RESOLUTION NO. 6608

RESOLUTION OF THE CITY COUNCIL OF THE CITY OF SAN FERNANDO APPROVING THE ISSUANCE OF THE CITY OF SAN FERNANDO PUBLIC FINANCING AUTHORITY 1998 REFUNDING REVENUE (TAX ALLOCATION) BONDS (AGENCY LOANS), THE BORROWING OF BOND PROCEEDS BY THE AGENCY, THE REFUNDING OF THE AGENCY'S 1987 PROJECT NO.1 AND PROJECT NO.3 TAX ALLOCATION BONDS, AND THE REFUNDING OF THE AUTHORITY'S REVENUE (TAX ALLOCATION) BONDS, 1991 SERIES A (AGENCY LOANS); AND APPROVING OTHER MATTERS PROPERLY RELATING THERETO

WHEREAS, the City of San Fernando (the "City") and the Redevelopment Agency of the City of San Fernando (the "Agency") have heretofore entered into a Joint Exercise of Powers Agreement dated March 18, 1991, establishing the City of San Fernando Public Financing Authority (the "Authority") for the purpose of issuing bonds to be used to provide financial assistance to the City and the Agency; and

WHEREAS, the Authority proposes to issue its 1998 Refunding Revenue (Tax Allocation) Bonds (Agency Loans) in an aggregate principal amount not to exceed $10,000,000 (the "Bonds") for the purpose of providing funds to make three loans (the "Loan") in an aggregate principal amount not to exceed $10,000,000 pursuant to a Loan Agreement among the Authority, the Agency, and US Bank Trust National Association, a national banking association, as trustee (the "Trustee") (the Loan Agreement"), for the purpose of: (i) refunding the Agency's outstanding Redevelopment Project No. 1 1987 Tax Allocation Bonds (the "1987 Project No. 1 Bonds"), the Agency's outstanding Redevelopment Project No. 3 1987 Tax Allocation Bonds (the "1987 Project No. 3 Bonds"), and the Authority's outstanding Revenue (Tax Allocation) Bonds 1991 Series A (Agency Loans) (the "1991 Bonds") (the 1987 Project No. 1 Bonds, the 1987 Project No. 3 Bonds, and the 1991 Bonds, collectively, the "Prior Bonds"); (ii) repaying certain other obligations of the Authority; and (iii) financing additional redevelopment activities of the Agency; and

WHEREAS, pursuant to the Community Redevelopment Law (constituting Part 1 of Division 24 of the Health and Safety Code of the State of California), the Agency has authorized the Loans; and

WHEREAS, there has been presented to the City Council of the City of San Fernando for approval the following documents, in substantially final form:

(1) Indenture of Trust, dated as of April 15, 1998, by and among the Authority, the Agency, and the Trustee (the "Indenture"); and

(2) Loan Agreement, dated as of April 15, 1998, by and between the Authority and the Agency (the "Loan Agreement"); and

(3) An Escrow Deposit and Trust Agreement dated as of April 15, 1998, by and between the Agency, Authority, and Trustee (the "Escrow Agreement"); and

(4) Preliminary Official Statement dated as of March __, 1998 (the Preliminary "Official Statement") (the Indenture, the Loan Agreement, the Escrow Agreement, and the Preliminary Official Statement, collectively, the "Transaction Documents"); and

WHEREAS, the Transaction Documents are necessary to carry out the refunding of the Bonds;

NOW, THEREFORE, THE CITY COUNCIL OF THE CITY OF SAN FERNANDO DOES HEREBY RESOLVE AS FOLLOWS:

Section 1. Transaction Documents Approved. The Transaction Documents are hereby approved in substantially the form and content now before this meeting, but with such changes, modifications, additions, and deletions therein as shall be deemed necessary, desirable, or appropriate by the Executive Director of the Agency upon the advice of the Bond Counsel(as defined in the Transaction Documents).

Section 2. Financing Approved. The issuance of the Bonds by the Authority, the entering into the Transaction Documents, and the application of a portion of the proceeds of the Loans to refund the Prior Bonds are hereby approved.

Section 3. Designation of Bonds. The Bonds are hereby designated as "qualified tax-exempt obligations" pursuant to and as defined in Section 265(b)(3) of the Internal Revenue Code of 1986, as amended.

Section 4. Execution by Public Officials. The Mayor, City Clerk, City Administrator, their designees, or other appropriate officers of the City are hereby authorized to execute and deliver for and on behalf of the City any and all additional certificates, documents, opinions or other papers and perform all other acts as they may deem necessary or appropriate in order to implement and carry out the intent and purposes of this resolution.

PASSED AND ADOPTED by the City Council of the City of San Fernando, State of California, this 6th day of April, 1998, by the following vote:

AYES: COUNCILPERSONS Godinez, Hernandez, Robledo, Wysbeek - 4
NOES: COUNCILPERSONS None - 0
ABSENT: COUNCILPERSONS Baltierrez - 1

R Godinez III
Mayor

ATTEST:

Wilma E. Miller
City Clerk

APPROVED AS TO FORM:

J Claudio Rettig
City Attorney

LA1.133996.1

CERTIFICATION

State of California)
County of Los Angeles) ss
City of San Fernando)

I, Wilma Miller, City Clerk, hereby certify that the attached copies of Resolution No. 6608 are full, true and correct copies of that now on file in the records of the Clerk.

