvarez-Glasman Colvin	February 2012 to June 2012	\$22,204
Eminent Domain Law Group	February 2012 to June 2012	\$7,946
Hunsucker Goldstein	February 2012 to June 2012	\$429
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	Total:	\$821,365

\$109,000.00 Loan (January 2014 to June 2014)		
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Alvarez-Glasman Colvin	January 2014 to June 2014	\$3,977
	Subtotal:	\$109,000
	Payment Received from Agency:	(\$60,000)
	Total Outstanding:	\$49,000

- (c) Recognized Obligation Payment Schedule. Agency has listed the Loan on its Recognized Obligation Payment Schedule (“ROPS”) 15-16B (covering period January 2015 to June 2016) and shall continue to list the Loan on its future ROPS as an enforceable obligation until the Loan has been fully repaid.
- (d) Payment. Agency shall pay City the amounts due on the Loan immediately upon allocation of funds to Agency pursuant to the Recognized Obligation Payment Schedule process under the California Health & Safety Code.

3. Loan Documents

- (a) In order to set forth and document the additional covenants, provisions, terms and conditions of (a) the Loan transaction, (b) the repayment of the Loan, and (c) Lender’s security for said repayment, Borrower agrees to deliver to Lender, concurrently with its execution of this Agreement, duly executed original counterparts (or as many as otherwise indicated) of this Agreement and each of the following documents (collectively, the “**Loan Documents**”):
- (b) Promissory Note. A promissory note in the principal amount of Eight Hundred Seventy Thousand Three Hundred Sixty-Five Dollars (\$870,365.00), executed by Borrower, as maker, in favor of Lender, as holder, in form and content satisfactory to Lender in its sole and absolute discretion (the “**Note**”);
- (c) Deed of Trust with Fixture Filing, Assignment of Leases and Rents and Security Agreement. A Deed of Trust with Fixture Filing, Assignment of Leases and Rents and Security Agreement encumbering APN: 8735-001-912 parcel of real property (the “**Real Property**”) in the City of West Covina, Los Angeles County, in the State of California (listed on Exhibit A attached hereto and by this reference made a part hereof, and as more particularly described therein), duly executed by Borrower for the benefit of Lender, as beneficiary and secured party, in form and content

satisfactory to Lender in its sole and absolute discretion, properly acknowledged so as to be suitable for recording with the Los Angeles County Recorder's Office, State of California;

4. Conditions Precedent

- (a) The obligation of Lender to make the Loan to Borrower is subject to the fulfillment of each and every one of the following conditions precedent, each of which is hereby deemed material, which conditions Borrower hereby covenants to fully satisfy:
- (b) Loan Documents. Borrower shall have delivered to Lender each and every one of the Loan Documents as provided in Article II hereof, and all other documents provided for herein or requested by Lender (all properly executed and, where appropriate, acknowledged);
- (c) Title Insurance. North American Title Company shall be prepared to issue 31 ALTA Lender's policies of title insurance in form and content satisfactory to Lender in the aggregate face amount of Eight Hundred Seventy Thousand Three Hundred Sixty-Five Dollars (\$870,365.00) in favor of Lender, insuring Lender's beneficial interest in and to the Deed of Trust as a valid first (1st) priority lien on the real property described therein, and insuring the full amount of the Deed of Trust, subject only to such exceptions as are approved by Lender and including such endorsements as are reasonably required by Lender;
- (d) Section 3.3 Representations and Warranties. Each and every one of the representations and warranties set forth in Article IV of this Agreement shall be true and correct as of the date first set forth above and shall remain true and correct until the Loan is repaid; and
- (e) Section 3.4 Provision of Financial Statements. Borrower shall have furnished Lender a copy of Borrower's financial statements in form and substance satisfactory to Lender in its sole and absolute discretion.

5. General Terms.

- (a) Real Property. Lender is responsible for ensuring that good and marketable title to the Real Property and no other person or entity has claimed any right, title or interest in or to any portion of the Real Property to its satisfaction. Lender has and shall continue to have a first (1st) priority perfected security interest in and to the Real Property, together with an assignment of rents concerning the Real Property. The Real Property shall at all times remain free and clear of all claims, liens, encumbrances and security interests (except those in favor of Lender);
- (b) No Event of Default. No event of default hereunder or under any of the other Loan Documents, and no event which would constitute an event of

default with the passage of time or the giving of notice, or both, shall have occurred and be continuing;

- (c) Survival. The representations, warranties and covenants of Borrower contained herein or in any document or certificate furnished or to be furnished by Borrower or at Borrower's instructions to Lender pursuant to this Agreement, including, without limitation, the other Loan Documents and any other documents to be executed by Borrower hereunder, shall survive the recordation of the Deed of Trust and other documents hereunder;
- (d) No Misrepresentation or Omission. No representation or warranty of Borrower in this Agreement, or in any document or certificate furnished or to be furnished to Lender pursuant to this Agreement, contains or will contain any untrue statement of a material fact or omits or will omit to state a material fact necessary to make the statements contained herein or therein not misleading;
- (e) Financial Information. All financial statements and information relating to Borrower which have been or may hereafter be delivered by Borrower to Lender are true and correct and have been prepared in accordance with generally accepted accounting principles consistently applied and there has been no material adverse change in the financial condition of Borrower since the submission of such financial information to Lender;
- (f) Additional Information. Borrower shall promptly supply Lender with such information concerning its financial affairs as Lender may request from time to time hereafter, executed by the Treasurer of the City of West Covina and certified under penalty of perjury as true and correct and shall promptly notify Lender of any material adverse change in Borrower's financial condition and of any condition or event which constitutes a breach of any covenant or obligation of Borrower under this Agreement;
- (g) Books and Accounts. The Agency will keep or cause to be kept proper books of record and accounts showing the use of the Loan funds, Loan repayments and any amount outstanding.
- (h) Default. The City understands and agrees that the Agency's ability to repay the Loan depends upon the California Department of Finance's approval of the Loan as an enforceable obligation on Agency's relevant ROPS. Notwithstanding the foregoing, the failure of Agency to repay the Loan will result in a default of the terms of this Agreement.
- (i) Severability. If any section, paragraph, sentence, clause, or phrase of this Loan Agreement is found for any reason to be illegal, invalid or unenforceable, the remaining terms of the Loan Agreement will continue in the same force or effect.

- (j) Amendment. This Agreement may be amended at any time in writing, signed by both parties and with Agency's Oversight Board's approval.

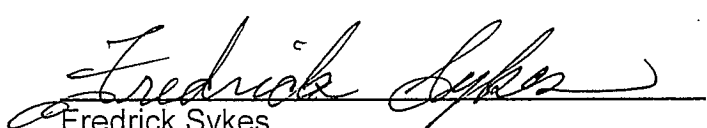
[Signatures on the following page]

IN WITNESS WHEREOF, the parties hereto have caused this Agreement to be executed as of the day and year first above written.

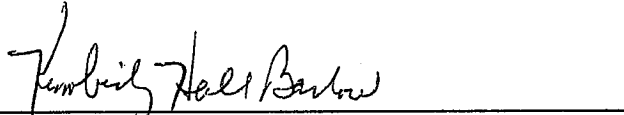
**SUCCESSOR AGENCY TO THE WEST
COVINA REDEVELOPMENT AGENCY**

CITY OF WEST COVINA

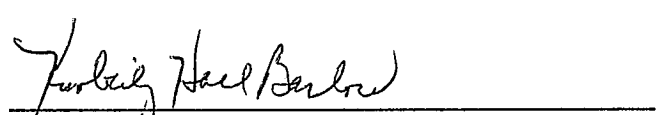

Fredrick Sykes
Successor Agency Chairman


Fredrick Sykes
Mayor


APPROVED AS TO FORM:


Kimberly Hall Barlow
Successor Agency Counsel

APPROVED AS TO FORM:


Kimberly Hall Barlow
City Attorney

ATTEST:


Nickolas S. Lewis, Agency Secretary

ATTEST:

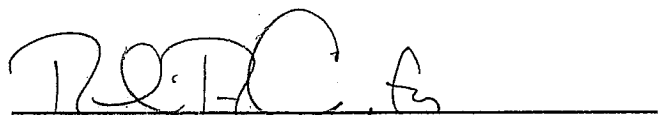

Nickolas S. Lewis, City Clerk

EXHIBIT A
LIST OF REAL PROPERTY

Real property in the City of West Covina, County of Los Angeles, State of California, described as follows:

PARCEL 9 OF PARCEL MAP NO. 60193, IN THE CITY OF WEST COVINA, COUNTY OF LOS ANGELES, STATE OF CALIFORNIA, ACCORDING TO MAP RECORDED DECEMBER 29, 2005 IN BOOK 336, PAGE 93 OF PARCEL MAPS, IN THE OFFICE OF THE COUNTY RECORDER OF SAID COUNTY.

EXCEPT ALL OIL, GAS, AND OTHER HYDROCARBONS AND ALL MINERALS, TOGETHER WITH THE RIGHT TO DEVELOP, PRODUCE AND EXTRACT THE SAME, AS GRANTED TO NARCISSE S. GARNIER, ET AL., BY DEED RECORDED SEPTEMBER 29, 1944 IN BOOK 21288 PAGE 260, OFFICIAL RECORDS.

BY INSTRUMENTS OF RECORD, THE OWNERS OF SAID OIL, GAS, AND OTHER HYDROCARBONS AND MINERALS, RELINQUISHED ALL OF THEIR RIGHTS TO ENTER UPON THE SURFACE OF SAID LAND OR THE SUBSURFACE THEREOF TO A DEPTH OF 500 FEET BELOW THE SURFACE THEREOF, (MEASURED VERTICALLY FROM THE SURFACE, FOR THE PURPOSE OF DEVELOPING, PRODUCING AND EXTRACTING THE SAME.

ALSO EXCEPT THEREFROM THE "PRECIOUS METALS AND ORES THEREOF" AS EXCEPTED FROM THE PARTITION BETWEEN JOHN ROWLAND SR. AND WILLIAM WORKMAN RECORDED IN BOOK 10 PAGE 39 OF DEEDS.

APN: 8735-001-912

Exhibit B

THE SUCCESSOR AGENCY TO THE WEST COVINA REDEVELOPMENT AGENCY

PROMISSORY NOTE SECURED BY DEED OF TRUST

\$870,365.00

September 1, 2015

1. Principal and Interest.

FOR VALUE RECEIVED, the undersigned Successor Agency to the West Covina Redevelopment Agency ("Maker"), promises to pay to the City of West Covina, a California public body, corporate and politic ("City"), at 1444 Garvey Avenue South, West Covina, California, 91790, or at such place as City may, from time to time, designate by written notice to Maker, the principal sum of **EIGHT HUNDRED SEVENTY THOUSAND THREE HUNDRED SIXTY FIVE DOLLARS (\$870,365.00)**, which shall be an interest bearing loan. This Promissory Note ("Promissory Note") is made and given pursuant to that certain Loan Agreement dated September 1, 2015, by and between City and Maker ("Agreement"). The Agreement is incorporated by reference into this Promissory Note. All initially capitalized terms used but not defined herein shall have the meanings given to them in the Agreement.

2. Disbursements.

This Promissory Note is made to evidence the Maker's obligation to repay a loan made by City to Maker for certain litigation costs incurred ("Loan") to secure obligations under this Promissory Note, in the principal amount which is not to exceed the principal amount of this Promissory Note as that term is defined in the Agreement.

3. Loan and Interest

3.1. Term of Loan. Maker shall pay City the amounts due on the Loan immediately upon allocation of funds to Agency ("Maturity Date") pursuant to the Recognized Obligation Payment Schedule ("ROPS") process under the California Health & Safety Code. Maker shall make all reasonable attempts to obtain said allocation of funds and shall cooperate with all City's efforts to obtain said allocation of funds. Notwithstanding the foregoing, in no event shall the loan repayment be made any later than September 30, 2025 without the express written authorization of the City.

3.2. Interest Calculation. The Loan will accrue interest at the rate of eight percent (8%) per annum, with interest compounded daily. Interest shall accrue both on the principal and the accrued interest. If for any reason the interest rate is determined to be unlawful, then the interest rate shall be set at the maximum rate permitted by law.

3.3. Partial Repayment. If the loan is partially repaid, then the amount repaid shall be applied on a pro-rata basis towards the amount of unpaid principal and interest. If, for example, \$500,000 of principal and \$100,000 of interest are left outstanding at the time of a partial repayment, then the partial repayment shall be applied 5/6 towards principal, and 1/6 towards interest.

4. Security for Note.

This Promissory Note is secured by a Deed of Trust Assignment of Leases and Rents, Security Agreement and Fixture Filing executed by Maker ("Deed of Trust") which creates a lien on property as described therein and in the Agreement.

5. Acceleration Upon Certain Events or Upon Event of Default

5.1. The entire unpaid principal balance of this Promissory Note together with any charges set forth herein, shall, at Maker's option, be immediately due and payable prior to the Maturity Date upon the occurrence of any of the following events and/or events of default (collectively "Events of Default"):

5.1.1. Maker materially breaches any of the obligations of this Promissory Note, Deed of Trust, or the Agreement; or

5.1.2. Maker (i) becomes insolvent or unable to pay Maker's debts generally as they mature, (ii) makes a general assignment for the benefit of creditors, (iii) admits in writing Maker's inability to pay Maker's debts generally as they mature, (iv) fails to continue to list the Loan on its future ROPS as an enforceable obligation until the Loan has been fully repaid; (v) files or has filed against it a petition in bankruptcy or a petition or answer seeking a reorganization, arrangement with creditors or other similar relief under the federal bankruptcy laws or under any other applicable law of the United States of America or any state thereof, or (vi) consents to the appointment of a trustee or receiver for it or for a substantial part of Maker's property; or

5.1.3. Any order, judgment or decree is entered appointing, without Maker's consent, a trustee or receiver for it or for a substantial part of Maker's property that is not removed within sixty (60) days from such entry; or

5.1.4. Maker voluntarily or involuntarily transfers, in any way, the Property or any portion thereof without prior written consent, except as permitted in the Agreement.

5.2. Upon the occurrence of one or more of the aforementioned Events of Default, City may, at City's option, without prior notice (unless prior notice is required by California law), declare the unpaid balance of this Promissory Note, to be immediately due and payable, and the same shall immediately become due and payable. Notwithstanding the above, in the event of an actual or deemed entry of an order for relief with respect to Maker under the Federal Bankruptcy Code, this Promissory Note and all interest and other amounts due hereon shall automatically become and be due and payable, without presentment, demand, protest or any notice of any kind, all of which are hereby expressly waived by Maker. City may exercise City's option to accelerate after any Event of Default, regardless of any prior forbearance. If this Promissory Note becomes due and payable pursuant to this Section 5 at any time prior to when this Promissory Note becomes non-recourse to Maker as provided in Section 11 of this Promissory Note, any amounts which become due to City pursuant to this Section 5 shall be from all of Maker's legally available funds and assets. Once this Promissory Note becomes non-recourse to Maker, City's remedies upon acceleration of this Promissory Note pursuant to this Section 5 shall be to exercise the power of sale in the Deed of Trust and exercise whatever other remedies are available to it under the Agreement.

6. Refinance Transactions May Be Permissible.

Notwithstanding any provision to the contrary herein, it shall not be an Event of Default for Maker to: (a) enter into a refinancing transaction which meets all of the following requirements: (i) the transaction represents a refinancing of the Maker's then-current first mortgage financing, if any; (ii) the refinancing loan bears for its entire term a fixed annual percentage rate which is lower than the annual percentage rate of the then-current first mortgage financing; (iii) the entirety of the net proceeds (defined as gross proceeds less reasonable and customary costs of processing the refinancing loan, obtaining appraisals, and the like, but not to exceed six percent (6%) of the refinancing loan amount in any event) are used solely to refinance the then-current first mortgage financing (i.e. no "cash out" to Maker; (iv) the refinancing loan does not provide Maker with the ability to obtain cash advances or other "cash out" options; (v) the Deed of Trust continues to occupy a recorded priority position no less than second to all other non-statutory liens and encumbrances; and (vi) Maker's monthly principal and interest expenses and/or the term of the refinancing loan is reduced vis-à-vis the then-current first mortgage financing; and/or (b) enter into a refinancing transaction which does not meet all of the foregoing requirements, but to which City consents in advance in writing; and/or (c) enter into a loan, equity line of credit or advance on loans secured by the Property that is subordinate to the Agreement, this Promissory Note and the Deed of Trust.