IN WITNESS WHEREOF, I have hereunto set my hand this 6th day of April, 1998.

Wilma E. Miller
City Clerk

Transcript Index

with reference to

$11,490,000
San Fernando Redevelopment Agency
Civic Center Redevelopment Project (Project No. 3)
Tax Allocation Bonds, Series 2006

Closing documents are dated December 21, 2006, unless otherwise indicated.

Authorizing Documents; Basic Bond and Disclosure Documents

1. Resolution No. 7158, adopted by the City Council of the City of San Fernando (the "City") on November 20, 2006, approving the issuance, sale and delivery of the Series 2006 Bonds, as certified by the City Clerk of the City.

2. Certificate of the Secretary of the San Fernando Redevelopment Agency (the "Agency"), with attachments:

   A. Resolution No. 952, adopted by the governing board of the Agency on November 20, 2006, authorizing the issuance, sale and delivery of the Series 2006 Bonds, and

   B. Text of the Redevelopment Plan, consisting of:

      i. Amended Redevelopment Plan for the Civic Center Redevelopment Project No. 3 (through Amendment No. 4 adopted on November 16, 1998),

      ii. Ordinance No. 1548, adopted by the City Council of the City on February 2, 2004,

      iii. Ordinance No. 1573, adopted by the City Council of the City on August 21, 2006, and

      iv. Ordinance No. 1575, adopted by the City Council of the City on October 16, 2006.

3. Certificate of the Secretary of the San Fernando Public Financing Authority (the "Authority"), with attachments:

   A. Resolution No. 6, adopted by the governing board of the Authority on November 20, 2006, approving the execution and delivery of the Purchase Contract, and

   B. Joint Exercise of Powers Agreement, dated as of March 18, 1991, and Notice of Joint Powers Agreement, filed with the California Secretary of State on May 17, 1991.

4. Indenture, dated as of December 1, 2006, by and between the Agency and U.S. Bank National Association, as trustee (the "Trustee").

5. Preliminary Official Statement, dated November 30, 2006, together with Certificate as to Finality of Preliminary Official Statement.

6. Purchase Contract, dated December 7, 2006, by and among the Agency, the Authority and E. J De La Rosa & Co., Inc. (the "Underwriter").

7. Official Statement, dated December 7, 2006.

8. Certificate Regarding Compliance with Certain Tax Matters, with attachments:

   A. Projects and Anticipated Costs,
   B. (Copy) IRS Form 8038-G,
   C. Certificate of Underwriter,
   D. Underwriter's Schedules, and
   E. Series 2006 Bond Insurer's Tax Certificate.

9. Continuing Disclosure Agreement, executed by the Agency, with acceptance of designation and duties by the Trustee as Dissemination Agent.

10. Certificate as to Specimen Series 2006 Bonds.

11. (Copy) Financial Guaranty Insurance Policy.

Agency Documents

12. Signature, Execution and Incumbency Certificate of the Agency.

13. Certificate of the Agency Relating to the Incurrence of Parity Obligations

14. Closing Certificate of the Agency.

15. Receipt for Purchase Price.

16. Written Request of the Agency (to Trustee).

17. Requisition No. 1 (Series 2006 Expense Account).

Authority Documents

18. Signature, Execution and Incumbency Certificate of the Authority.

19. Closing Certificate of the Authority.

Underwriter Document

20. Receipt for Series 2006 Bonds.

Fiscal Consultant and Financial Advisor Documents

21. Certificate of Fiscal Consultant (regarding Fiscal Consultant Report and additional certifications for purposes of Section 3.05 of the 1998 Loan Agreement).

22. Certificate of Financial Advisor.

Trustee Documents

23. Certificate of Trustee.

24. Signature Certificate of the Trustee, with Amended and Restated Bylaws attached.

Legal Opinions

25. Opinion of Bond Counsel.

26. Reliance Letter addressed to the Trustee and the Series 2006 Bond Insurer.

27. Supplemental Opinion of Bond Counsel.

28. Opinion of Disclosure Counsel.

29. Opinion of Series 2006 Bond Insurer Counsel.

30. Opinion of Trustee Counsel.

31. Opinion of Agency Counsel.

32. Opinion of Authority Counsel.

Miscellaneous

33. Summary Report (pursuant to California Health and Safety Code Sec. 33679), dated November 2, 2006.

34. Proof of Publication of Notice of Public Hearing (pursuant to California Health and Safety Code Sec. 33679).

35. Blanket Issuer Letter of Representations.

36. Acknowledgment of Report of Proposed Debt Issuance.

37. Report of Final Sale.

38. Evidence of Ratings of Series 2006 Bonds.

39. Underwriter's Closing Memorandum (wiring instructions).

40. Working Group List.

1

CERTIFICATE OF CITY CLERK OF
CITY OF SAN FERNANDO

with reference to

$11,490,000
San Fernando Redevelopment Agency
Civic Center Redevelopment Project (Project No. 3)
Tax Allocation Bonds, Series 2006

December 21, 2006

The undersigned hereby states and certifies as follows:

(a) The undersigned is the duly appointed, qualified and acting City Clerk of the City of San Fernando (the "City"), a municipal corporation duly organized and existing under and by virtue of the Constitution and laws of the State of California and, as such, is familiar with the facts herein and is authorized to certify the same.

(b) Attached hereto as Exhibit A is a true, correct and complete copy of Resolution No. 7158, entitled "A Resolution of the City Council of the City of San Fernando Approving the Issuance, Sale and Delivery of San Fernando Redevelopment Agency Civic Center Redevelopment Project (Project No. 3) Tax Allocation Bonds, Series 2006" ("Resolution No. 7158"), which was adopted at a duly and regularly held meeting of the City Council of the City on November 20, 2006. Resolution No. 7158 has not been amended, modified, supplemented, rescinded or repealed and remains in full force and effect as of the date hereof.

IN WITNESS WHEREOF, the undersigned has hereunto set her hand on the date first written above.

Elena G. Chávez

Elena G. Chávez
City Clerk of the City of San Fernando

Exhibit A
(Certificate of City Clerk of City of San Fernando)

Resolution No. 7158

(see attached)

RESOLUTION NO. 7158

A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF SAN FERNANDO APPROVING THE ISSUANCE, SALE AND DELIVERY OF SAN FERNANDO REDEVELOPMENT AGENCY CIVIC CENTER REDEVELOPMENT PROJECT (PROJECT NO. 3) TAX ALLOCATION BONDS, SERIES 2006

RECITALS:

WHEREAS, the San Fernando Redevelopment Agency (the "Agency") is a redevelopment agency, authorized to transact business and exercise its powers, all under and pursuant to the Community Redevelopment Law of the State of California, being Part 1 of Division 24 (commencing with Section 33000) of the California Health and Safety Code, as amended (the "Law"), and to incur indebtedness for the purpose of financing certain redevelopment activities within and for the benefit of its redevelopment project areas; and

WHEREAS, a Redevelopment Plan for a redevelopment project known and designated as the Civic Center Redevelopment Project (Project No. 3) (the "Project Area") has been duly approved and adopted by the City Council of the City of San Fernando (the "City Council"); and

WHEREAS, the Redevelopment Plan contemplates that the Agency will issue bonds to finance the cost of redevelopment within the Project Area; and

WHEREAS, the Agency proposes to issue its Civic Center Redevelopment Project (Project No. 3) Tax Allocation Bonds, Series 2006 (the "Series 2006 Bonds") to finance the costs of certain capital projects of benefit to the Project Area, including a portion of the costs of construction and installation to complete the San Fernando Aquatic Center and the acquisition and construction of, and the relocation to, a new City maintenance yard and various street improvements (collectively, the "Projects"); and

WHEREAS, there has been made available in the office of the City Clerk for two weeks prior to such public hearing for public inspection and copying, at a cost not to exceed the cost of duplication, a summary report which includes all of the following: (i) estimates of the amount of such taxes allocated to the Agency from the Project Area proposed to be used to pay for the Projects, including interest payments; (ii) facts supporting the determinations required to be made by the City Council pursuant to California Health and Safety Code Section 33445; and (iii) the redevelopment purpose for which such taxes are being used to pay for the Projects; and

WHEREAS, pursuant to Section 33679 of the California Health and Safety Code, after notice duly published in accordance with law, the City Council held a public hearing on this date and received evidence concerning the allocation of the tax increment revenues from the Project Area to the financing of the Projects; and

WHEREAS, the City Council, with the aid of its staff, has reviewed the documentation relating to the issuance of the Series 2006 Bonds and desires to approve the issuance, sale and delivery of the Series 2006 Bonds by the Agency; and

NOW, THEREFORE, THE CITY COUNCIL OF THE CITY OF SAN FERNANDO HEREBY FINDS, DETERMINES, RESOLVES AND ORDERS AS FOLLOWS:

Section 1. Recitals. The above recitals, and each of them, are true and correct.

Section 2. Approval of Financing. The issuance, sale and delivery of the Series 2006 Bonds by the Agency is hereby approved.

Section 3. Further Findings. The City Council hereby finds and determines that based on the "Summary Report Regarding Payment by the San Fernando Redevelopment Agency for a Portion of the Cost of the Construction of the San Fernando Aquatic Center, the Relocation, Acquisition and Construction Relating to a City Maintenance Yard and Various Street Improvements of Benefit to the San Fernando Redevelopment Project No. 3," which Report was made available at the office of the City Clerk in connection with the public hearing described in the Recitals hereof, and other information presented to the City Council: (i) the above-described public capital improvements are of benefit to the Project Area and to the immediate neighborhood in which the Projects are located; (ii) the payment of funds for such acquisition of land and the cost of such public improvements will assist in the elimination of one or more blighting conditions inside the Project Area; (iii) the payment of funds for such acquisition of land and the cost of such public improvements is consistent with the Agency's implementation plan adopted pursuant to Health and Safety Code Section 33490; and (iv) no other reasonable means of financing such improvements is available to the City.