7. Late Charges.

In the event Maker fails to make any required payment which becomes due under this Promissory Note within fifteen (15) days after such payment becomes due and payable, a late charge of six percent (6%) of the overdue payment may be charged by City, unless applicable law requires a lesser such charge, in which event the maximum rate permitted by such law may be charged by City. The parties hereto agree that this late charge represents a reasonable sum considering all of the circumstances existing on the date of this Promissory Note and represents a fair and reasonable estimate of the costs and damages that City will incur by reason of the late payment. The parties hereto further agree that proof of actual damages would be costly or inconvenient. Acceptance of any late charge shall not constitute a waiver of the default with respect to the overdue amount, and shall not prevent City from exercising any of the other rights and remedies available to City. The foregoing shall not be construed as obligating City to accept any payment after its due date.

8. Notice of Default.

Maker shall provide notice to City of any notice of default sent by any lender with a security interest in the Property within three (3) days of the date of Maker's receipt of such notice.

9. Costs Paid by Maker.

Maker agrees to pay the following costs, expenses and attorneys' fees paid or incurred by City, or as adjudged by a court of competent jurisdiction: (a) reasonable costs of collection, costs and expenses and attorneys' fees paid or incurred in connection with the collection or enforcement of this Promissory Note, whether or not suit is filed; and (b) costs of suit in such sum as the court may adjudge reasonable as attorneys' fees in any action to enforce payment of this instrument.

10. Waiver.

Maker hereby waives diligence, presentment, protest and demand, notice of protest, dishonor and nonpayment of this instrument, and expressly agrees that, without in any way affecting the liability of Maker hereunder, City may extend the Maturity Date or the time for payment of any payment due hereunder, accept additional security, release any party liable hereunder or release any security now or hereafter securing this Promissory Note (if done so in writing by a person authorized to do so by the City). Maker hereby waives, to the fullest extent permitted by law, the right to plead any and all statutes of limitations as a defense to any demand on this instrument or any Deed of Trust, security agreement, guarantee or other agreement now or hereafter securing this Promissory Note.

11. Limitation on Recourse.

Maker shall indemnify, defend, protect and hold City and City's successors and assigns harmless from and against any and all loss, damage, liability, action, claim, cause of action, cost or expense, including, without limitation, reasonable attorneys' fees and expenses incurred by City, arising as a result of any (i) fraud or material misrepresentation by the Maker under or in connection with the Agreement; (ii) intentional bad faith waste of the real property encumbered by the Deed of Trust which secures this Promissory Note; and (iii) losses resulting from Maker's failure to maintain insurance as required under the provisions of the Deed of Trust securing this Promissory Note. Maker's obligation to indemnify City as aforesaid shall be recourse obligations of the Maker, and in the event of any breach of such obligations, City shall have the right to proceed directly against the Maker to recover any and all losses, damages, liabilities, costs and expenses (including without limitation, reasonable attorneys' fees and expenses) and may bring any action or claim and institute any proceeding to obtain a deficiency judgment in or following foreclosure for any and all such losses, damages, liabilities, actions, claims, costs and expenses resulting from such breach.

12. Severability.

If any provision of this Promissory Note is determined by a court of competent jurisdiction to be void or unenforceable, such determination shall not affect any other provision of this instrument, and all other provisions hereof shall remain valid and in full force and effect.

13. Non-Waiver.

No delay in demanding or failure to demand performance hereunder shall constitute a waiver by City of its right to subsequently demand such performance or to exercise any remedies for any default hereunder. Further, in order to be effective, any waiver of any of City's rights and remedies hereunder shall be expressed in a writing signed by a duly appointed representative of City. Further, waiver by City of any right hereunder shall not constitute a waiver of any other right, including, but not limited to, the right to exercise any and all remedies for a different or subsequent event of default hereunder.

14. Successors and Assigns.

This Promissory Note shall bind Maker and Maker's successors and assigns and the benefit hereof shall inure to City and City's successors and assigns.

15. Indemnification.

Maker agrees to indemnify City and to hold City and City's successors and assigns harmless

from and against any and all loss, damage, liability, action, claim, cause of action, cost or expense, and obligations of any kind or nature arising from any default hereunder, including, without limitation, all costs of collection, including reasonable attorneys' and expert witness fees and all costs of suit, in the event the principal amount of this Promissory Note or any other amount due hereunder is not paid when due.

16. Other Encumbrances.

16.1 Generally Prohibited. Other than as provided herein, Maker shall not further encumber, mortgage, or subject the Property or any interest therein to a deed of trust without the prior written consent of City.

16.2 Unless City shall expressly agree otherwise in writing, all mortgage and deed of trust documents affecting the Property, shall provide that in the event of any default or breach by the Maker under any mortgage or deed of trust other than the Deed of Trust entitling any party thereunder to accelerate the indebtedness secured thereby and foreclose upon the Property (a) City shall have the right (but not the obligation) to cure the default prior to the completion of any foreclosure and reinstate the mortgage or deed of trust, or (b) pay the total unpaid indebtedness secured by such mortgage or deed of trust, in which event, such mortgage or deed of trust shall be released. Amounts expended by City under this paragraph shall be reimbursed by Maker upon demand of the Maker therefore, and, in any event, shall bear interest at the maximum rate permitted by Section I of Article XV of the California Constitution from the date advanced by City until paid in full. All such amounts shall be added to the principal of this Promissory Note. The approval by Maker of any mortgage or deed of trust documents, and the placing of a security interest therefore on the Property or any portion thereof, not containing the provisions required by this Section 18 shall constitute a default under this Promissory Note.

17. Governing Law.

The validity, interpretation and performance of this Promissory Note shall be governed by and construed in accordance with the laws of the State of California, without regard to conflicts of laws principles.

18. Jurisdiction and Venue.

Any legal action or proceeding to interpret, enforce, or which in any way arises out of this Promissory Note shall be instituted and prosecuted in the appropriate court in Los Angeles County, California.

19. Amendments and Modifications.

This Promissory Note may be amended or modified only in writing signed by City and the Maker.

20. Time of the Essence.

Time is of the essence with regard to this Promissory Note.

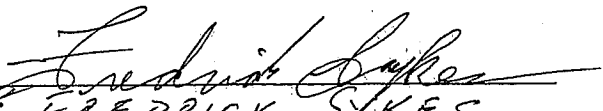
21. Joint and Several Obligation.

Maker and all other persons liable or to become liable for all or part of this indebtedness, jointly

and severally waive demand, presentment for payment, notice of nonpayment, protest and notice of protest hereon, and agree to pay, in the Event of Default hereunder, all costs of collection, including reasonable attorneys' fees of City, whether or not suit is commenced.

MAKER(S):

Dated: September 15, 2015

By: 
Name: FREDRICK SYKES
Title Mayor

AFTER RECORDATION PLEASE RETURN TO:

City of West Covina
1444 Garvey Avenue South,
West Covina, CA 91790

Mail Tax Statements to:

Successor Agency to the West Covina
Redevelopment Agency
1444 Garvey Avenue South,
West Covina, CA 91790

No Recording Fee
Exempt from Filing Fee Pursuant to
Government Code § 6103

**DEED OF TRUST ASSIGNMENT OF LEASES AND RENTS, SECURITY
AGREEMENT AND FIXTURE FILING**

THIS DEED OF TRUST WITH FIXTURE FILING, SECURITY AGREEMENT AND ASSIGNMENT AGREEMENT ("Deed of Trust") is made as of September 1, 2015, by the Successor Agency to the West Covina Redevelopment Agency ("Trustor") to First American Title Company ("Trustee") as trustee for the benefit the City of West Covina, a California municipal corporation (the "Beneficiary"):

THIS DEED OF TRUST WITNESSETH:

Section 1. Grant in Trust. The Trustor irrevocably grants, transfers and absolutely, unconditionally and irrevocably assigns to the Trustee, in trust, with power of sale and right of entry and possession, the entire right, title and interest of Trustor in and to that certain real property ("Land") situated in Los Angeles County, State of California, and more particularly described in Exhibit A attached hereto and made a part hereof, all right title and interest that the Trustor otherwise now has or may hereafter acquire in the Land, together with all right, title and interest that the Trustor now has or may hereafter acquire in:

(i) All buildings, structures, improvements, fixtures, equipment and appurtenances now and hereafter owned, constructed, located, erected, installed or affixed by or on behalf of the Trustor upon or appurtenant to the Land and all replacements and substitutions therefor ("Facilities");

(ii) All appurtenances, improvements, easements, pipes, transmission lines or wires and other rights used in connection with the Land or as a means of access thereto, whether now or hereafter owned or constructed or placed upon or used in connection with the Land or Facilities ("Appurtenances");

(iii) All equipment, machinery, goods and other personal property of the Trustor, whether movable or not, if the same is (a) now owned or hereafter acquired by the Trustor, (b) now or hereafter located at or used in connection with the Facilities, or (c) obtained to satisfy its obligations under the "Loan Agreement Between the City of West Covina and the Successor Agency to the West Covina Redevelopment Agency dated September 1, 2015 (the "Loan Agreement"), or the "The Successor Agency to the West Covina Redevelopment Agency Promissory Note Secured by Deed of Trust" dated September 1, 2015 (the "Promissory Note"), and all improvements, restorations, replacements, repairs, additions, accessions or substitutions thereto or therefor, including, without limitation, all machinery, equipment, material, furnishings and appliances for generation or distribution of air, water, heat, electricity, light, fuel or refrigeration, for purposes of ventilation, sanitation or drainage, for exclusion of vermin or insects, for removal or disposal of dust, refuse or garbage; all elevators, awnings, window coverings, floor covering, laundry equipment, kitchen equipment, cabinets, furniture and furnishings; all fixed and moveable equipment now or hereafter installed or placed upon or in the Land or Facilities for use; the products and proceeds from any and all such property; all the estate, interest, right, title, property or other claim or demand of every nature whatsoever, in and to such property, including specifically, but without limitation, all deposits made with or other security given to utility companies by the Trustor with respect to such property and claims or demands relating to insurance or condemnation awards which the Trustor now has or may hereafter acquire ("Equipment");

(iv) All leases or subleases with respect to the Land, Facilities, Appurtenances and Equipment ("Leases");

(v) All rentals or other payments which may now or hereafter accrue or otherwise become payable under the Leases to or for the benefit of the Trustor together with all other income, rents, revenues, issues, profits, reserves and royalties produced by the Land, Facilities, Appurtenances and Equipment or by all management or service contracts or other contracts affecting the Property, including but not limited to security deposits (collectively the "Rents");

(vi) All earnings, products, damages, indemnifications, insurance proceeds and any other proceeds from any and all of such Land, Facilities, Appurtenances, Equipment, Leases, Rents and Accounts including specifically, but without limitation, all deposits made with or other security given to utility companies and claims or demands relating to insurance or condemnation awards which the Trustor now has or may hereafter acquire, including all advance payments of insurance premiums made by the Trustor with respect thereto ("Proceeds");

(vii) All accounts, accounts receivable and other rights to payment of money now owned or hereafter acquired by the Trustor, whether due or to become due and whether or not earned by performance ("Accounts"), including any and all Accounts arising from any source, including without limitation operations of the Trustor or its agents at the Facilities; and

(viii) All right, title and interest of the Trustor in all the Trustor's inventory, raw materials, work in process, finished goods and goods held for sale or lease or furnished under contracts of service, and all returned and repossessed goods, and all goods covered by documents of title, including warehouse receipts, bills of lading and all other documents of

every type covering all or any part of the Property, now owned or hereafter acquired, whether held by the Trustor or any third party, which is located on, appurtenant to, relating to, or used by or useful in connection with the Property ("Inventory"); All of the above referenced Land, Facilities, Appurtenances, Equipment, Leases, Rents, Proceeds, Accounts and Inventory as hereby conveyed to the Trustee or made subject to the security interest herein described is collectively referred to herein as the "Property."

Additionally, Health and Safety Code Section 129052, in part, states:

The lien of such pledge shall be valid and binding against all parties, irrespective of whether the parties have notice of the lien. The indenture, trust agreement, resolution, or another instrument by which such pledge is created need not be recorded or the security interest otherwise perfected.

The Trustor warrants and agrees that as of the date of recording of this Deed of Trust it has not entered into any sales agreement, option, assignment, sublease, pledge, mortgage, deed of trust, financing statement, security agreement or any other arrangement regarding the Property apart from the transactions referenced in or secured by this Deed of Trust and has not nor will execute any document or instrument referring to or covering the Property, or any part thereof, and no such documents or instruments are on file, recorded or in effect in any public office, other than encumbrances expressly permitted by Beneficiary ("Permitted Encumbrances") and agrees that the Property is, and shall be, kept free from any lien, security interest, encumbrance or any other interest other than the Permitted Encumbrances.

FOR THE PURPOSE OF SECURING:

Section 2. Obligations

- (a) Repayment of the Loan and accrued interest pursuant to the Loan Agreement, by and between the City and the Trustor;
- (b) Performance of each and every obligation, covenant and agreement of Trustor contained in the Loan Agreement;
- (c) Performance of each and every obligation, covenant and agreement contained in this Deed of Trust; and
- (d) Performance of each and every obligation, covenant and agreement of Trustor.

The foregoing obligations are hereinafter sometimes referred to as the "Obligations."

THIS DEED OF TRUST FURTHER WITNESSETH:

Section 3. Security Agreement and Fixture Filing. This Deed of Trust shall also constitute a security agreement and the Trustor hereby pledges and grants to the Beneficiary a security interest in and to all of the Property not constituting real property under the laws of the State of California ("Personal Property"), whether Trustor now or hereafter obtains an interest in such

Personal Property and all the proceeds or products thereof, including but not limited to all of those items listed in Exhibit B attached hereto and made a part hereof. Upon any default of the Trustor hereunder, the Beneficiary shall be entitled to exercise with respect to all such collateral all of the rights and remedies set forth herein, in the Loan Agreement or otherwise afforded to a secured party in default under the terms of Article 9 of the California Uniform Commercial Code, any or all of which may be pursued and exercised concurrently, consecutively, alternatively or otherwise. The Trustor will execute one or more supplemental security agreements and financing statements as the Beneficiary may from time to time require, covering any property now or hereafter constituting a portion of the Property and otherwise the collateral securing the indebtedness secured hereunder and such financing statements and other and further assurances as the Beneficiary may request to perfect or evidence the security interest herein created (which shall cover all proceeds and products of collateral), including but not limited to, UCC-1 Financing Statements (which shall contain the description of collateral attached as Exhibit B) and UCC Continuation Statements.

The Trustor will pay all costs of filing any financing, continuation or termination statements with respect to the security interest created by this Deed of Trust; and the Beneficiary is hereby appointed the Trustor's attorney-in-fact to do, at the Beneficiary's option and at the Trustor's expense, all acts and things which the Beneficiary may deem necessary to perfect and continue perfected the security interest created by this Deed of Trust and to protect the Property. The Beneficiary may execute, sign, endorse, transfer or deliver, in the name of the Trustor, notes, checks, drafts or other instruments for the payment of money and receipts, certificates of origin, certificates of title, applications for certificates of title, or any other documents necessary to evidence, perfect or realize upon the security interests and secured indebtedness created or secured by this Deed of Trust. This authority shall be considered a power coupled with an interest and shall be irrevocable until all the indebtedness secured hereby shall have been paid in full.

This Deed of Trust constitutes a Financing Statement filed as a fixture filing in the Official Records of the County Recorder of the county in which the property is located with respect to any and all Fixtures (as defined by the Uniform Commercial Code), included within the term "Property" as used in this Deed of Trust and with respect to any goods or other Personal Property that may now or hereafter become such Fixtures. The address of the Beneficiary, from which information concerning the security interest granted hereunder may be obtained, is:

City of West Covina
1444 Garvey Avenue South,
West Covina, CA 91790

All references in this Deed of Trust to the Uniform Commercial Code shall be to the Uniform Commercial Code as enacted by the State of California.

Section 4. Absolute Assignment; Assignment of Leases and Rents.

(a) The Trustor hereby absolutely, unconditionally and irrevocably assigns to the Beneficiary the Leases and Rents. The Beneficiary authorizes the Trustor, prior to any default in the payment of any indebtedness secured hereby or in the performance of any covenant or

obligation hereunder, without notice, to collect and use all such Rents as they become due and payable and to exercise all rights under the Leases if not otherwise restricted under the Loan Agreement or the Promissory Note. The foregoing assignment shall not impose upon the Beneficiary any duty to produce Rents from the Property or cause the Beneficiary to be a "mortgagee in possession" for any purpose.

(b) The Trustor agrees that it will not amend, modify, change or waive, or consent to any amendment, modification, change or Waiver of, any term or provision of any Leases without the prior written consent of the Beneficiary.