Section 4. Approval of Payment by Agency. The City Council hereby approves payment by the Agency for the cost of the Projects from tax increment revenues of the Agency from the Project Area.

Section 5. Other Acts. Each officer of the City, is hereby authorized and directed, jointly and severally, to execute and deliver such documents and instruments and to do such things which may be necessary or proper for assisting the Agency in connection with the issuance, sale and delivery of the Series 2006 Bonds and to effectuate the purposes of this Resolution, and any such actions previously taken by such officers are hereby ratified and confirmed.

Section 6. Effective Date. This Resolution shall take effect immediately upon adoption.

PASSED, APPROVED AND ADOPTED this 20th day of November, 2006.

Mayor, City of San Fernando

ATTEST:

Elena G Chávez

City Clerk of San Fernando

STATE OF CALIFORNIA)
COUNTY OF LOS ANGELES) ss
CITY OF SAN FERNANDO)

I, Elena G. Chávez, City Clerk of the City Council of the City of San Fernando, do hereby certify that the foregoing Resolution was duly adopted by the City Council at its meeting held on the 20th day of November 2006, by the following vote:

AYES:	Martinez, Ruelas, Veres, Hernández – 4
NOES:	None
ABSENT:	None
ABSTAIN:	De La Torre – 1

Elena G Chávez

City Clerk of San Fernando

CERTIFICATE OF SECRETARY OF
SAN FERNANDO REDEVELOPMENT AGENCY

with reference to

$11,490,000

San Fernando Redevelopment Agency

Civic Center Redevelopment Project (Project No. 3)
Tax Allocation Bonds, Series 2006

December 21, 2006

The undersigned hereby states and certifies as follows:

(a) The undersigned is the duly appointed, qualified and acting Secretary of the San Fernando Redevelopment Agency (the "Agency"), a redevelopment agency duly organized and existing under and by virtue of the laws of the State of California and, as such, is familiar with the facts herein and is authorized to certify the same.

(b) Attached hereto as Exhibit A is a true, correct and complete copy of Resolution No. 952, entitled "A Resolution of the San Fernando Redevelopment Agency Authorizing the Issuance, Sale and Delivery of Tax Allocation Bonds, the Appointment of a Trustee, the Execution and Delivery of its Civic Center Redevelopment Project (Project No. 3) Tax Allocation Bonds, Series 2006, and Approving as to Form and Authorizing the Execution and Delivery of Certain Documents in Connection Therewith and Certain Other Matters Relating Thereto" ("Resolution No. 952"), which was adopted at a duly held meeting of the governing body of the Agency on November 20, 2006. Resolution No. 952 has not been amended, modified, supplemented, rescinded or repealed and remains in full force and effect as of the date hereof.

(c) Attached hereto as Exhibit B is a true, correct and complete copy of the Redevelopment plan (the "Redevelopment Plan") for the Agency's Civic Center Redevelopment Project (Project No. 3), consisting of the following:

i. Amended Redevelopment Plan for the Civic Center Redevelopment Project No. 3 (through Amendment No. 4 adopted on November 16, 1998),

ii. Ordinance No. 1548, adopted by the City Council of the City on February 2, 2004,

iii. Ordinance No. 1573, adopted by the City Council of the City on August 21, 2006, and

iv. Ordinance No. 1575, adopted by the City Council of the City on October 16, 2006.

Such Redevelopment Plan has not been further amended, modified, supplemented or rescinded since October 16, 2006, and is in full force and effect as of the date hereof.

(Certificate of Agency Secretary)

IN WITNESS WHEREOF, the undersigned has hereunto set her hand on the date first written above.

Elena G Chávez

Elena G. Chávez
Secretary of the
San Fernando Redevelopment Agency

A

Exhibit A
(Certificate of Secretary of San Fernando Redevelopment Agency)

Resolution No. 952

(see attached)

RESOLUTION NO. 952

A RESOLUTION OF THE SAN FERNANDO REDEVELOPMENT AGENCY AUTHORIZING THE ISSUANCE, SALE AND DELIVERY OF ITS CIVIC CENTER REDEVELOPMENT PROJECT (PROJECT NO. 3) TAX ALLOCATION BONDS, SERIES 2006, AND APPROVING AS TO FORM AND AUTHORIZING THE EXECUTION AND DELIVERY OF CERTAIN DOCUMENTS IN CONNECTION THEREWITH AND CERTAIN OTHER MATTERS RELATING THERETO

RECITALS:

WHEREAS, the San Fernando Redevelopment Agency (the "Agency") is a redevelopment agency, established and authorized to transact business and exercise its powers, all under and pursuant to the Community Redevelopment Law of the State of California, being Part 1 of Division 24 (commencing with Section 33000) of the California Health and Safety Code, as amended (the "Law") and to incur indebtedness for the purpose of financing certain redevelopment activities within and for the benefit of its redevelopment project areas; and

WHEREAS, a Redevelopment Plan for a redevelopment project known and designated as the Civic Center Redevelopment Project (Project No. 3) (the "Project Area") has been duly approved and adopted by the City Council of the City of San Fernando; and

WHEREAS, the Redevelopment Plan contemplates that the Agency will issue bonds to finance the cost of redevelopment within the Project Area; and

WHEREAS, the Agency desires to issue its Civic Center Redevelopment Project (Project No. 3) Tax Allocation Bonds, Series 2006 (the "Series 2006 Bonds") to finance the costs of certain capital projects of benefit to the Project Area, including a portion of the costs of construction and installation to complete the San Fernando Aquatic Center and the acquisition and construction of, and the relocation to, a new City maintenance yard and various street improvements; and

WHEREAS, the Series 2006 Bonds will be issued pursuant to the Indenture (the "Indenture"), proposed to be entered into by and between the Agency and U.S. Bank National Association, as trustee; and

WHEREAS, there has been presented to the Agency the form of a Purchase Contract (the "Purchase Contract"), pursuant to which the Agency will sell the Series 2006 Bonds to the San Fernando Public Financing Authority (the "Authority") for immediate resale to E. J. De La Rosa & Co., Inc., as the underwriter for the Series 2006 Bonds (the "Underwriter");

NOW, THEREFORE, THE SAN FERNANDO REDEVELOPMENT AGENCY HEREBY FINDS, DETERMINES, RESOLVES AND ORDERS AS FOLLOWS:

Section 1. Recitals. The above recitals, and each of them, are true and correct.

Section 2. Series 2006 Bonds; Indenture. The Indenture, in the form presented and on file with the Secretary of the Agency (the "Secretary"), is hereby approved. The issuance of the Series 2006 Bonds, in an aggregate principal amount not to exceed $12 million, pursuant to the terms of the Indenture, is hereby authorized. Subject to the parameters set forth in Section 5 below, each of the Chair, the Vice Chair, the Executive Director of the Agency and any other officer of the Agency designated by any of them in writing (each, an "Authorized Officer"), acting singly, is hereby authorized and directed to execute and deliver, for and in the name of the Agency, the Indenture in substantially that form, with such changes therein as the Authorized Officer executing the document may approve (such approval to be conclusively evidenced by such Authorized Officer's execution and delivery thereof).

Section 3. Appointment of U.S. Bank National Association as Trustee. The appointment of U.S. Bank National Association, as trustee, under the Indenture is hereby approved.

Section 4. Purchase Contract. The form of Purchase Contract, proposed to be entered into by and among the Agency, the Authority and E. J. De La Rosa & Co., Inc., as the Underwriter, and on file with the Secretary and the sale of the Series 2006 Bonds pursuant thereto upon the terms and conditions set forth therein are hereby approved. Subject to the limitations set forth in Section 5, each Authorized Officer, acting singly, is authorized and directed, for and in the name and on behalf of the Agency, to execute and deliver the Purchase Contract, with such additions or changes therein as such Authorized Officer may require or approve (such approval to be conclusively evidenced by such Authorized Officer's execution and delivery thereof.)

Section 5. Certain Parameters Relating to Sale of Series 2006 Bonds. Each Authorized Officer, acting singly, is hereby authorized and directed to act on behalf of the Agency to establish and determine the following: (a) the aggregate principal amount of the Series 2006 Bonds, which amount shall not exceed $12 million, (b) the purchase price of the Series 2006 Bonds and the interest rates thereon, provided that the true interest cost shall not exceed 5.5 percent, (c) the Underwriter's compensation (i.e., underwriter's discount) with respect to the sale of the Series 2006 Bonds, which shall not exceed 1.25 percent of the aggregate principal amount of the Series 2006 Bonds, and (d) such provisions as may be required by the terms of the bond insurance policy, if any, or debt service reserve surety bond, if any, purchased for the Series 2006 Bonds. The authorization and powers delegated to the Authorized Officers by Sections 4 and 5 of this Resolution shall be valid for a period of 180 days from the date of adoption of this Resolution.

Section 6. Preliminary Official Statement. The Preliminary Official Statement relating to the Series 2006 Bonds (the "Preliminary Official Statement"), in the form presented and on file with the Secretary, is hereby approved. Each Authorized Officer, acting singly, is hereby authorized and directed, for and in the name and on behalf of the Agency, to cause such Preliminary Official Statement in substantially that form, with such changes therein as such Authorized Officer may approve, to be deemed final for the purposes of Rule 15c2-12 promulgated by the Securities and Exchange Commission under the Securities and Exchange Act of 1934, as amended. The

distribution by the Underwriter of copies of the Preliminary Official Statement to potential purchasers of the Series 2006 Bonds is hereby approved.

Section 7. Official Statement. Each Authorized Officer, acting singly, is hereby authorized and directed to cause the Preliminary Official Statement to be brought into the form of a final Official Statement (the "Official Statement"), and to execute the same for and in the name and on behalf of the Agency, with such changes therein as such Authorized Officer may approve (such approval to be conclusively evidenced by such Authorized Officer's execution and delivery thereof). The distribution and use of the Official Statement by the Underwriter in connection with the sale of the Series 2006 Bonds are hereby approved.