(c) The Trustor agrees that it will take all steps and do all things necessary to keep and maintain any Leases in full force and effect and will enforce or cause to be enforced all and singular the provisions thereof, and bring and prosecute or cause to be prosecuted any and all suits, actions and proceedings necessary to enforce compliance with all of the terms, provisions and covenants thereof. If, in the reasonable opinion of the Beneficiary, the Trustor has failed, or is about to fail, to take suitable action to enforce any Leases or any guaranty thereof or to first preserve any rights or remedies thereunder, the Beneficiary, after giving five (5) days' written notice to the Trustor, may, but is not required to, take such action as it shall deem appropriate, in its own name or in the name of the Trustor for the use and benefit of the Beneficiary, to enforce the Leases and to preserve any rights or remedies thereunder, and all costs and expenses incurred by the Beneficiary in taking any such action shall be payable on demand and shall constitute part of the secured indebtedness hereunder.

Section 5. Acceleration upon Default. In the event of any default by the Trustor under the Loan Agreement, the Promissory Note, or any other agreements secured hereby, or upon the breach by the Trustor of any of its covenants or agreements contained herein, the Beneficiary may declare the unpaid balance owing under the Loan Agreement and any other sums secured hereby immediately due and payable as provided in the Promissory Note.

Section 6. Covenants of the Trustor. For the purpose of protecting and preserving the security of this Deed of Trust, the Trustor promises and agrees to do the following:

(a) (1) to take all action necessary to keep the Property at all times entirely free of dry rot, fungus, termites, beetles and all other wood-boring, wood-eating, harmful or destructive insects, and in all respects properly to care for and keep all of the Property, including all such buildings, structures and other improvements, in good condition and repair;

(2) not to remove, demolish or substantially alter (except such alterations as may be required by laws, ordinances or regulations or permitted pursuant to the Loan Agreement) any of the Facilities; provided, however, that the Trustor may make such proper replacements, repairs, renewals, removals and alterations as it shall in good faith reasonably determine are necessary or advisable to maintain or enhance the efficiency and value of the security created hereby;

(3) to complete promptly and in good and businesslike manner any building or other improvements which may be constructed on the Land, to promptly restore in like manner (to the extent permitted by law) any Facilities which may be damaged or destroyed thereon, and to

pay when due all claims for labor performed and materials furnished therefor, provided that the Trustor shall not be required to pay any such claim if it shall in good faith contest the validity thereof and, if so contested, shall provide for the payment thereof in a manner reasonably satisfactory to the Beneficiary;

(4) to comply with all laws, ordinances, regulations, conditions and restrictions now or hereafter affecting the Property or any part thereof or requiring any alterations or improvements to be made thereon;

(5) not to commit or permit any waste, and not to permit any deterioration, of the Property; and

(6) not to commit, suffer or permit any act to be done in or upon the Property in violation of any law or ordinance if such act might have consequences that would materially and adversely affect the financial condition, assets, properties or operation of the Trustor;

(b) to provide and maintain hazard insurance, which be partially or fully self-insured, and to deliver duplicate originals or certified copies of the policies of said insurance to the Trustee upon its request;

(c) to appear in and defend any action or proceeding affecting or purporting to affect the security of this Deed of Trust, any additional or other security for any of the obligations secured hereby, or the interest, rights, powers, or duties of the Trustee or the Beneficiary hereunder, it being agreed, however, that in the case of an action or proceeding against the Trustee or the Beneficiary said Trustee or Beneficiary, at its option, may appear in and defend any such action or proceeding and, in addition, it being agreed that the Trustee or Beneficiary may commence any action or proceeding deemed necessary by it to perfect, maintain or protect such interest, rights, powers or duties, all in such manner and to such extent as it may determine in its sole discretion to be appropriate, and the Trustee or Beneficiary is authorized to pay, purchase or compromise on behalf of the Trustor any encumbrance or claim which in its judgment appears or purports to affect the security hereof or to be superior hereto; to pay all costs and expenses, including costs of evidence of title and attorney's fees and expenses in a reasonable sum, in any above described action or proceedings in which the Beneficiary or the Trustee may appear;

(d) (1) to pay, and submit to the Beneficiary, at least five (5) days before default or delinquency, a receipt or other evidence of payment, or certified copy thereof, evidencing payment of all taxes and assessments affecting the Property, and any accrued interest, cost or penalty thereon, provided that the Trustor shall not be required to pay any such tax or assessment if it shall in good faith contest the validity thereof and, if so contested, shall provide for the payment thereof in a manner reasonably satisfactory to the Beneficiary;

(2) to pay when due all encumbrances (including any debt secured by deed of trust), ground rents, liens or charges, with interest, on the Property or any part thereof which appear to be prior or superior hereto, and to pay immediately and in full all such encumbrances, rents, liens or charges, if any, which may now be due or payable; provided that the Trustor shall not be required to pay any such encumbrances, rent, lien or charge if it shall in good faith contest

the validity thereof and, if so contested, shall provide for the payment thereof in manner satisfactory to the Beneficiary; and

(3) to pay when due all costs, fees and expenses of these trusts, including costs of evidence of title and the Trustee's fees in connection with sale, whether completed or not, which amounts shall become due upon delivery to the Trustee of declaration of default and demand for sale, as hereinafter provided; and

(e) to pay immediately and without demand all reasonable and necessary sums expended or expense incurred by the Trustee or by the Beneficiary to enforce the terms of the Trust, including attorneys' fees and expenses, under any of the terms of this Deed of Trust, with interest from date of expenditure at the rate of ten percent (10%) per annum.

Section 7. [intentionally omitted]

Section 8. Acceptance Not Waiver. By accepting payment of any sum secured hereby after its due date, neither the Trustee nor the Beneficiary shall be deemed to have waived its right either to require prompt payment when due of all other sums so secured or to declare default as herein provided for failure so to pay.

Section 9. [intentionally omitted]

Section 10. Right of Entry for Inspection. The Trustee and the Beneficiary are each authorized, by themselves or their agents or workers, in a reasonable manner such as not to interfere with the Trustor's business in a materially adverse manner and after giving notice to enter during reasonable business hours (or at any other time agreeable to the Trustor) upon any part of the Property for the purpose of inspecting the same.

Section 11. Entry, Possession, Operation of Property.

(a) Should the Trustor fail or refuse to make any payment or to do any act which it is obligated hereunder to make or do, at the time and in the manner herein provided, then the Trustee or the Beneficiary, in its sole discretion, without notice to or demand upon the Trustor and without releasing the Trustor from any obligation hereof, is authorized to do and may do any of the following:

(1) make any such payment or do any such act in such manner and to such extent as it may deem necessary to protect the security hereof, the Trustee and the Beneficiary being authorized to enter upon the Property for such purposes;

(2) pay, purchase, contest or compromise any claim, debt, lien, charge or encumbrance which in the judgment of the Trustee or the Beneficiary may affect or appear to affect the security of this Deed of Trust, the interest of the Beneficiary or the rights, powers or duties of the Trustee or the Beneficiary hereunder; or

(3) either by itself or by its agents appointed by it for that purpose, enter into and upon and take and hold possession of any or all of the Property, exclude the Trustor and all other

persons therefrom, and operate and manage the Property, and rent and lease the same and collect any and all rents, issues, income and profits therefrom, and from time to time apply the same or accumulate the same for application, in such order and manner as the Trustee or the Beneficiary in its sole discretion shall consider advisable, to the following: costs of collecting the same, including the Trustee's reasonable fees in so doing; the necessary and proper costs of upkeep, maintenance, repair, and operation of the Property; the repayment of any sums theretofore or thereafter advanced pursuant to the terms of this Deed of Trust; the interest and principal then due or next to become due upon any indebtedness secured hereby; and the taxes and assessments upon the Property then due or next to become due.

(b) The collection or receipt of Rents from the Property by the Trustee or the Beneficiary after declaration of default and election to cause the Property to be sold under and pursuant to the terms of this Deed of Trust shall not affect or impair such default or declaration of default or election to cause the Property to be sold or any sale proceedings predicated thereon, but such proceedings may be conducted and sale effected notwithstanding the receipt or collection of any such Rents. Any such Rents in the possession of the Trustee or the Beneficiary at the time of sale and not theretofore applied as herein provided, shall be applied in the same manner and for the same purposes as the proceeds of the sale.

(c) The Trustee and the Beneficiary shall not be under any obligation to make any of the payments or do any of the acts above mentioned, but, upon election so to do, employment of an attorney is authorized and payment of such attorney's fees and of all other necessary expenditures is hereby secured.

Section 12. Power of Sale.

(a) Should a default have occurred and be continuing under the Loan Agreement or the Promissory Note, or upon the breach by the Trustor of any of its covenants or agreements contained herein, upon written request by the Beneficiary, shall declare all sums secured hereby immediately due and payable.

(b) Having so declared, the Trustee shall provide and record such notices of default and of the election to cause the Property or any part of it to be sold as are required by law.

(c) The Trustee, upon written request by the Beneficiary, from time to time before the Trustee's sale, may rescind any such notice of default and of election to cause to be sold the Property and may execute a written notice of such a rescission, which notice, when recorded, shall also constitute a cancellation of any prior declaration of default and demand for sale. The exercise of such right of rescission shall not constitute a waiver of any breach or default then existing or subsequently occurring or impair the right of the Beneficiary to execute and deliver to the Trustee, as above provided, other requests for notices of default and of election to cause to be sold the Property to satisfy the obligations hereof, nor otherwise affect any provision, covenant or condition of this Deed of Trust or any of the rights, obligations or remedies of the parties hereunder.

(d) Not less than the time then required by law having elapsed after recordation of notice of default, without demand on the Trustor, the Trustee, having first given notice of sale as then

required by law, shall sell the Property in the manner provided by law at the time and place of sale fixed by it in the notice of sale, provided that the Trustee may postpone sale of all or any portion of the Property in the manner provided by law.

(e) The Trustee shall deliver to the purchaser its deed conveying the property so sold, but without any covenant or warranty, express or implied, and the recitals in such deed of any matters or facts affecting the regularity or validity of the sale shall be conclusive proof of the truthfulness thereof. Also, such deed shall be conclusive against all persons as to all matters or facts therein recited. Any person, including the Trustor, the Trustee and the Beneficiary, may purchase at such sale.

(f) The Trustee shall apply the proceeds of any such sale to payment of: (1) all costs, fees, charges and expenses of the Trustee and of these trusts, and fees of any attorneys employed by the Trustee or the Beneficiary to enforce the provisions hereof; (2) the Trustee's fees in connection with the sale, and all expenses of sale, including the cost of procuring evidence of title in connection with the sale proceedings and revenue stamps on the Trustee's deed; and (3) all other sums secured hereby, including interest on each of the foregoing items, all in such manner and order of priority or preference as the Beneficiary may in its sole and absolute discretion direct. The remainder, if any, of such proceeds, shall be paid to the person or persons legally entitled thereto, upon proof satisfactory to the Trustee of such right.

Section 13. Satisfaction and Reconveyance. Upon written request of the Beneficiary stating that all sums secured hereby have been paid, and upon surrender to the Trustee of this Deed of Trust and upon payment of its fees, the Trustee shall reconvey and release, without warranty, the Property, it being further agreed that the recitals in such reconveyance and release of any matters or facts shall be conclusive proof of the truthfulness thereof and that the grantee in any reconveyance may be described as "the person or persons legally entitled thereto."

Section 14. Additional Security. The Trustee shall be entitled to enforce payment and performance of any indebtedness or obligations secured hereby and to exercise all rights and powers under this Deed of Trust or under any other agreement or any laws now or hereafter in force, notwithstanding that some or all of the indebtedness and obligations secured hereby are now or shall hereafter be otherwise secured, whether by mortgage, deed of trust, pledge, lien, assignment or otherwise; and neither the acceptance of this Deed of Trust nor its enforcement, whether by court action or pursuant to the power of sale or other powers herein contained, shall prejudice or in any manner affect the Trustee's or the Beneficiary's right to realize upon or enforce any other security now or hereafter held by the Trustee or the Beneficiary, it being agreed either that the Trustee or the Beneficiary shall be entitled to enforce this Deed of Trust and any other security now or hereafter held by the Beneficiary or the Trustee in such order and manner as it may in its uncontrolled discretion determine.

Section 15. Notice of Actions. The Trustee shall be under no obligation to notify any party hereto of any action or proceeding of any kind in which the Trustor, the Beneficiary or the Trustee shall be a party, unless brought by the Trustee, or of any pending sale under any other deed of trust.

Section 16. Charge for Provision of Statement. For any statement regarding the obligations secured hereby, a charge, which the Trustor agrees to pay, may be made in an amount not exceeding the maximum allowed by law at the time any such statement is requested.

Section 17. Waiver of Statute of Limitations. The right to plead any and all statutes of limitations as a defense to any demand secured by this Deed of Trust is hereby waived.

Section 18. Irrevocable by the Trustor. The trust created hereby is irrevocable by the Trustor.

Section 19. Substitution of Trustee. The Beneficiary may substitute a successor Trustee from time to time by recording at the places required by law an instrument stating the election by the Beneficiary to make such substitution and identifying this Deed of Trust.

Section 20. [Intentionally omitted]

Section 21. [Intentionally omitted]

Section 22. Notices. All notices, requests or communications required or permitted to be given in this Deed of Trust, including any notice of default and any notice of sale to the Trustor under this Deed of Trust, shall be in writing and mailed or delivered to the respective party as follows:

Trustor:

Successor Agency to the West Covina Redevelopment Agency
1444 Garvey Avenue South
West Covina, CA 91790
Attention: Paulina Morales, Sr. Project Manager

Trustee: First American Title Company
655 N. Central Avenue, Suite 800
Glendale, CA 91203
Attention: Angie Tang

Beneficiary:

City of West Covina
1444 Garvey Avenue South
West Covina, CA 91790
Attention: City of West Covina

The Trustor, the Trustee, the Beneficiary, may, by notice given hereunder, designate any further or different address to which subsequent notices, notice of default, notice of sale, statements and other communications shall be sent.

Section 23. Successors Bound. This Deed of Trust shall bind, and the benefits shall inure to, the respective parties hereto, the Beneficiary, their legal representatives, successors in office or interest, and assigns.

Section 24. Severability of Invalid Provisions. If any provision of this Deed of Trust should be held unenforceable or void, in whole or in part, then such unenforceable or void provision or part shall be deemed separable from the remaining provisions and shall in no way affect the validity of the remainder of this Deed of Trust.

Section 25. Amendments; Releases or Reconveyances. This Deed of Trust may be amended, changed, modified or terminated at any time by the written consent of the Beneficiary.

Without affecting the liability of any other person liable for the payment of any obligation herein mentioned, and without affecting the lien or charge of this Deed of Trust upon any property not then or theretofore released as security for the full amount of all unpaid obligations, the Trustee may, upon written request by the Beneficiary in accordance with the Loan Agreement or the Promissory Note, from time to time, and without notice to the Trustor, release any person other than the Trustor so liable, extend the maturity or alter any of the terms of any such obligation, or grant other indulgences, release or reconvey, or cause to be released or reconveyed, any portion or all of the Property, release any other or additional security for any obligation herein mentioned, or make compositions or other arrangements with debtors in relation thereto; and if the Trustee at any time holds any additional security for any obligations secured hereby, it may enforce the sale thereof or otherwise realize upon the same at its option, either before or concurrently herewith or after a sale is made hereunder.

Section 26. Headings and References. The headings or titles of the several sections, subsections and subdivisions hereof shall be solely for convenience of reference and shall not affect the meaning, construction or effect of this Deed of Trust. All references herein to "sections," "subsections" and other subdivisions are to the corresponding sections, subsections or subdivisions of this Deed of Trust. The words "herein," "hereof," "hereby," "hereunder" and other words of similar import refer to this Deed of Trust as a whole and not to any particular section, subsection or subdivision hereof. Words of the masculine gender shall mean and include words of the feminine and neuter genders.

Section 27. Governing Law; Venue. The laws of the State of California shall govern this Deed of Trust, the interpretation thereof and any right or liability arising hereunder. Any action or proceeding to enforce or interpret any provision of this Deed of Trust shall be brought, commenced or prosecuted in Los Angeles County, California, except as may otherwise be required to provide jurisdiction.

Section 28. Attorneys' Fees. In the event of any action at law or in equity between the parties hereto to interpret or enforce any of the provisions of this Deed of Trust, the nonprevailing party or parties to such litigation shall pay to the prevailing party or parties all costs and expenses, including actual attorneys' fees, incurred therein by such prevailing party or parties; and if such prevailing party or parties shall recover judgment in any such action or proceeding, such costs, expenses and attorneys' fees may be included in and as part of such judgment. The prevailing party shall be the party who is entitled to recover its costs of suit, whether or not the suit proceeds to final judgment. A party not entitled to recover its costs of suit shall not recover attorneys' fees.

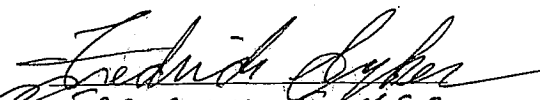
By: 
Name: FREDRICK SYKES
Title: Mayor

EXHIBIT A

LEGAL DESCRIPTION OF REAL PROPERTY

Real property in the City of West Covina, County of Los Angeles, State of California, described as follows:

PARCEL 9 OF PARCEL MAP NO. 60193, IN THE CITY OF WEST COVINA, COUNTY OF LOS ANGELES, STATE OF CALIFORNIA, ACCORDING TO MAP RECORDED DECEMBER 29, 2005 IN BOOK 336, PAGE 93 OF PARCEL MAPS, IN THE OFFICE OF THE COUNTY RECORDER OF SAID COUNTY.

EXCEPT ALL OIL, GAS, AND OTHER HYDROCARBONS AND ALL MINERALS, TOGETHER WITH THE RIGHT TO DEVELOP, PRODUCE AND EXTRACT THE SAME, AS GRANTED TO NARCISSE S. GARNIER, ET AL., BY DEED RECORDED SEPTEMBER 29, 1944 IN BOOK 21288 PAGE 260, OFFICIAL RECORDS.

BY INSTRUMENTS OF RECORD, THE OWNERS OF SAID OIL, GAS, AND OTHER HYDROCARBONS AND MINERALS, RELINQUISHED ALL OF THEIR RIGHTS TO ENTER UPON THE SURFACE OF SAID LAND OR THE SUBSURFACE THEREOF TO A DEPTH OF 500 FEET BELOW THE SURFACE THEREOF, (MEASURED VERTICALLY FROM THE SURFACE, FOR THE PURPOSE OF DEVELOPING, PRODUCING AND EXTRACTING THE SAME.

ALSO EXCEPT THEREFROM THE "PRECIOUS METALS AND ORES THEREOF" AS EXCEPTED FROM THE PARTITION BETWEEN JOHN ROWLAND SR. AND WILLIAM WORKMAN RECORDED IN BOOK 10 PAGE 39 OF DEEDS.

APN: 8735-001-912

EXHIBIT B

DESCRIPTION OF COLLATERAL

All right, title and interest that the Successor Agency to the West Covina Redevelopment Agency which is defined as "Trustor" in that certain Deed of Trust with Fixture Filing and Security Agreement dated as of September 1, 2015 ("Deed of Trust") now has or may hereafter acquire in:

(i) All buildings, structures, improvements, fixtures, equipment and appurtenances now and hereafter owned, constructed, located, erected, installed or affixed by or on behalf of the Trustor upon or appurtenant to the Land as defined in the Deed of Trust and all replacements and substitutions therefor ("Facilities");

(ii) All appurtenances, improvements, easements, pipes, transmission lines or wires and other rights used in connection with the Land or as a means of access thereto, whether now or hereafter owned or constructed or placed upon or in the Land or Facilities ("Appurtenances");

(iii) All equipment, machinery, goods and other personal property of the Trustor whether movable or not, if the same is (a) now owned or hereafter acquired by the Trustor, (b) now or hereafter located at or used in connection with the Facilities, or (c) obtained to satisfy its obligations under the Loan Agreement, the Regulatory Agreement or the Contract of Insurance, each as identified in the Deed of Trust, and all improvements, restorations, replacements, repairs, additions, accessions or substitutions thereto or therefor, including, without limitation, all machinery, equipment, material, furnishings and appliances for generation or distribution of air, water, heat, electricity, light, fuel or refrigeration, for purposes of ventilation, sanitation or drainage, for exclusion of vermin or insects, for removal or disposal of dust, refuse or garbage; all elevators, awnings, window coverings, floor covering, laundry equipment, kitchen equipment, cabinets, furniture and furnishings; all fixed and moveable equipment now or hereafter installed or placed upon or in the Land or Facilities; the products and proceeds from any and all such property; all the estate, interest, right, title, property or other claim or demand of every nature whatsoever, in and to such property, including specifically, but without limitation, all deposits made with or other security given to utility companies by the Trustor with respect to such property and claims or demands relating to insurance or condemnation awards which the Trustor now has or may hereafter acquire ("Equipment");

(iv) All leases or subleases with respect to the Land, Facilities, Appurtenances and Equipment ("Leases");

(v) All rentals or other payments which may now or hereafter accrue or otherwise become payable under the Leases to or for the benefit of the Trustor together with all other income, rents, revenues, issues, profits, reserves, and royalties produced by the Land, Facilities, Appurtenances and Equipment or by all management or service contracts or other contracts affecting the Property, including but not limited to security deposits (collectively the "Rents");

(vi) All earnings, products, damages, indemnifications, insurance proceeds and any other proceeds from any and all of such Land, Facilities, Appurtenances, Equipment, Leases, Rents and Accounts including specifically, but without limitation, all deposits made with or other security given to utility companies and claims or demands relating to insurance or condemnation awards which the Trustor now has or may hereafter acquire, including all advance payments of insurance premiums made by the Trustor with respect thereto ("Proceeds");

(vii) All accounts, accounts receivable and other rights to payment of money now owned or hereafter acquired by the Trustor, whether due or to become due and whether or not earned by performance ("Accounts"), including without limitation the following:

(a) Any and all Accounts arising from any source, including without limitation operations of the Trustor or its agents at the Facilities; and

(b) Any and all Accounts accruing from in-patient, out-patient, day treatment, and any other programs run by and operations of the Trustor or its agents. For purposes hereof, "Accounts" covered hereby shall include without limitation accounts, chattel paper, deposit accounts and instruments as defined by the California Commercial Code, and any amounts receivable from third party payors in connection with the foregoing; and

(viii) All right, title and interest of the Trustor in all the Trustor's inventory, raw materials, work in process, finished goods and goods held for sale or lease or furnished under contracts of service, and all returned and repossessed goods, and all goods covered by documents of title, including warehouse receipts, bills of lading and all other documents of every type covering all or any part of the Property, now owned or hereafter acquired, whether held by the Trustor or any third party, which is located on, appurtenant to, relating to, or used by or useful in connection with the Property ("Inventory");

All of the above referenced Land, Facilities, Appurtenances, Equipment, Leases, Rents, Proceeds, Accounts and Inventory as hereby conveyed to the Trustee or made subject to the security interest herein described is collectively referred to herein as the "Property."

Additionally, Health and Safety Code Section 129052, in part, states:

"The lien of such pledge [the Property] shall be valid and binding against all parties, irrespective of whether the parties have notice of the lien. The indenture, trust agreement, resolution, or another instrument by which such pledge is created need not be recorded or the security interest otherwise perfected."

CALIFORNIA ALL-PURPOSE ACKNOWLEDGMENT

CIVIL CODE § 1189

A notary public or other officer completing this certificate verifies only the identity of the individual who signed the document to which this certificate is attached, and not the truthfulness, accuracy, or validity of that document.

State of California)

County of Los Angeles

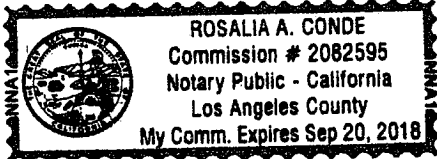
On September 15, 2015 before me, Rosalia A. Conde, Notary Public
Date Here Insert Name and Title of the Officer

personally appeared Fredrick Sylves
Name(s) of Signer(s)

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.



Signature Rosalia A. Conde, Notary Public
Signature of Notary Public

Place Notary Seal Above

OPTIONAL

Though this section is optional, completing this information can deter alteration of the document or fraudulent reattachment of this form to an unintended document.

Description of Attached Document Deed of Trust Assignment of Leases and Rents, Security Agreement and Fixture Filing
Title or Type of Document: Deed of Trust Assignment of Leases and Rents, Security Agreement and Fixture Filing Document Date: 9/1/2015
Number of Pages: 16 Signer(s) Other Than Named Above: None

Capacity(ies) Claimed by Signer(s)
Signer's Name: Fredrick Sylves
 Corporate Officer — Title(s): _____
 Partner — Limited General
 Individual Attorney in Fact
 Trustee Guardian or Conservator
 Other: Mayor
Signer Is Representing: City of West Covina

Signer's Name: _____
 Corporate Officer — Title(s): _____
 Partner — Limited General
 Individual Attorney in Fact
 Trustee Guardian or Conservator
 Other: _____
Signer Is Representing: _____

**OVERSIGHT BOARD TO THE SUCCESSOR AGENCY
OF THE WEST COVINA REDEVELOPMENT AGENCY**

AGENDA REPORT

Item No. IV-C

Date: September 24, 2015

TO: Chairperson and Board Members of the Oversight Board to the Successor Agency of the former West Covina Redevelopment Agency

FROM: Chris Freeland, Executive Director

BY: Christa Buhagiar, Finance Director

SUBJECT: REVISED AMENDMENT TO REIMBURSEMENT AGREEMENT FOR THE RENEWAL OF THE LETTER OF CREDIT FOR THE 1999 TAX ALLOCATION BONDS

RECOMMENDED ACTION:

It is recommended that the Oversight Board to the Successor Agency of the former West Covina Redevelopment Agency adopt the following resolutions:

RESOLUTION NO. OB-0038 - A RESOLUTION OF THE OVERSIGHT BOARD TO THE SUCCESSOR AGENCY OF THE FORMER WEST COVINA REDEVELOPMENT AGENCY AUTHORIZING THE EXECUTION AND DELIVERY BY THE AGENCY OF A FIRST AMENDMENT TO REIMBURSEMENT AGREEMENT AND THE TAKING OF CERTAIN ACTIONS IN CONNECTION THEREWITH

BACKGROUND:

In 1999, the West Covina Public Financing Authority (Authority) issued Taxable Variable Rate Demand Tax Allocation Bonds, Series 1999 (Bonds) to make a loan to the former Redevelopment Agency of the City of West Covina (Former Agency), which was succeeded by the West Covina Community Development Commission. The loan to the Former Agency financed redevelopment activities of the Former Agency. The Bonds are secured by the Former Agency's loan repayments to the Authority.

The Bonds bear interest at a short term variable rate, which reset every 7 days. Owners of such short term variable rate debt can require the Authority to repurchase their Bonds on 7 days' notice. The funds for such a purchase are provided under a letter of credit, and the Authority's remarketing agent then finds a new buyer to purchase the Bonds and repay any draw on the letter of credit. Principal payments are due on these bonds annually through November 1, 2029 and the current principal outstanding balance on the bonds is \$3,120,000.

DISCUSSION:

The current Letter of Credit securing the Bonds is issued by Wells Fargo Bank, National Association (Bank) and expires on October 13, 2015. The terms of the Letter of Credit are governed by a Reimbursement Agreement by and among the Authority, the Former Agency, and the Bank. The Bank is offering to renew and extend the expiration date of the Letter of Credit to April 2017. An amendment to the Reimbursement Agreement is required to complete the extension process. However, there is no change to the existing letter of credit fees. The modifications contained in the amendment reflect changes in regulatory disclosures since the approval of the original agreement, as well as a provision to waive a jury trial in the event of a dispute.

At the September 1, 2015, Successor Agency meeting, the Board approved the Amendment to Reimbursement Agreement, but the bank is now requiring additional language (Section 8.19) to the Amendment. Now included in the amendment to the Reimbursement Agreement is a provision that provides if the Successor Agency or the Authority enter into an agreement with another entity to provide credit enhancement for the Bonds or any other obligations of the Authority or the Successor Agency and such agreement has different or more restrictive covenants, different or additional events of default or greater rights or remedies than the Reimbursement Agreement, then such provisions are automatically made part of the Reimbursement Agreement. As a result, the Successor Agency and the Authority could be subject to different covenants, events of default and remedies than were originally agreed to with the Bank, depending on what agreements the Successor Agency and the Authority enter into in the future.

Staff is recommending that the Oversight Board authorize the execution and delivery of all necessary documents of the amendment to the Reimbursement Agreement with the Bank. The Successor Agency and the Authority Boards approved the amendment at the September 15, 2015 meeting. Once the Oversight Board to the Successor Agency has approved the Successor Agency action, the Department of Finance will have an opportunity to review the approval. That process is expected to take up to 60 days. The Bank has extended the Letter of Credit on an interim basis until December to provide sufficient time for the remaining approvals.

Prepared by:



Christa Buhagiar
Finance Director

ATTACHMENT 1 – Resolution

ATTACHMENT 2 – Amendment to Reimbursement Agreement

RESOLUTION NO. OB-0038

RESOLUTION NO. OB-0038 - A RESOLUTION OF THE OVERSIGHT BOARD TO THE SUCCESSOR AGENCY OF THE FORMER WEST COVINA REDEVELOPMENT AGENCY AUTHORIZING THE EXECUTION AND DELIVERY BY THE AGENCY OF A FIRST AMENDMENT TO REIMBURSEMENT AGREEMENT AND THE TAKING OF CERTAIN ACTIONS IN CONNECTION THEREWITH

WHEREAS, the West Covina City Council acting as the Successor Agency to the former West Covina Redevelopment Agency (the "Predecessor Agency") have heretofore entered into a Joint Exercise of Powers Agreement establishing the West Covina Public Financing Authority (the "Authority") for the purpose, among others, of issuing its bonds to be used to provide financial assistance to the Predecessor Agency;

WHEREAS, the Authority has previously issued \$3,945,000 aggregate principal amount of West Covina Public Financing Authority Taxable Variable Rate Demand Tax Allocation Bonds, Series 1999 (Redevelopment Agency of the City of West Covina-West Covina Redevelopment Project-Subordinate Lien) (the "Bonds") to finance a loan made to the Predecessor Agency by the Authority for the purposes of financing certain improvements in the Predecessor Agency's West Covina Redevelopment Project Area; and

WHEREAS, the Bonds were issued and delivered as variable rate obligations supported by a direct pay letter of credit;

WHEREAS, in 2010, the Authority and the Predecessor Agency caused the delivery of a substitute letter of credit (the "Letter of Credit") issued pursuant to the terms of a Reimbursement Agreement, dated as of September 1, 2010 (the "First Amendment to Reimbursement Agreement"), by and among the Authority, the Predecessor Agency and Wells Fargo Bank, National Association (the "LOC Bank"); and

WHEREAS, on June 28, 2011, the California Legislature adopted ABx1 26, *inter alia*, dissolving existing redevelopment agencies, including the Predecessor Agency;

WHEREAS, the California Supreme Court substantially upheld the provisions of ABx1 26 on December 29, 2011, resulting in the dissolution of the Predecessor Agency on February 1, 2012;

WHEREAS, the remaining powers, assets and obligations of the Successor Agency to the former West Covina Redevelopment Agency (the "Successor Agency") were transferred to the Successor Agency pursuant to ABx1 26 on February 1, 2012;

WHEREAS, the Authority and the Successor Agency now wish to extend the LOC and amend the terms of the Reimbursement Agreement pursuant to a First Amendment to Reimbursement Agreement, by and among the Successor Agency, the Authority and the LOC Bank (the "First Amendment to Reimbursement Agreement"); and

WHEREAS, the Successor Agency has reviewed the First Amendment to Reimbursement Agreement which is on file with the Secretary of the Successor Agency.

NOW, THEREFORE, the Oversight Board to the Successor Agency of the former West Covina Redevelopment Agency does hereby resolve as follows:

SECTION 1. All of the recitals herein contained are true and correct and the Oversight Board so finds.

SECTION 2. The First Amendment to Reimbursement Agreement, in substantially the form submitted to this meeting and made a part hereof as though set forth in full herein, is hereby approved. The Executive Director of the Successor Agency, and any designee thereof (each an "Authorized Officer") are, and each of them is, hereby authorized and directed, for and in the name of the Oversight Board, to execute and deliver the First Amendment to Reimbursement Agreement in substantially the form presented to this meeting, with such changes, insertions and omissions as the Authorized Officer executing the same may require or approve, such requirement or approval to be conclusively evidenced by the execution of the First Amendment to Reimbursement Agreement by such Authorized Officer.