Section 8. Continuing Disclosure Agreement. The Continuing Disclosure Agreement (the "Continuing Disclosure Agreement") with respect to the Series 2006 Bonds, to be entered into by and between the Agency and U.S. Bank National Association, as dissemination agent, in the form presented and on file with the Secretary, is hereby approved. Each Authorized Officer, acting singly, is hereby authorized and directed, for and in the name and on behalf of the Agency, to execute and deliver the Continuing Disclosure Agreement in substantially the form hereby approved, with such changes therein as the Authorized Officer executing the same may require or approve (such approval to be conclusively evidenced by such Authorized Officer's execution and delivery thereof).

Section 9. Other Acts. The Authorized Officers and all other officers of the Agency are hereby authorized and directed, jointly and severally, to take such actions and execute and deliver any and all documents and instruments which they may deem necessary or proper in connection with the issuance, sale and delivery of the Series 2006 Bonds, or otherwise to effectuate the purposes of this Resolution and each document approved hereby, and any such actions previously taken by such officers are hereby ratified, confirmed and approved.

Section 10. Effective Date. This Resolution shall take effect immediately upon adoption.

PASSED, APPROVED AND ADOPTED this 20th day of November, 2006.

Chair of the San Fernando
Redevelopment Agency

ATTEST:

Secretary of the San Fernando
Redevelopment Agency

STATE OF CALIFORNIA)
COUNTY OF LOS ANGELES) ss
CITY OF SAN FERNANDO)

I, Elena G. Chávez, Secretary of the Redevelopment Agency of the City of San Fernando do hereby certify that the foregoing Resolution was duly adopted by the Redevelopment Agency at its meeting held on the 20th day of November 2006, by the following vote:

AYES:	Martinez, Ruelas, Veres, Hernández – 4
NOES:	None
ABSENT:	None
ABSTAIN:	De La Torre – 1

Elena G Chávez

Secretary of the San Fernando
Redevelopment Agency

B

Exhibit B
(Certificate of Secretary of San Fernando Redevelopment Agency)

Amended Redevelopment Plan consisting of the following:

i. Amended Redevelopment Plan for the Civic Center Redevelopment Project No. 3 (through Amendment No. 4 adopted on November 16, 1998),

ii. Ordinance No. 1548, adopted by the City Council of the City on February 2, 2004,

iii. Ordinance No. 1573, adopted by the City Council of the City on August 21, 2006, and

iv. Ordinance No. 1575, adopted by the City Council of the City on October 16, 2006.

THE REDEVELOPMENT AGENCY OF THE
CITY OF SAN FERNANDO
SAN FERNANDO, CALIFORNIA

AMENDED REDEVELOPMENT PLAN
FOR THE
CIVIC CENTER REDEVELOPMENT PROJECT NO. 3
(AMENDMENT NO. 4)

ORIGINALLY ADOPTED BY THE
SAN FERNANDO CITY COUNCIL

JUNE 18, 1973

ORDINANCE NO. 1050

AND AS TECHNICALLY AMENDED ON

APRIL 4, 1983
DECEMBER 15, 1986
OCTOBER 17, 1994
NOVEMBER 16, 1998

THE REDEVELOPMENT AGENCY OF THE
CITY OF SAN FERNANDO
SAN FERNANDO, CALIFORNIA

AMENDED REDEVELOPMENT PLAN
FOR THE
CIVIC CENTER REDEVELOPMENT PROJECT NO. 3
(AMENDMENT NO. 4)

REDEVELOPMENT AGENCY

Raul Godinez II, *Mayor/Chairperson*
Jose Hernandez, *Mayor Pro Tem/Vice-Chairperson*
Joanne Baltierrez, *Councilmember/Member*
Silverio Robledo, *Councilmember/Member*
Doude Wysbeek, *Councilmember/Member*

PLANNING COMMISSION

Marisela Torres, *Chairperson*
John Becker, *Vice-Chairperson*
Dennis Levine, *Commissioner*
Hugo Mejia, *Commissioner*
Anna Salazar, *Commissioner*

AGENCY STAFF

John A. Ornelas, *City Administrator, Executive Director*
Howard H. Miura, *Community Development Director*
Robert Kishita, *Associate Planner*
Beltran, Leal & Medina, *Agency Legal Counsel*

PREPARED BY

GRC Redevelopment Consultants, Inc.
1340 Valley Vista Drive, Suite 120
Diamond Bar, California 91765

FOREWORD

This Amended Plan is based upon the Redevelopment Plan which was approved and adopted by the San Fernando City Council on June 18, 1973, by Ordinance No. 1050, and as amended on April 4, 1983, December 15, 1986, and on October 17, 1994, in accordance with Community Redevelopment Law.

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AMENDED REDEVELOPMENT PLAN
for the
CIVIC CENTER REDEVELOPMENT PROJECT No. 3
(Amendment No. 4)

I. §100 INTRODUCTION

The Redevelopment Plan ("Plan") for the Civic Center Redevelopment Project consists of Part I ("Text") and Part II ("Map"). This Redevelopment Plan has been prepared by the San Fernando Redevelopment Agency ("Agency") pursuant to the Community Redevelopment Law of the State of California ("Redevelopment Law"), the California Constitution, and all applicable local laws and ordinances. The California Community Redevelopment Law is located in the Health & Safety Code Section 33000, et seq.

II. §200 PROJECT AREA BOUNDARIES

The boundaries of the Redevelopment Project Area ("Project Area") are illustrated on the Map. The legal description of the boundaries of the Project Area is as follows:

That property in the City of San Fernando, County of Los Angeles, State of California being a portion of the Maclay Rancho Ex-Mission de San Fernando as per Map recorded in Book 37, Pages 5 et seq. of Miscellaneous Records, Records of County of Los Angeles; State of California, in said City, County and State, described as whole as follows:

Beginning at the intersection of the southeasterly boundary line of the City of San Fernando with the southeasterly prolongation of the northeasterly line of Fourth Street (65.29 feet wide) as shown on Tract No. 23012 per map recorded in Book 610, Pages 3 and 4, of Maps, Records of said County; thence northeasterly along said boundary line to an angle point in said., boundary line, said point also being the easterly corner of Lot 1 of Tract No. 35654 per map recorded in Book 953, Pages 7 and 8 of Maps, Records of said County; thence northwesterly along the northeasterly boundary line of the City of San Fernando to the northwesterly line of Lot 1 of Record of Survey per map recorded in Book 76, Page 17 of Record of Surveys, said northwesterly line also being the southeasterly boundary of the City of San Fernando; thence northeasterly along said boundary line of the City of San Fernando to the southwesterly line of Foothill Boulevard (100 feet and 80 feet wide), said line also being the northeasterly boundary line of the City of San Fernando; thence northwesterly along said boundary line to the northwesterly line of Los Angeles County Flood Control District right-of-way (160 feet wide); thence southwesterly along said northwesterly line to southerly corner of Lot 13 of Tract No. 25909 per map recorded in Book 664, Pages 39 and 40, of Maps, Records of said County; thence northwesterly along the southwesterly line of said Lot 13 to the northwesterly line of Griswold Avenue; thence southwesterly along said northwesterly line to the northwesterly prolongation of the northeasterly line of Fourth Street (60 feet wide); thence southeasterly along said prolongation and said northeasterly line to the westerly corner of Lot 13 of said Tract No. 23012; thence continuing southeasterly along said northeasterly line 35.81 feet; thence northeasterly at right angles to said northeasterly line 5.29 feet; thence southeasterly along said northeasterly line and its southeasterly prolongation to the point of beginning. As used herein, the following terms shall have the following meanings: (1) "Original Project Area" shall refer to the real property included within the boundaries of the Project adopted by the City Council of the City of San Fernando on June 18, 1973, in Ordinance No. 1050; (2) "Expansion Area" shall refer to the area added to the Original Project Area by the Amendment to the Plan for the Project adopted on or about December 27, 1982.

III. §300 PROPOSED REDEVELOPMENT ACTIONS

A. §301 GENERAL

The Agency proposes to eliminate and prevent the spread of blight in the Project Area and Amended Project Area by:

(1) Acquisition of certain real property;

(2) Demolition or removal of certain buildings and improvements;

(3) Relocation assistance to displaced residential and nonresidential occupants;

(4) Installation, construction, or reconstruction of streets, utilities, and other public improvements;

(5) Disposition of any property acquired for uses in accordance with this Plan;

(6) Redevelopment of land by private enterprise or public agencies for uses in accordance with this Plan;

(7) Financing of the construction of residential, commercial and industrial buildings and the permanent mortgage financing of residential, commercial and industrial buildings, as permitted by applicable State and local laws, to increase the residential, commercial and industrial base of the City and the number of temporary and permanent jobs within the City;

(8) In appropriate cases rehabilitation of structures and improvements or development of vacant land by present owners, their successors and the Agency for uses in accordance with this Plan.

B. §302 PROPERTY ACQUISITION

1. §303 **Acquisition of Real Property**

Except as specifically exempted herein, the Agency may acquire but is not required to acquire, any real property located in the Project Area, by any means authorized by law. Taxes, as defined in Section 33670 of the California Health and Safety Code, shall not be divided and shall not be allocated to the Agency in excess of One Hundred Forty Million Dollars ($140,000,000). Said limitation shall apply only to taxes allocated to the Agency after the effective date of this Ordinance.

The Agency shall not within the Project Area acquire (1) interests in oil, gas, or other mineral substances, or (2) the right to extract such substances through any opening or penetration for any purpose connected therewith more than 500 feet from the surface.

The Agency shall not acquire real property to be retained by an owner pursuant to a participation agreement. The Agency is authorized to acquire structures without acquiring the land upon which those structures are located.

The Agency is authorized to acquire either the entire fee or any other interest in real property less than a fee.

The Agency shall not acquire real property on which an existing building is to be continued on its present site and in its present form and use without the consent

of the owner, unless (1) such building requires structural alteration, improvement, modernization, or rehabilitation, or (2) the site or lot on which the building is situated requires modification in size, shape, or use, or (3) it is necessary to impose upon such property any of the standards, restrictions and controls of the Plan and the owner fails or refuses to participate in the Plan by executing a participation agreement.