SECTION 3. The Authorized Officers are, and each of them hereby is, authorized and directed to execute and deliver any and all documents, certifications and other instruments and to do and cause to be done any and all acts and things necessary or proper for carrying out the execution and delivery of the First Amendment to Reimbursement Agreement and the transactions contemplated therein and by this Resolution.

SECTION 4. This Resolution shall take effect immediately upon its adoption.

SECTION 5. The Oversight Board Secretary shall certify the adoption of this Resolution.

APPROVED AND ADOPTED on this 24th day of September, 2015.

Carrie A. Sutkin, Chairperson
Oversight Board to the Successor Agency to
the former West Covina Redevelopment
Agency

ATTEST:

Rosalia Conde, Secretary
Oversight Board to the Successor Agency to
the former West Covina Redevelopment
Agency

AMENDMENT TO
REIMBURSEMENT AGREEMENT

This AMENDMENT TO REIMBURSEMENT AGREEMENT (this "Amendment"), is made and entered into as of _____ by and among WEST COVINA PUBLIC FINANCING AUTHORITY, a joint powers authority duly organized and validly existing under and pursuant to the laws of the State of California (the "Authority"), SUCCESSOR AGENCY TO THE FORMER WEST COVINA REDEVELOPMENT AGENCY, a public body corporate and politic duly organized and validly existing under and pursuant to the laws of the State of California, including Part 1.85 (commencing with Section 34170) of Division 24 of the California Health and Safety Code (the "Successor Agency"), (the Authority and the Successor Agency, each an "Account Party," and, collectively, the "Account Parties"), and WELLS FARGO BANK, NATIONAL ASSOCIATION, a national banking association (the "Bank").

W I T N E S S E T H

WHEREAS, the Authority, the Successor Agency to the former West Covina Redevelopment Agency (the Successor Agency is winding up the affairs of the West Covina Community Development Commission) and the Bank have previously entered into a Reimbursement Agreement, dated as of October 1, 2010 (the "Agreement"), relating to the West Covina Public Financing Authority Taxable Variable Rate Demand Tax Allocation Bonds, Series 1999 (Redevelopment Agency of the City of West Covina – West Covina Redevelopment Project – Subordinate Lien);

WHEREAS, the Account Parties desire to extend the Stated Termination Date (as defined in the Agreement) of the Letter of Credit (as defined in the Agreement);

WHEREAS, the Bank is willing to extend the Stated Termination Date (as defined in the Agreement) of the Letter of Credit (as defined in the Agreement) as long as certain amendments are made to the Agreement; and

WHEREAS, the Account Parties are willing to agree to such amendments in order to extend the Stated Termination Date (as defined in the Agreement) of the Letter of Credit (as defined in the Agreement).

NOW, THEREFORE, in consideration of the foregoing, the premises and mutual covenants contained herein and for other valuable consideration, the receipt and sufficiency of which are hereby acknowledged, the parties hereto hereby agree as follows:

1. Defined Terms. Unless otherwise defined herein, capitalized terms used herein shall have the meanings given thereto in the Agreement.
2. Effectiveness of this Amendment. This Amendment shall become effective as provided herein at the time (the "Amendment Effective Time") on the first date (the "Amendment Effective Date") on which each of the following conditions shall be satisfied or waived by the Bank:

(a) Delivery of Amendment. Receipt by the Bank, on or prior to the Amendment Effective Date, of a copy of this Amendment duly executed and delivered by the Account Parties.

(b) Resolution/Order. Receipt by the Bank, on or prior to the Amendment Effective Date, of a copy of a resolution or order of the Account Parties authorizing the execution, delivery and performance of this Amendment, certified by the Secretary of each Account Party, which certification shall include a statement to the effect that such resolution or order is in full force and effect on the Amendment Effective Date and has not been amended.

(c) Approval of Oversight Board; Approval or No Action by State Department of Finance. The oversight board for the Successor Agency (the "Oversight Board") shall have approved this Amendment and the transactions contemplated hereby (the "Transactions") and the Bank shall have received written evidence thereof, and either (i) the period for review by the California Department of Finance of the Oversight Board's approval shall have lapsed without receipt by the Oversight Board of a request for review from the California Department of Finance or (ii) the California Department of Finance shall have approved the Oversight Board's approval of the Transactions.

(d) Incumbency. Receipt by the Bank, on or prior to the Amendment Effective Date, of a certificate of each Account Party certifying the names and true signatures of the officers of such Account Party authorized to sign this Amendment and the other documents to be delivered by such Account Party hereunder.

(e) Representations and Covenants of the Authority; No Defaults. The following statements shall be true and correct on and as of the Amendment Effective Date, and the Bank shall have received a certificate signed by an authorized officer of the Authority, dated the Amendment Effective Date, stating that:

(i) The representations of the Authority contained in Section 4.01 of the Agreement (other than those contained in Section 4.01(e) and 4.01(k) as to which no representation is made) are true and correct in all material respects on and as of the Amendment Effective Date as though made on and as of such date.

(ii) The representations of the Authority contained in Section 4 of this Amendment are true and correct in all respects on and as of the Amendment Effective Date as though made on and as of such date.

(iii) The Authority has performed or complied with all of its obligations, agreements and covenants to be performed or complied with by it pursuant to the Agreement on or prior to the Amendment Effective Date.

(iv) After giving effect to the execution and delivery of this Amendment by the Authority Party, there exists no Default or Event of Default.

(f) Representations and Covenants of the Successor Agency; No Defaults. The following statements shall be true and correct on and as of the Amendment Effective Date,

and the Bank shall have received a certificate signed by an authorized officer of the Successor Agency, dated the Amendment Effective Date, stating that:

(i) The representations of the Successor Agency contained in Section 4.02 of the Agreement (other than those contained in Section 4.02(e) and 4.02(k) as to which no representation is made) are true and correct in all material respects on and as of the Amendment Effective Date as though made on and as of such date.

(ii) The representations of the Successor Agency contained in Section 5 of this Amendment are true and correct in all respects on and as of the Amendment Effective Date as though made on and as of such date.

(iii) The Successor Agency has performed or complied with all of its obligations, agreements and covenants to be performed or complied with by it pursuant to the Agreement on or prior to the Amendment Effective Date.

(iv) After giving effect to the execution and delivery of this Amendment by the Successor Agency Party, there exists no Default or Event of Default.

(g) Fees, Costs and Expenses. The Bank shall have received payment of all fees, costs and expenses due under the Agreement that are to be paid on or prior to the Amendment Effective Date.

(h) No Material Adverse Change. As of the Amendment Effective Date, the Bank, in its sole determination, shall be satisfied that (i) except as set forth in Note 21 of the Notes to Basic Financial Statements included in the Comprehensive Annual Financial Report of the City of West Covina for the fiscal year ended June 30, 2014, since June 30, 2014, no material adverse change in the financial condition, business, assets, liabilities or prospects of either Account Party has occurred, and (ii) no law, rule or regulation shall have been enacted, amended, suspended or repealed that would result in a material adverse change of the type described in clause (i).

3. Amendments. At the Amendment Effective Time:

(a) The following defined terms set forth in Section 1.01 of the Agreement shall be amended and restated to read as follows:

“Business Day” means (a) for all purposes other than as set forth in clause (b) below, any day other than a Saturday, Sunday or any other day on which commercial banks in California are authorized or required by law to close and (b) with respect to all determinations of LIBOR, any day that is a Business Day described in clause (a) and that is also a London Banking Day. As used herein, “London Banking Day” means any day on which dealings in U.S. dollar deposits are conducted by and between banks in the London interbank Eurodollar market.

“LIBOR” means a rate per annum determined by the Bank pursuant to the following formula:

$$\text{LIBOR} = \frac{\text{Base LIBOR}}{1.00 - \text{Eurodollar Reserve Percentage}}$$

Notwithstanding the foregoing, if LIBOR shall be less than zero, such rate shall be deemed to be zero for purposes of this Agreement.

As used herein, "Base LIBOR" means, as of any date of determination, the rate of interest per annum determined on the basis of the rate for deposits in U.S. dollars for an interest period equal to one month (commencing on the date of determination of such interest rate) which appears on the Reuters Screen LIBOR01 Page (or any applicable successor page) at approximately 11:00 a.m. (London time) on such date of determination, or, if such date is not a Business Day, then the immediately preceding Business Day. If, for any reason, such rate does not appear on Reuters Screen LIBOR01 Page (or any applicable successor page) then "Base LIBOR" shall be determined by the Bank to be the arithmetic average of the rate per annum at which deposits in U.S. dollars would be offered by first class banks in the London interbank market to the Bank at approximately 11:00 a.m. (London time) on such date of determination for a period equal to one month commencing on such date of determination. Each calculation by the Bank of Base LIBOR shall be conclusive and binding for all purposes, absent manifest error.

AS used herein, "Eurodollar Reserve Percentage" means, for any day, the percentage which is in effect for such day as prescribed by the Board of Governors of the Federal Reserve System (or any successor) for determining the maximum reserve requirement (including, without limitation, any basic, supplemental or emergency reserves) in respect of eurocurrency liabilities or any similar category of liabilities for a member bank of the Federal Reserve System in New York City.

(b) The following defined terms shall be added to Section 1.01 of the Agreement and shall be inserted in alphabetical order:

"Anti-Corruption Laws" means all laws, rules, and regulations of any jurisdiction applicable to the Authority or the Successor Agency from time to time concerning or relating to bribery or corruption, including, without limitation, the United States Foreign Corrupt Practices Act of 1977, as amended, and the rules and regulations thereunder.

"Bank Agreement" means any credit agreement, liquidity agreement, standby bond purchase agreement, reimbursement agreement, direct purchase agreement (such as a continuing covenant agreement or supplemental bondholder's agreement), bond purchase agreement, or other agreement or instrument (or any amendment, supplement or other modification thereof) under which, directly or indirectly, any Person or Persons undertake(s) to make payment of or provide funds to make, or to purchase or provide credit enhancement for bonds, notes or other obligations of the Authority and/or the Successor Agency payable from and/or secured by Tax Revenues.

"Excluded Taxes" means, with respect to the Bank or any Participant, (a) taxes imposed on or measured by its overall net income (however denominated), and franchise taxes imposed on it (in lieu of net income taxes), by the jurisdiction (or any political

subdivision thereof) under the laws of which the Bank or such Participant is organized or in which its principal office is located, and (b) any branch profits taxes imposed by the United States of America or any similar tax imposed by the State.

“Governmental Authority” means the government of the United States of America or any other nation or any political subdivision thereof or any governmental or quasi-governmental entity, including any court, department, commission, board, bureau, agency, administration, central bank, service, district or other instrumentality of any governmental entity or other entity exercising executive, legislative, judicial, taxing, regulatory, fiscal, monetary or administrative powers or functions of or pertaining to government (including any supra national bodies such as the European Union or European Central Bank), or any arbitrator, mediator or other Person with authority to bind a party at law.

“Indemnified Taxes” means Taxes other than Excluded Taxes.

“Law” means any treaty or any federal, regional, state and local law, statute, rule, ordinance, regulation, code, license, authorization, decision, injunction, interpretation, order or decree of any court or other Governmental Authority.

“OFAC” means the U.S. Department of the Treasury’s Office of Foreign Assets Control.

“PATRIOT Act” means the USA PATRIOT Act (Title III of Pub. L. 107-56 (signed into law October 26, 2001)).

“Sanctions” means economic or financial sanctions or trade embargoes imposed, administered or enforced from time to time by the U.S. government (including those administered by OFAC), the European Union, Her Majesty’s Treasury, or other relevant sanctions authority.

“Sanctioned Country” means at any time, a country or territory which is itself the subject or target of any Sanctions (including, without limitation, Cuba, Iran, North Korea, Sudan and Syria).

“Sanctioned Person” means, at any time, (a) any Person listed in any Sanctions-related list of designated Persons maintained by OFAC, the U.S. Department of State, the United Nations Security Council, the European Union, Her Majesty’s Treasury, or other relevant sanctions authority, (b) any Person operating, organized or resident in a Sanctioned Country or (c) any Person owned or controlled by any such Person or Persons described in clauses (a) and (b).

“Taxes” means all present or future taxes, levies, imposts, duties, deductions, withholdings (including backup withholding), assessments, fees or other charges imposed by any Governmental Authority, including any interest, fines, additions to tax or penalties applicable thereto.

(c) Section 2.07 of the Agreement shall be amended by deleting subsections (c) and (d) thereof.

(d) Section 2.09 of the Agreement shall be amended by adding the following to the end of said Section:

Any and all payments by or on account of any obligation of the Authority or the Successor Agency under any Related Document shall be made without deduction or withholding for any Taxes, except as required by applicable Law. If any applicable Law (as determined in the good faith discretion of the Authority or the Successor Agency, as the case may be) requires the deduction or withholding of any Tax from any such payment by the Authority or the Successor Agency, then the Authority or the Successor Agency, as the case may be, shall be entitled to make such deduction or withholding and shall timely pay the full amount deducted or withheld to the relevant Governmental Authority in accordance with applicable Law and, if such Tax is an Indemnified Tax, then the sum payable by the Authority or the Successor Agency, as the case may be, shall be increased as necessary so that, after such deduction or withholding has been made (including such deductions and withholdings applicable to additional sums payable under this Section), the Bank (or Participant) receives an amount equal to the sum it would have received had no such deduction or withholding been made. The obligations of the Authority and the Successor Agency set forth in this Section 2.09 shall survive the termination of this Agreement.

(e) The obligations of the Authority and the Successor Agency set forth in this Section 2.13 shall survive the termination of this Agreement.

(f) Section 4.01 of the Agreement shall be amended by adding the following subsection after subsection 4.01(l) and the table of contents shall be amended to reflect the addition of the new Section:

(m) **Anti-Corruption Laws and Sanctions.** None of the Authority or, to the knowledge of the Authority, any of its directors, members, officers or employees or any agent or representative of Authority that will act in any capacity in connection with or benefit from the Letter of Credit or this Agreement, (i) is a Sanctioned Person or currently the subject or target of any Sanctions or (ii) has taken any action, directly or indirectly, that would result in a violation by such Persons of any Anti-Corruption Laws.

(g) Section 4.02 of the Agreement shall be amended by adding the following subsection after subsection 4.02(m) and the table of contents shall be amended to reflect the addition of the new Section:

(n) **Anti-Corruption Laws and Sanctions.** None of the Successor Agency or, to the knowledge of the Successor Agency, any of its directors, members, officers or employees or any agent or representative of Successor Agency that will act in any capacity in connection with or benefit from the Letter of Credit or this Agreement, (i) is a Sanctioned Person or currently the subject or target of any Sanctions or (ii) has taken any

action, directly or indirectly, that would result in a violation by such Persons of any Anti-Corruption Laws.

(h) Section 5.02 of the Agreement shall be amended by adding the following subsection after subsection 5.02(d):

(e) **Anti-Corruption Laws and Sanctions.** The Authority will maintain in effect and enforce policies and procedures designed to ensure compliance by the Authority, its council members, directors, officers, employees and agents with Anti-Corruption Laws and applicable Sanctions. The Authority shall not permit the proceeds of any drawing under the Letter of Credit to be used (i) in furtherance of an offer, payment, promise to pay, or authorization of the payment or giving of money, or anything else of value, to any Person in violation of any Anti-Corruption Laws, (ii) for the purpose of funding, financing or facilitating any activities, business or transaction of or with any Sanctioned Person, or in any Sanctioned Country, or (iii) in any manner that would result in the violation of any Sanctions applicable to any party hereto.

(i) Section 6.02 of the Agreement shall be amended by adding the following subsection after subsection 6.02(h):

(i) **Anti-Corruption Laws and Sanctions.** The Successor Agency will maintain in effect and enforce policies and procedures designed to ensure compliance by the Successor Agency, its council members, directors, officers, employees and agents with Anti-Corruption Laws and applicable Sanctions. The Successor Agency shall not permit the proceeds of any drawing under the Letter of Credit to be used (i) in furtherance of an offer, payment, promise to pay, or authorization of the payment or giving of money, or anything else of value, to any Person in violation of any Anti-Corruption Laws, (ii) for the purpose of funding, financing or facilitating any activities, business or transaction of or with any Sanctioned Person, or in any Sanctioned Country, or (iii) in any manner that would result in the violation of any Sanctions applicable to any party hereto.

(j) Section 8.16 of the Agreement shall be amended and restated in its entirety to read as follows and the table of contents shall be amended to reflect the new caption:

SECTION 8.16. **GOVERNING LAW; JURISDICTION; ETC.**

(a) **GOVERNING LAW.** THIS AGREEMENT SHALL BE GOVERNED BY, AND CONSTRUED IN ACCORDANCE WITH, THE LAWS OF THE STATE OF CALIFORNIA, WITHOUT REGARD TO PRINCIPLES OF CONFLICTS OF LAW.

(b) **SUBMISSION TO JURISDICTION.** EACH PARTY IRREVOCABLY AND UNCONDITIONALLY SUBMITS, FOR ITSELF AND ITS PROPERTY, TO THE NONEXCLUSIVE JURISDICTION OF THE COURTS OF THE STATE OF CALIFORNIA SITTING IN LOS ANGELES COUNTY AND OF THE UNITED STATES DISTRICT COURT FOR THE CENTRAL DISTRICT OF CALIFORNIA, AND ANY APPELLATE COURT FROM ANY THEREOF, IN ANY ACTION OR PROCEEDING ARISING OUT OF OR RELATING TO THIS AGREEMENT, ANY OTHER RELATED DOCUMENT TO WHICH EACH IS A PARTY, OR FOR

RECOGNITION OR ENFORCEMENT OF ANY JUDGMENT, AND EACH OF THE PARTIES HERETO IRREVOCABLY AND UNCONDITIONALLY AGREES THAT ALL CLAIMS IN RESPECT OF ANY SUCH ACTION OR PROCEEDING MAY BE HEARD AND DETERMINED IN SUCH STATE COURT OR, TO THE FULLEST EXTENT PERMITTED BY APPLICABLE LAWS, IN SUCH FEDERAL COURT. EACH OF THE PARTIES HERETO AGREES THAT A FINAL JUDGMENT IN ANY SUCH ACTION OR PROCEEDING SHALL BE CONCLUSIVE AND MAY BE ENFORCED IN OTHER JURISDICTIONS BY SUIT ON THE JUDGMENT OR IN ANY OTHER MANNER PROVIDED BY LAW. NOTHING IN THIS AGREEMENT OR IN ANY OTHER RELATED DOCUMENT SHALL AFFECT ANY RIGHT THAT THE BANK MAY OTHERWISE HAVE TO BRING ANY ACTION OR PROCEEDING RELATING TO THIS AGREEMENT, ANY OTHER RELATED DOCUMENT AGAINST THE AUTHORITY OR THE SUCCESSOR AGENCY OR ANY OF THEIR RESPECTIVE PROPERTIES IN THE COURTS OF ANY OTHER JURISDICTION.

(c) WAIVER OF VENUE. THE AUTHORITY AND THE SUCCESSOR AGENCY EACH IRREVOCABLY AND UNCONDITIONALLY WAIVES, TO THE FULLEST EXTENT PERMITTED BY APPLICABLE LAWS, ANY OBJECTION THAT IT MAY NOW OR HEREAFTER HAVE TO THE LAYING OF VENUE OF ANY ACTION OR PROCEEDING ARISING OUT OF OR RELATING TO THIS AGREEMENT OR ANY RELATED LOAN DOCUMENT IN ANY COURT REFERRED TO IN SUBSECTION (B) OF THIS SECTION 8.16. EACH OF THE PARTIES HERETO HEREBY IRREVOCABLY WAIVES, TO THE FULLEST EXTENT PERMITTED BY APPLICABLE LAWS, THE DEFENSE OF AN INCONVENIENT FORUM TO THE MAINTENANCE OF SUCH ACTION OR PROCEEDING IN ANY SUCH COURT.

(d) SERVICE OF PROCESS. EACH OF THE AUTHORITY AND THE SUCCESSOR AGENCY IRREVOCABLY CONSENTS TO SERVICE OF PROCESS IN THE MANNER PROVIDED FOR NOTICES IN SECTION 8.03. NOTHING IN THIS AGREEMENT WILL AFFECT THE RIGHT OF ANY PARTY HERETO TO SERVE PROCESS IN ANY OTHER MANNER PERMITTED BY APPLICABLE LAWS.

(e) WAIVER OF RIGHT TO JURY TRIAL; JUDICIAL REFERENCE. TO THE MAXIMUM EXTENT PERMITTED BY APPLICABLE LAWS, EACH OF THE PARTIES HERETO HEREBY WAIVES ITS RIGHT TO A JURY TRIAL OF ANY CLAIM. IF AND TO THE EXTENT THAT THE FOREGOING WAIVER OF JURY TRIAL IS UNENFORCEABLE FOR ANY REASON IN SUCH FORUM, EACH OF THE PARTIES HERETO HEREBY CONSENTS TO THE ADJUDICATION OF ALL CLAIMS PURSUANT TO JUDICIAL REFERENCE AS PROVIDED IN CALIFORNIA CODE OF CIVIL PROCEDURE SECTION 638, AND THE JUDICIAL REFEREE SHALL BE EMPOWERED TO HEAR AND DETERMINE ALL ISSUES IN SUCH REFERENCE, WHETHER FACT OR LAW. IT IS HEREBY ACKNOWLEDGED THAT THE WAIVER OF A JURY TRIAL TO THE MAXIMUM EXTENT PERMITTED BY APPLICABLE LAWS AND THE CONSENT TO

JUDICIAL REFERENCE IS A MATERIAL INDUCEMENT FOR THE PARTIES TO EXECUTED AND DELIVER THIS AGREEMENT. EACH PARTY HERETO FURTHER WARRANTS AND REPRESENTS THAT SUCH WAIVER AND CONSENT HAS BEEN KNOWINGLY AND VOLUNTARILY MADE FOLLOWING CONSULTATION WITH ITS RESPECTIVE LEGAL COUNSEL.

(k) Article VIII of the Agreement shall be amended by adding the following Sections after Section 8.18 of the Agreement and the table of contents shall be amended to reflect the addition of the new Sections:

SECTION 8.19. **Other Agreements.** In the event that the Authority or the Successor Agency shall, directly or indirectly, enter into or otherwise consent to any Bank Agreement, or suffer to exist any Bank Agreement, which provides a Person with different or more restrictive covenants, different or additional events of default and/or greater rights and remedies than are provided to the Bank in this Agreement, the Authority and/or the Successor Agency, as the case may be, shall provide the Bank with a copy of each such Bank Agreement and such different or more restrictive covenants, different or additional events of default and/or greater rights and remedies shall automatically be deemed to be incorporated into this Agreement and the Bank shall have the benefits of such different or more restrictive covenants, different or additional events of default and/or greater rights and remedies as if specifically set forth herein. The Authority and the Successor Agency shall promptly enter into an amendment to this Agreement to include different or more restrictive covenants, different or additional events of default and/or greater rights and remedies; provided that the Bank shall have and maintain the benefit of such different or more restrictive covenants, different or additional events of default and/or greater rights and remedies even if the Authority and/or the Successor Agency fails to provide such amendment.

SECTION 8.20. **Assignment For Collateral.** The Bank may assign and pledge, without the consent of the Authority or the Successor Agency, all or any portion of the Authority's and the Successor Agency's obligations to the Bank under this Agreement and the other Related Documents (including Bank Bonds) owing to it to any Federal Reserve Bank or the United States Treasury as collateral security pursuant to Regulation A of the Board of Governors of the Federal Reserve System and any Operating Circular issued by such Federal Reserve Bank, provided that any payment in respect of such assigned obligations made by the Authority or the Successor Agency to the Bank in accordance with the terms of this Agreement shall satisfy the Authority's or the Successor Agency's obligations hereunder and under the other Related Documents in respect of such assigned obligation to the extent of such payment. No such assignment shall release the Bank from its obligations hereunder or under the Letter of Credit.

SECTION 8.21. **USA PATRIOT Act.** The Bank hereby notifies each of the Authority and the Successor Agency that pursuant to the requirements of the PATRIOT Act, the Bank is required to obtain, verify and record information that identifies the Authority and the Successor Agency, which information includes the name and address of the Authority and the Successor Agency, and other information that will allow the

Bank to identify the Authority and the Successor Agency in accordance with the PATRIOT Act.

SECTION 8.22. **No Advisory or Fiduciary Relationship.** In connection with all aspects of each transaction contemplated hereby (including in connection with any amendment, waiver or other modification hereof or of any other Related Document), each the Authority and the Successor Agency acknowledges and agrees that: (a) (i) the services regarding this Agreement provided by the Bank and any Affiliate thereof are arm's-length commercial transactions between the Authority and the Successor Agency, on the one hand, and the Bank and its Affiliates, on the other hand, (ii) each of the Authority and the Successor Agency has consulted its own legal, accounting, regulatory and tax advisors to the extent it has deemed appropriate, and (iii) each of the Authority and the Successor Agency is capable of evaluating, and understands and accepts, the terms, risks and conditions of the transactions contemplated hereby and by the other Related Documents; (b) (i) the Bank and its Affiliates each is and has been acting solely as a principal and, except as expressly agreed in writing by the relevant parties, has not been, is not, and will not be, acting as an advisor, agent or fiduciary for the Authority or the Successor Agency and (ii) neither the Bank nor any of its Affiliates has any obligation to the Authority or the Successor Agency with respect to the transactions contemplated hereby except those obligations expressly set forth herein and in the other Related Documents; and (c) the Bank and its Affiliates may be engaged in a broad range of transactions that involve interests that differ from those of the Authority or the Successor Agency, and neither the Bank nor any of its Affiliates has any obligation to disclose any of such interests to the Authority or the Successor Agency. To the fullest extent permitted by law, each of the Authority and the Successor Agency hereby waives and releases any claims that it may have against the Bank or any of its Affiliates with respect to any breach or alleged breach of agency or fiduciary duty in connection with any aspect of any transactions contemplated hereby.

3. Amendment of the Letter of Credit. Promptly following the Amendment Effective Time, the Bank shall execute and cause to be delivered to the Trustee a certificate in the form attached hereto as Exhibit A extending the Stated Termination Date of the Letter of Credit.

4. Representations and Warranties of the Authority.

(a) The Authority is a joint powers authority duly organized and existing under the Constitution and laws of the State of California.

(b) The Authority Party has the power and authority to execute, deliver and perform this Amendment.

(c) The Authority has taken all necessary action to authorize this Amendment, and to execute, deliver and perform its obligations under this Amendment in accordance with its terms.

(d) This Amendment has been duly executed and delivered by the Authority, and when executed and delivered by the Bank will be, a legal, valid and binding obligation of the Authority in accordance with its terms, except as such enforceability may be limited by (i) the effect of any applicable bankruptcy, insolvency, reorganization, moratorium or similar law affecting creditors' rights generally, and (ii) general principles of equity (regardless of whether such enforceability is considered in a proceeding in equity or at law).

(e) The execution, delivery and performance of this Amendment by the Authority in accordance with its terms does not and will not (i) contravene any organizational documents of the Authority, (ii) require any consent or approval of any person other than those which have been obtained (and not revoked) prior to the Amendment Effective Time, (iii) violate any laws, rules or regulations (including, without limitation, Regulations T, U or X of the Federal Reserve Bank, or any successor regulations), (iv) conflict with, result in a breach of or constitute a default under any contract to which the Authority is a party or by which it or any of its property may be bound or (v) result in or require the creation or imposition of any lien upon or with respect to any property now owned or hereafter acquired by the Authority except such liens, if any, expressly created by any Related Document.

(f) There is no action, suit or proceeding, at law or in equity, or before any court, public board, public body or arbitrator pending (or to the knowledge of the Authority, threatened), against the Authority or any officers of the Authority in their respective capacities as such (i) to restrain or enjoin the execution and delivery by the Authority of this Amendment, (ii) in any manner questioning the authority of the Authority to execute, deliver and perform this Amendment or the other Related Documents to which it is a party, or (iii) questioning the validity or enforceability of this Amendment or the other Related Documents to which it is a party.

5. Representations and Warranties of the Successor Agency.

(a) The Successor Agency is a public body corporate and politic duly organized and existing under the Constitution and laws of the State of California.

(b) The Successor Agency Party has the power and authority to execute, deliver and perform this Amendment.

(c) The Successor Agency has taken all necessary action to authorize this Amendment, and to execute, deliver and perform its obligations under this Amendment in accordance with its terms.

(d) This Amendment has been duly executed and delivered by the Successor Agency, and when executed and delivered by the Bank will be, a legal, valid and binding obligation of the Successor Agency in accordance with its terms, except as such enforceability may be limited by (i) the effect of any applicable bankruptcy, insolvency, reorganization, moratorium or similar law affecting creditors' rights generally, and (ii) general principles of equity (regardless of whether such enforceability is considered in a proceeding in equity or at law).

(e) The execution, delivery and performance of this Amendment by the Successor Agency in accordance with its terms does not and will not (i) contravene any organizational documents of the Successor Agency, (ii) require any consent or approval of any person other than those which have been obtained (and not revoked) prior to the Amendment Effective Time, (iii) violate any laws, rules or regulations (including, without limitation, Regulations T, U or X of the Federal Reserve Bank, or any successor regulations), (iv) conflict with, result in a breach of or constitute a default under any contract to which the Successor Agency is a party or by which it or any of its property may be bound or (v) result in or require the creation or imposition of any lien upon or with respect to any property now owned or hereafter acquired by the Successor Agency except such liens, if any, expressly created by any Related Document.

(f) There is no action, suit or proceeding, at law or in equity, or before any court, public board, public body or arbitrator pending (or to the knowledge of the Successor Agency, threatened), against the Successor Agency or any officers of the Successor Agency in their respective capacities as such (i) to restrain or enjoin the execution and delivery by the Successor Agency of this Amendment, (ii) in any manner questioning the authority of the Successor Agency to execute, deliver and perform this Amendment or the other Related Documents to which it is a party, or (iii) questioning the validity or enforceability of this Amendment or the other Related Documents to which it is a party.

6. Miscellaneous.

(a) Except as expressly modified by this Amendment, the Agreement shall continue to be and remain in full force and effect in accordance with its terms.

(b) This Amendment may be executed in any number of counterparts, each of which shall constitute an original, but all of which when taken together shall constitute but one instrument.

(c) This Amendment may be executed by facsimile signature and each such signature shall be treated in all respects as having the same effect as an original signature.

(d) THIS AMENDMENT SHALL BE DEEMED TO BE A CONTRACT UNDER, AND SHALL BE GOVERNED BY, AND CONSTRUED AND INTERPRETED IN ACCORDANCE WITH, THE LAWS OF THE STATE OF CALIFORNIA WITHOUT REGARD TO CHOICE OF LAW RULES.

(e) Each Account Party jointly and severally agrees to pay the fees and expenses of counsel to the Bank incurred in connection with the preparation, negotiation, execution and delivery of this Amendment and the documents described herein no later than ten (10) days after the delivery of an invoice therefor.

[Remainder of page intentionally left blank.]

IN WITNESS WHEREOF, the parties hereto have caused this Amendment to be duly executed and delivered by their respective officers thereunto duly authorized as of the date first above written.

WEST COVINA PUBLIC FINANCING
AUTHORITY

By: _____
Name: _____
Title: _____

SUCCESSOR AGENCY TO THE FORMER
WEST COVINA REDEVELOPMENT AGENCY

By: _____
Name: _____
Title: _____

Approved as to Form:

Name: _____
Title: _____

WELLS FARGO BANK, NATIONAL
ASSOCIATION

By: _____
Name: _____
Title: _____

EXHIBIT A

**Amendment To
Irrevocable Standby Letter of Credit**

Number: NZS668499
Amendment Number: 002
Amend Date: [●], 2015

BENEFICIARY

U.S. BANK NATIONAL ASSOCIATION
633 WEST FIFTH STREET, 24TH FLOOR
LOS ANGELES, CA 90071
ATTN: CORPORATE TRUST SERVICES

APPLICANT

WEST COVINA PUBLIC FINANCING AUTHORITY AND THE
SUCCESSOR AGENCY OF THE FORMER WEST COVINA
REDEVELOPMENT AGENCY
1444 WEST GARVEY AVE SOUTH
WEST COVINA, CA 91790

LADIES AND GENTLEMEN:

AT THE REQUEST AND FOR THE ACCOUNT OF THE ABOVE REFERENCED APPLICANT, WE HEREBY AMEND OUR IRREVOCABLE STANDBY LETTER OF CREDIT (THE "WELLS CREDIT") IN YOUR FAVOR AS FOLLOWS:

THE THIRD PARAGRAPH OF PAGE ONE OF OUR LETTER OF CREDIT DATED OCTOBER 13, 2010 IS NOW TO READ:

THIS LETTER OF CREDIT EXPIRES AT THE PRESENTATION OFFICE ON [●] OR, IF SUCH DATE IS NOT A BUSINESS DAY, THEN ON THE FIRST (1ST) SUCCEEDING BUSINESS DAY THEREAFTER (THE "EXPIRATION DATE").

ALL OTHER TERMS AND CONDITIONS REMAIN UNCHANGED.

THIS AMENDMENT IS TO BE ATTACHED TO THE ORIGINAL WELLS CREDIT AND IS AN INTEGRAL PART THEREOF.

Very Truly Yours,

WELLS FARGO BANK, N.A.

By: _____

The original of the Letter of Credit contains an embossed seal over the Authorized Signature.

Please direct any written correspondence or inquiries regarding this Letter of Credit, always quoting our reference number, to **Wells Fargo Bank, National Association**, Attn: U.S. Standby Trade Services

at either

One Front Street
MAC A0195-212
San Francisco, CA 94111

or

401 Linden Street
MAC D4004-017
Winston-Salem, NC 27101

Phone inquiries regarding this credit should be directed to our Standby Customer Connection Professionals

1-800-798-2815 Option 1
(Hours of Operation: 8:00 a.m. PT to 5:00 p.m. PT)

1-800-776-3862 Option 2
(Hours of Operation: 8:00 a.m. EST to 5:30 p.m. EST)

**OVERSIGHT BOARD TO THE SUCCESSOR AGENCY
OF THE WEST COVINA REDEVELOPMENT AGENCY**

AGENDA REPORT

Item No. IV-D

Date: September 24, 2015

TO: Chairperson and Board Members of the Oversight Board to the Successor Agency of the West Covina Redevelopment Agency

FROM: Chris Freeland, Executive Director

BY: Christa Buhagiar, Finance Director

SUBJECT: APPROVAL AND TRANSMITTAL OF AN ADMINISTRATIVE BUDGET FOR THE SUCCESSOR AGENCY TO THE FORMER WEST COVINA REDEVELOPMENT AGENCY AND A RECOGNIZED OBLIGATION PAYMENT SCHEDULE "ROPS" PURSUANT TO AB1X 26 FOR THE PERIOD OF JANUARY 1, 2016 THROUGH JUNE 30, 2016

RECOMMENDED ACTION:

It is recommended that the Oversight Board to the Successor Agency of the Former West Covina Redevelopment Agency adopt the following resolutions:

RESOLUTION NO. OB-0039 - A RESOLUTION OF THE OVERSIGHT BOARD TO THE SUCCESSOR AGENCY OF THE WEST COVINA REDEVELOPMENT AGENCY APPROVING AND AUTHORIZING THE TRANSMITTAL OF AN ADMINISTRATIVE BUDGET FOR THE SUCCESSOR AGENCY TO THE FORMER WEST COVINA REDEVELOPMENT AGENCY AND A RECOGNIZED OBLIGATION PAYMENT SCHEDULE "ROPS" FOR THE PERIOD JANUARY 1, 2016 THROUGH JUNE 30, 2016, PURSUANT TO ASSEMBLY BILL 1X 26 (AB1X 26)

DISCUSSION:

The Successor Agency is required to file a Recognized Obligation Payment Schedule (ROPS) every six months in order to receive a distribution of property tax increment dollars with which to fund the obligations of the former Redevelopment Agency. These obligations include bond debt service payments, amounts due under existing agreements with commercial property owners, repayment of amounts borrowed from the Housing Fund to fund property tax shifts mandated by the State, cost of litigation to protect assets of the former Redevelopment Agency, repayment of loans to the City, and administrative costs of the Successor Agency to wind down the affairs of the former Redevelopment Agency. While many of these listed items are not necessarily debt, they are considered obligations for purposes of this mandated report and must be listed on this report if they are to be funded with distributions of future tax increment dollars. These items are not debt obligations of the City of West Covina.

The ROPS schedule (Attachment No. 2) lists all amounts that will be paid in the period January 1, 2016 through June 30, 2016. Once approved by the Successor Agency, the ROPS must then be approved by the seven-member Successor Agency Oversight Board. The ROPS will be presented to the Oversight Board at a special meeting on September 24, 2015. Once the ROPS is approved by the Oversight Board, it then must be forwarded to the State Department of Finance (DOF) by October 5, 2015. DOF holds final approval authority of the items listed on the ROPS and directs the Los Angeles County Auditor-Controller to distribute tax increment funds to the Successor Agency. Many of the obligations listed on the ROPS are estimates, i.e. variable rate debt service payments, litigation, etc.

The Successor Agency is also required to adopt an administrative budget for each six-month period. Attachment No. 3 to this report is the administrative budget for the Successor Agency for the period of January through June 2016. This budget is to be funded by the administrative allowance, which is equal to an amount that is the greater of 3% of the enforceable obligations (\$214,588 for this six month period) or \$250,000 annually. The City will absorb any administrative costs above this administrative allowance.

The total amount of funding requested for enforceable obligations from the Redevelopment Property Tax Trust Fund (RPTTF) on ROPS 15-16B is \$8,316,194 and includes many of the same items that have been previously approved by DOF. Certain items denied by DOF on past ROPS remain on the form with no requested amounts, i.e. loans from the City. These items may become enforceable obligations in the future if certain criteria are met.

The Successor Agency Administrative Budget is also attached for approval. This budget contains the specific items that are included in the administrative budget on line 12 of the ROPS.

New items added to the Recognized Obligation Payment Schedule include:

Item #82 – Property Management Plan – Appraisal Services \$10,000. This item pertains to the Long Range Property Management Plan and the need to conduct appraisals prior to disposition of Successor Agency parcels.

Items #83-86 – Potential Litigation relating to Property Disposition – Jones & Mayer \$20,000, \$5,000 per disposition. This item pertains to potential litigation costs related to the disposition of the Plaza, Eastland, BKK and Lakes properties, respectively.

Items #87-90 – Project Administrative Costs – City of West Covina \$107,136. This item pertains to project management costs relating to the disposition of the Plaza, Eastland, BKK and Lakes properties. Staff anticipates undertaking disposition related activities during the ROP 15-16B period. Costs associated with these services are project related, are material to the disposition and outside the scope of agency administration.

Item #91 – Willdan Financial Services \$7,000. This item pertains to the preparation of the ROPS by Willdan Financial for the January 1, 2016 through June 30, 2016 period.

Items #92-100 – HdL Coren & Cone \$83,239.64. This item pertains to property tax consulting services necessary for the implementation of certain agreements including the Fashion Plaza tax increment pledge. Funds requested cover the period beginning February 2012 through June 30, 2016.

Item #101 – Loan Agreement \$870,365. This item pertains to a Loan Agreement between the Successor Agency and City of West Covina for Litigation Fees incurred for the ROPS periods of February 2012 to June 2012, July 2012 to December 2012, and January 2014 to June 2014 that exceeded litigation cost estimates for those same periods.

Items #102-104 – Fashion Plaza CFD \$1,548,907. These items pertain to nonpayment of prior years' CFD Tax Increment Pledge obligations. The periods included are 1/1/2014 – 6/30/2014 (\$31,398), 7/1/2014 – 12/31/2014 (\$739,500) and 1/1/2015 – 6/30/2015 (\$778,009).

Prepared by:



Christa Buhagiar
Finance Director

Attachments: 1 – Resolution
 2 – Recognized Obligation Payment Schedule (ROPS 15-16B)
 3 – Successor Agency Administrative Budget for January 1, 2016 through
 June 30, 2016

RESOLUTION NO. OB-0039

RESOLUTION NO. OB-0039 - A RESOLUTION OF THE OVERSIGHT BOARD TO THE SUCCESSOR AGENCY TO THE FORMER WEST COVINA REDEVELOPMENT AGENCY APPROVING AND AUTHORIZING THE TRANSMITTAL OF AN ADMINISTRATIVE BUDGET FOR THE SUCCESSOR AGENCY TO THE FORMER WEST COVINA REDEVELOPMENT AGENCY AND A RECOGNIZED OBLIGATION PAYMENT SCHEDULE "ROPS" FOR THE PERIOD JANUARY 1, 2016 THROUGH JUNE 30, 2016, PURSUANT TO ASSEMBLY BILL 1X 26 (AB1X 26)

WHEREAS, as part of the 2011-12 State budget bill, the California Legislature has enacted and the Governor has signed, companion bills AB1X 26 and AB1X 27, requiring that each redevelopment agency be dissolved unless the community that created it enacts a resolution committing it to making certain payments; and

WHEREAS, on December 29, 2011, the California Supreme Court upheld AB1X 26, which dissolved all of the redevelopment agencies in the State of California as of February 1, 2012, and struck down AB1X 27; and

WHEREAS, at a meeting of January 10, 2012, the City of West Covina took action to designate itself as the Successor Agency to the former West Covina Redevelopment Agency; and

WHEREAS, Health and Safety Code Section 34177, which is set forth in Part 1.85, requires a Successor Agency to prepare and submit an approved Recognized Obligation Payment Schedule for the period from January 1, 2016 to June 30, 2016 to the State Department of Finance by October 5, 2015, which must list the minimum amounts that must be paid by the Successor Agency over that six (6) month period to fulfill its *enforceable obligations* during that period; and

WHEREAS, the Oversight Board to the Successor Agency to the former West Covina Redevelopment Agency desire to adopt this Resolution approving a ROPS and related Administrative Budget in accordance with Health and Safety Code Section 34177 for the six-month period of January 1, 2016 through June 30, 2016.

NOW, THEREFORE, BE IT RESOLVED by the Oversight Board to the Successor Agency to the former West Covina Redevelopment Agency, as follows:

SECTION 1. The foregoing Recitals are incorporated into this Resolution by this reference, and constitute a material part of this Resolution.

SECTION 2. The Recognized Obligation Payment Schedule "ROPS" attached hereto as Attachment No. 2 is approved and the Executive Director is authorized to submit the ROPS to

the Oversight Board for approval and transmit the same to the Los Angeles County Auditor-Controller, the State Controller and the State Department of Finance in accordance with Health and Safety Code Section 34177 subject to all reservations of rights and contingencies set forth above.

SECTION 3. The Administrative Budget for the Successor Agency for the six-month period January 1 – June 30, 2016, attached hereto as Attachment No. 3 is approved and the Executive Director is authorized to transmit the same to the Los Angeles County Auditor-Controller, the State Controller and the State Department of Finance in accordance with Health and Safety Code Section 34177 subject to all reservations of rights and contingencies set forth above.

SECTION 4. The Executive Director or designee is authorized to take all actions necessary to implement this Resolution, including without limitation, the posting of this Resolution and the Recognized Obligation Payment Schedule on the City's website, and the provision of notice of adoption of this Resolution and such Schedule to the County Auditor-Controller, the State Controller and the State Department of Finance.

SECTION 5. The Secretary shall certify as to the passage and adoption of this Resolution, and it shall thereupon take effect and be in full force, except that this Resolution shall not be effective during any period of time that the Stay remains effective.

APPROVED AND ADOPTED on this 24th day of September, 2015.

Carrie A. Sutkin, Chairperson
Oversight Board to the Successor Agency to
the former West Covina Redevelopment
Agency

ATTEST:

Rosalia Conde, Secretary
Oversight Board to the Successor Agency to
the former West Covina Redevelopment
Agency

Recognized Obligation Payment Schedule (ROPS 15-16B) - Summary

Filed for the January 1, 2016 through June 30, 2016 Period

Name of Successor Agency: West Covina
 Name of County: Los Angeles

Current Period Requested Funding for Outstanding Debt or Obligation		Six-Month Total
Enforceable Obligations Funded with Non-Redevelopment Property Tax Trust Fund (RPTTF) Funding		
A	Sources (B+C+D):	\$ 4,000
B	Bond Proceeds Funding (ROPS Detail)	-
C	Reserve Balance Funding (ROPS Detail)	-
D	Other Funding (ROPS Detail)	4,000
E	Enforceable Obligations Funded with RPTTF Funding (F+G):	\$ 8,316,194
F	Non-Administrative Costs (ROPS Detail)	8,101,606
G	Administrative Costs (ROPS Detail)	214,588
H	Total Current Period Enforceable Obligations (A+E):	\$ 8,320,194

Successor Agency Self-Reported Prior Period Adjustment to Current Period RPTTF Requested Funding

I	Enforceable Obligations funded with RPTTF (E):	8,316,194
J	Less Prior Period Adjustment (Report of Prior Period Adjustments Column S)	(2,303,122)
K	Adjusted Current Period RPTTF Requested Funding (I-J)	\$ 6,013,072

County Auditor Controller Reported Prior Period Adjustment to Current Period RPTTF Requested Funding

L	Enforceable Obligations funded with RPTTF (E)	8,316,194
M	Less Prior Period Adjustment (Report of Prior Period Adjustments Column AA)	-
N	Adjusted Current Period RPTTF Requested Funding (L-M)	8,316,194

Certification of Oversight Board Chairman:
 Pursuant to Section 34177 (m) of the Health and Safety code, I hereby certify that the above is a true and accurate Recognized Obligation Payment Schedule for the above named agency.

 Name
 Title
 /s/ _____
 Signature

 Date

West Covina Recognized Obligation Payment Schedule (ROPS 15-16B) - ROPS Detail
 January 1, 2016 through June 30, 2016
 (Report Amounts in Whole Dollars)

Item #	Project Name / Debt Obligation	C	D	E	F	G	H	I	J	K	L	M		N	O	P		
												Bond Proceeds	Reserve Balance					
													Funding Source					
													Non-Redevelopment Property Tax Trust Fund (Non-RPTIF)		RPTIF			
													Bond Proceeds	Reserve Balance	Other Funds	Non-Admin	Admin	Six-Month Total
29	1988 Lease Rev Refunding Bonds	Revenue Bonds Issued On or Before 12/31/10	8/1/1988	8/1/2018	Wells Fargo Bank	Fund Lakes Parking Project	Merged	1,878,400	N				4,000			4,000		
30	OPA - CFD	OPAD/DA construction	6/28/1989	9/1/2022	Starwood	CFD admin and developer repayment	Merged	94,123,595	N									
31	Anticipated/Existing Litigation	Blanchard	3/16/2005	6/30/2015	Stalling O'Shea & Dempsy	Enforcement of judgments/obligations Feb-Jul 2012	Merged		N									
32	Anticipated/Existing Litigation	Blanchard	3/16/2005	6/30/2016	Stalling O'Shea & Dempsy	Enforcement of judgments/obligations Jul-Dec 2012	Merged		N									
33	Anticipated/Existing Litigation	Blanchard	3/16/2005	6/30/2016	Stalling O'Shea & Dempsy	Enforcement of judgments/obligations Feb-Jul 2012	Merged		N									
34	Anticipated/Existing Litigation	Blanchard	3/16/2005	6/30/2016	Stalling O'Shea & Dempsy	Enforcement of judgments/obligations Jul-Dec 2012	Merged		N									
35	Anticipated/Existing Litigation	Blanchard	3/16/2005	6/30/2016	Stalling O'Shea & Dempsy	Enforcement of judgments/obligations Feb-Jul 2012	Merged		N									
36	Anticipated/Existing Litigation	Blanchard	3/16/2005	6/30/2016	Stalling O'Shea & Dempsy	Enforcement of judgments/obligations Jul-Dec 2012	Merged		N									
37	Anticipated/Existing Litigation	Blanchard	3/16/2005	6/30/2016	Stalling O'Shea & Dempsy	Enforcement of judgments/obligations Feb-Jul 2012	Merged		N									
38	Anticipated/Existing Litigation	Blanchard	3/16/2005	6/30/2016	Stalling O'Shea & Dempsy	Enforcement of judgments/obligations Jul-Dec 2012	Merged		N									
39	Anticipated/Existing Litigation	Blanchard	3/16/2005	6/30/2016	Stalling O'Shea & Dempsy	Enforcement of judgments/obligations Feb-Jul 2012	Merged		N									
40	Anticipated/Existing Litigation	Blanchard	3/16/2005	6/30/2016	Stalling O'Shea & Dempsy	Enforcement of judgments/obligations Jul-Dec 2012	Merged		N									
41	City Note - Administration	City of West Covina	8/8/1971	6/30/2025	City of West Covina	RDAs property litigation Feb-Jul 2012	Merged		N									
42	City Note - Administration	City of West Covina	8/8/1971	6/30/2025	City of West Covina	RDAs property litigation Jul-Dec 2012	Merged		N									
43	City Note - CIP	City of West Covina	2/26/1972	6/30/2025	City of West Covina	RDAs property litigation Jul-Dec 2012	Merged		N									
44	City Note - CIP	City of West Covina	2/26/1972	6/30/2025	City of West Covina	RDAs property litigation Feb-Jul 2012	Merged		N									
45	1998 - 2006 Bonds	Fees	4/1/1998	9/1/2030	US Bank	Bond Fiscal Agent Fees	Merged	8,000	N					8,000		8,000		
46	1998 - 2006 Bonds	Fees	4/1/1998	9/1/2030	Wells Fargo Bank	Bond Letter of Credit Fees	Merged	195,020	N					195,020		195,020		
47	1998 - 2006 Bonds	Fees	11/1/1999	11/1/2029	Wells Fargo Bank	Bond Remarketing Fees	Merged	7,500	N					7,500		7,500		
48	1998 - 2006 Bonds	Fees	11/1/1999	11/1/2029	Standard and Poors	Bond Credit Agency Surveillance Fees	Merged	2,000	N					2,000		2,000		
49	Anticipated/Existing Litigation	Unfunded Pension Liabilities	5/1/2007	6/30/2016	Law Office of Robert Gibbons	RDAs property litigation - BKJ, JRM	Merged		N									
50	Unfunded Pension Liabilities	Unfunded Pension Liabilities	7/1/1966	6/30/2016	CalPERS	Payment for unfunded pension obligations	Merged	44,732	N					44,732		44,732		
51	Retirement Benefits	Unfunded Liabilities	9/19/2001	6/30/2016	Former employees	Payment for retirement obligations	Merged	17,412	N					17,412		17,412		
52	ROPS/RORP/Relative Services	Relative Services	1/1/2014	6/30/2016	City of West Covina	Adjustment for ROPS/Property Tax	Merged		N									
54	Contractual Services ROPS/Property Plan	Professional Services	3/6/2013	6/30/2016	Gonshees and Sons	Consultant for ROPS and property management plan	Merged		N									
55	BKK Landfill Closure Agreements	Remediation	4/1/2001	6/30/2016	Various	Landfill closure mitigation to approved recreation use	Merged	45,576,311	N									
57	Public Notices	Property Dispositions	1/1/2014	6/30/2016	SGV Newspaper	Notices of Proposed Property Transfer	Merged	30,000	N					30,000		30,000		
58	Special Assessments on RDA-owned parcels	Project Management Costs	1/1/2014	6/30/2016	City of West Covina	Citywide Lighting & Landscape Maintenance District #2 Jul 2012-Jun 2013	Merged		N									
59	Retirement Benefits	Unfunded Liabilities	5/19/2001	6/30/2016	Former employees	Payment for retirement obligations Feb 2012-Jun 2013	Merged		N									
60	Special Assessments on RDA-owned parcels	Project Management Costs	1/1/2014	6/30/2016	City of West Covina	Citywide Lighting & Landscape Maint District #2	Merged	5,646	N					5,646		5,646		

West Covina Recognized Obligation Payment Schedule (ROPS 15-16B) - ROPS Detail
 January 1, 2016 through June 30, 2016
 (Report Amounts in Whole Dollars)

A	B	C	D	E	F	G	H	I	J	K	L	M		N	O	P
												Funding Source				
Item #	Project Name / Debt Obligation	Obligation Type	Contract/Agreement Execution Date	Contract/Agreement Termination Date	Payee	Description/Project Scope	Project Area	Total Outstanding Debt or Obligation	Retired	Bond Proceeds	Reserve Balance	Other Funds	Non-Admin	Admin	Six-Month Total	
61	AB 1484 Auditing Fees	Discretionary Audits	9/10/2012	6/30/2016	WMC Nelson DSH Evans	AB 1484 Auditing Fees Jul-Dec 2012	Merged		N						\$	
62	Anticipated/Existing Litigation	Litigation	6/12/2013	6/30/2016	Blank Rome LLP	Enforcement of judgments/obligations (assisting Squire Sanders)	Merged		N						\$	
63	Anticipated/Existing Litigation	Litigation	6/12/2013	6/30/2016	Blank Rome LLP	Enforcement of judgments/obligations	Merged		N						\$	
64	Anticipated/Existing Litigation	Litigation	6/12/2013	6/30/2016	Blank Rome LLP	Enforcement of judgments/obligations	Merged		N						\$	
65	DDA - The Lakes	DPADDA Contract on	6/26/1997	6/30/2016	Gilwey Crescent LLC	Allocated bond costs & maintenance for park (tribune Jan-Jun 2013)	Merged		N						\$	
66	Anticipated/Existing Litigation	Litigation	3/19/2006	6/30/2016	Squire Sanders & Lombardy	Enforcement of judgments/obligations	Merged		N						\$	
67	Project Administrative Costs	Project Management Costs	9/27/2011	6/30/2016	Ruscon Environmental LLC	Project special related costs for BKK Landfill	Merged		N						\$	
68	City of West Covina vs. State of California	Litigation	2/1/2011	6/30/2016	Avarez-Glasman Colvin	Enforcement of judgments/obligations	Merged		N						\$	
69	Callans Eminent Domain	Litigation	2/1/2014	6/30/2016	Avarez-Glasman Colvin	Enforcement of judgments/obligations	Merged		N						\$	
70	Hassen Imports Partners	Litigation	2/1/2014	6/30/2016	Jones & Mayer	Enforcement of judgments/obligations	Merged	5,000	N				5,000		\$	
71	City of West Covina vs. State of California	Litigation	2/1/2014	6/30/2016	Jones & Mayer	Enforcement of judgments/obligations	Merged	100,000	N					100,000	\$	
72	Callans Eminent Domain	Litigation	2/1/2014	6/30/2016	Jones & Mayer	Enforcement of judgments/obligations	Merged	60,000	N					60,000	\$	
73	Loan Agreement	Unfunded Liabilities	9/16/2014	6/30/2016	City of West Covina	Reimbursement of advanced SA expenses	Merged		N						\$	
74	Contracting Agreement	Unfunded Liabilities	9/16/2014	6/30/2016	City of West Covina	Reimbursement of advanced SA expenses	Merged	89,500	N						\$	
75	Anticipated/Existing Litigation	Litigation	7/18/2000	6/30/2016	Avarez-Glasman Colvin	Enforcement of judgments/obligations	Merged		N						\$	
76	Loan Agreement	Unfunded Liabilities	9/16/2014	6/30/2016	City of West Covina	Reimbursement of advanced SA expenses (legal expenses)	Merged	150,000	N						\$	
77	Housing Successor Admin	Litigation	7/17/2015	6/30/2016	Housing Successor Agency	AB 744 Housing Admin	Merged		N						\$	
78	Anticipated/Existing Litigation	Litigation	8/30/2014	6/30/2016	Jones & Mayer	Eastland Land use matters	Merged	10,000	N					10,000	\$	
79	Anticipated/Existing Litigation	Litigation	4/17/2001	6/30/2016	Jones & Mayer	BKK Litigation	Merged	5,000	N					5,000	\$	
80	Anticipated/Existing Litigation	Litigation	10/22/2012	6/30/2016	California Eminent Domain Law Group	Anticipated litigation for Callans	Merged	38,800	N					38,800	\$	
81	Anticipated/Existing Litigation	Litigation	2/1/2011	6/30/2016	Avarez-Glasman Colvin	Matanzas - redevelopment dissolution	Merged	40,000	N					40,000	\$	
82	Property Management Plan (Appraisals)	Professional Services	1/1/2016	6/30/2016	Jones & Mayer	Long-Range Property Management Plan per AB 1484 - Appraisals	Merged	160,000	N					10,000	\$	
83	Anticipated/Existing Litigation	Litigation	1/1/2016	6/30/2016	Jones & Mayer	Anticipated litigation for property disposition RE: Plaza	Merged	5,000	N					5,000	\$	
84	Anticipated/Existing Litigation	Litigation	1/1/2016	6/30/2016	Jones & Mayer	Anticipated litigation for property disposition RE: Eastland	Merged	5,000	N					5,000	\$	
85	Anticipated/Existing Litigation	Litigation	1/1/2016	6/30/2016	Jones & Mayer	Anticipated litigation for property disposition RE: Lakes	Merged	5,000	N					5,000	\$	
86	Anticipated/Existing Litigation	Litigation	1/1/2016	6/30/2016	Jones & Mayer	Anticipated litigation for property disposition RE: BKK	Merged	5,000	N					5,000	\$	
87	Project Administrative Costs	Project Management Costs	1/1/2016	6/30/2016	City of West Covina	Project management costs related to the disposition of Plaza Properties	Merged	30,721	N					30,721	\$	
88	Project Administrative Costs	Project Management Costs	1/1/2016	6/30/2016	City of West Covina	Project management costs related to the disposition of Eastland Properties	Merged	12,943	N					12,943	\$	
89	Project Administrative Costs	Project Management Costs	1/1/2016	6/30/2016	City of West Covina	Project management costs related to the disposition of BKK Properties	Merged	35,118	N					35,118	\$	
90	Project Administrative Costs	Project Management Costs	1/1/2016	6/30/2016	City of West Covina	Project management costs related to the disposition of Lakes Properties	Merged	28,354	N					28,354	\$	

West Covina Recognized Obligation Payment Schedule (ROPS 15-16B) - ROPS Detail
 January 1, 2016 through June 30, 2016
 (Report Amounts in Whole Dollars)

A	B	C	D	E	F	G	H	I	J	K	L	M			N	O	P
												Funding Source					
												Non-Redevelopment Property Tax Trust Fund (Non-RPTTF)	Reserve Balance	Other Funds			
Item #	Project Name / Debt Obligation	Obligation Type	Contract/Agreement Execution Date	Contract/Agreement Termination Date	Payee	Description/Project Scope	Project Area	Total Outstanding Debt or Obligation	Retired	Bond Proceeds	Reserve Balance	Other Funds	Non-Admin	Admin	Six-Month Total		
81	ROPS Preparation	Admin Costs	1/1/2016	6/30/2016	Willdan	Preparation of ROPS for SAs	Merged	7,000	N					7,000	7,000		
82	Contractual Services	Professional Services	11/16/1993	6/30/2016	HDL Coren & Cone	Property Tax Contract Services; HdL Coren & Cone (Feb-June 2012)	Merged	\$8,400.00	N				\$8,400.00		8,400		
83	Contractual Services	Professional Services	11/16/1993	6/30/2016	HDL Coren & Cone	Property Tax Contract Services; HdL Coren & Cone (July - Dec 2012)	Merged	\$20,178.00	N				\$20,178.00		20,178		
84	Contractual Services	Professional Services	11/16/1993	6/30/2016	HDL Coren & Cone	Property Tax Contract Services; HdL Coren & Cone (Jan - June 2013)	Merged	\$8,400.00	N				\$8,400.00		8,400		
85	Contractual Services	Professional Services	11/16/1993	6/30/2016	HDL Coren & Cone	Property Tax Contract Services; HdL Coren & Cone (July - Dec 2013)	Merged	\$8,400.00	N				\$8,400.00		8,400		
86	Contractual Services	Professional Services	11/16/1993	6/30/2016	HDL Coren & Cone	Property Tax Contract Services; HdL Coren & Cone (Jan - June 2014)	Merged	\$4,200.00	N				\$4,200.00		4,200		
87	Contractual Services	Professional Services	11/16/1993	6/30/2016	HDL Coren & Cone	Property Tax Contract Services; HdL Coren & Cone (July - Dec 2014)	Merged	\$8,461.64	N				\$8,461.64		8,462		
88	Contractual Services	Professional Services	11/16/1993	6/30/2016	HDL Coren & Cone	Property Tax Contract Services; HdL Coren & Cone (Jan - June 2015)	Merged	\$8,400.00	N				\$8,400.00		8,400		
89	Contractual Services	Professional Services	11/16/1993	6/30/2016	HDL Coren & Cone	Property Tax Contract Services; HdL Coren & Cone (July - Dec 2015)	Merged	\$8,400.00	N				\$8,400.00		8,400		
90	Contractual Services	Professional Services	11/16/1993	6/30/2016	HDL Coren & Cone	Property Tax Contract Services; HdL Coren & Cone	Merged	\$8,400.00	N				\$8,400.00		8,400		
91	Loan Agreement	Unfunded Liabilities	2/1/2012	6/30/2016	City of West Covina	Loan Agreement for the repayment of ROPS approved items that exceeded budgeted amounts	Merged	870,365	N				\$8,400.00		870,365		
102	CFD Tax Increment Pledge	OPADDAC construction	1/1/2014	6/30/2014	Fashion Plaza CFD	Tax Increment pledged to CFD - payments for specific period that was unpaid	Merged	12,930,875	N				31,398		31,398		
103	CFD Tax Increment Pledge	OPADDAC construction	7/1/2014	12/31/2014	Fashion Plaza CFD	Tax Increment pledged to CFD - payments for specific period that was unpaid	Merged	12,930,875	N				739,500		739,500		
104	CFD Tax Increment Pledge	OPADDAC construction	1/1/2015	6/30/2015	Fashion Plaza CFD	Tax Increment pledged to CFD - payments for specific period that was unpaid	Merged	12,930,875	N				778,009		778,009		
105									N								
106									N								
107									N								
108									N								
109									N								
110									N								
111									N								
112									N								
113									N								
114									N								
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124									N								
125									N								
126									N								
127									N								
128									N								
129									N								

West Covina Recognized Obligation Payment Schedule (ROPS 15-16B) - Report of Cash Balances
(Report Amounts in Whole Dollars)

A	B	C	D	E	F	G	H	I								
									Fund Sources							
									Bond Proceeds		Reserve Balance		Other		RPTTF	
Bonds Issued on or before 12/31/10	Bonds Issued on or after 01/01/11	Prior ROPS balances and DDR RPTTF balances retained	Prior ROPS RPTTF distributed as reserve for future period(s)	Rent, Grants, Interest, Etc.	Non-Admin and Admin											
Cash Balance Information by ROPS Period																
ROPS 14-15B Actuals (01/01/15 - 06/30/15)																
1	Beginning Available Cash Balance (Actual 01/01/15)															
2	Revenue/Income (Actual 06/30/15) RPTTF amounts should tie to the ROPS 14-15B distribution from the County Auditor-Controller during January 2015															
3	Expenditures for ROPS 14-15B Enforceable Obligations (Actual 06/30/15) RPTTF amounts, H3 plus H4 should equal total reported actual expenditures in the Report of PPA, Columns L and Q															
4	Retention of Available Cash Balance (Actual 06/30/15) RPTTF amount retained should only include the amounts distributed as reserve for future period(s)															
5	ROPS 14-15B RPTTF Prior Period Adjustment RPTTF amount should tie to the self-reported ROPS 14-15B PPA in the Report of PPA, Column S															
6	Ending Actual Available Cash Balance C to G = (1 + 2 - 3 - 4), H = (1 + 2 - 3 - 4 - 5)	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ (2,303,122)							
ROPS 15-16A Estimate (07/01/15 - 12/31/15)																
7	Beginning Available Cash Balance (Actual 07/01/15) (C, D, E, G = 4 + 6, F = H4 + F4; F6; and H = 5 + 6)	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -							
8	Revenue/Income (Estimate 12/31/15) RPTTF amounts should tie to the ROPS 15-16A distribution from the County Auditor-Controller during June 2015															
9	Expenditures for ROPS 15-16A Enforceable Obligations (Estimate 12/31/15)															
10	Retention of Available Cash Balance (Estimate 12/31/15) RPTTF amount retained should only include the amounts distributed as reserve for future period(s)															
11	Ending Estimated Available Cash Balance (7 + 8 - 9 - 10)	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -							

Pursuant to Health and Safety Code section 34177 (l), Redevelopment Property Tax Trust Fund (RPTTF) may be listed as a source of payment on the ROPS, but only to the extent no other funding source is available or when payment from property tax revenues is required by an enforceable obligation. For tips on how to complete the Report of Cash Balances Form, see [Cash Balance Tips Sheet](#)

SUCCESSOR AGENCY TO THE WEST COVINA REDEVELOPMENT AGENCY
 ADMINISTRATIVE BUDGET
 January, 2016 to June 30, 2016

	<u>Annual Amount</u>	<u>July - Dec 2015</u>	<u>Jan - June 2016</u>
Salaries & Benefits	\$ 232,088	\$ 144,850	\$ 87,238
Maintenance & Operations			
Consultants	134,400	67,200	67,200
Legal Fees	151,455	101,455	50,000
Phone	2,000	1,000	1,000
Cell Phone	1,000	500	500
Supplies	7,300	3,650	3,650
Meetings	5,000	2,500	2,500
Overhead	27,000	27,000	-
Liability Insurance	<u>5,000</u>	<u>2,500</u>	<u>2,500</u>
Subtotal			
Total Budget	<u>\$ 565,243</u>	<u>\$ 350,655</u>	<u>\$ 214,588</u>