No eminent domain proceedings to acquire property within the Original Project Area shall be commenced after the termination date of the effectiveness of the portion of Redevelopment Plan No. 3 governing the Original Project Area. No eminent domain proceedings to acquire property within the Expansion Area shall be commenced after twelve (12) years following the adoption of Ordinance No. 1494 of the San Fernando City Council, adopted on November 16, 1998, in accordance with Health and Safety Code Section 33333.4(g). Such time limitation may be extended only by amendment of this Redevelopment Plan.

2. §304 **Acquisition of Personal Property**
Generally, personal property shall not be acquired. However, where necessary in the execution of this Plan, the Agency is authorized to acquire personal property in the Project Area by any lawful means except eminent domain.

C. §305 PARTICIPATION BY OWNERS AND TENANTS

1. §306 **Opportunities for Owners and Tenants**
The Agency shall extend preferences to persons who are owners and tenants in the Project Area, to continue in or re-enter the redeveloped area if they otherwise meet the requirements prescribed in the Plan.

Owners of real property in the Project Area shall, as feasible, be given the opportunity to participate in redevelopment by retaining all or a portion of their properties, by acquiring adjacent or other properties in the Project Area, or by selling their properties to the Agency and purchasing other properties in the Project Area.

In the event a participant fails or refuses to rehabilitate or develop his real property pursuant to this Plan, the real property or any interest the rein may be acquired by the Agency and sold or leased for rehabilitation or development in accordance with this Plan.

2. §307 **Rules for Participation Opportunities, Priorities and Preferences**
The Agency shall provide an opportunity to owners and tenants in the Project Area to participate in the growth and development of the Project Area, and shall promulgate rules for owner and tenant participation. If conflicts develop between the desires of participants for particular sites or land uses, the Agency is authorized to establish reasonable priorities and preferences among the owners and tenants.

Participation opportunities shall necessarily be subject to and limited by the expansion of public utilities and facilities, realignment and widening of streets; and the opening of new streets, if any.

3. §308 **Participation Agreements**
Each participant may enter into a binding agreement with the Agency by which the participant agrees to rehabilitate or develop, and use the property in conformance with the Plan and to be subject to the provisions thereof. Whether or not a participant enters into a participation agreement with the Agency the provisions of this Plan are applicable to all public and private property in the Project Area.

D. §309 COOPERATION WITH PUBLIC BODIES
Certain public bodies are authorized by State law to aid and cooperate with or without consideration, in the planning, undertaking, construction, or operation of this Project. The Agency shall seek the aid and cooperation of such public bodies and shall attempt to coordinate this Plan with the activities of such public bodies in order to accomplish the purposes of the redevelopment and the highest public good.

The Agency, by law, is not authorized to acquire real property owned by public bodies without the consent of such public bodies. The Agency, however, will seek the cooperation of all public bodies which own or intend to acquire property in the Project Area. Any public body which owns or leases property in the Project Area will be afforded all the privileges of owner and tenant participation if such body is willing to enter into a participation agreement with the Agency. The Agency is authorized to financially (and otherwise) assist any public entity in the cost of public land, buildings, facilities, structures, or other improvements (within or outside of the Project Area) which land, buildings, facilities, structures or other improvements are of benefit to the Project.

E. §310 PROPERTY MANAGEMENT
During such time as property, if any, in the Project Area is owned by the Agency, such property shall be under the management and control of the Agency. Such property may be rented or leased by the Agency pending its disposition for redevelopment, and such rental or lease shall be pursuant to such policies as the Agency may adopt.

As provided for in Health and Safety Code Section 33401, the Agency may pay an amount of money in lieu of taxes in any year during which it owns property in the Project Area. Such payment shall be made directly to a city, county, or special district, including, but not limited to, a school district, or other public corporation for whose benefit a tax would have been levied upon such property had it not been exempt.

The Agency may also pay to any taxing agency with territory located within the Project Area other than the City, any amount of money which in the Agency's determination is appropriate to alleviate any financial burden or detriment caused to the taxing agency by this Redevelopment Project.

F. §311 RELOCATION OF PERSONS, INDIVIDUALS AND BUSINESS CONCERNS DISPLACED BY THE PROJECT

1. §312 **Assistance in Finding Other Locations**
The Agency shall assist all persons, individuals and business concerns displaced by the Project in finding other locations and facilities. In order to carry out the Project with a minimum of hardship to persons, individuals and to business concerns, if any, displaced from their places of residence or business by the Project the Agency shall assist these individuals in finding a new location that is

within their financial means, in reasonably convenient locations, and otherwise sufficient to their needs.

2. §313 **Relocation Payments and Relocation Advisory Assistance**
The Agency is authorized to pay all relocation payments and to provide relocation advisory assistance to all Project residents and business concerns that is in the best interest of the Project as authorized by law.

G. §314 DEMOLITION, CLEARANCE, PUBLIC IMPROVEMENTS, BUILDING AND SITE PREPARATION

1. §315 **Demolition and Clearance**
The Agency is authorized, for property acquired by the Agency or with the approval of the owners, to demolish and clear buildings, structures, and other improvements from any real property in the Project Area as necessary to carry out the purposes of this Plan.

2. §316 **Public Improvements**
To the extent permitted and in the manner required by law, the Agency is authorized to install and construct or to cause to be installed or constructed the public improvements and public utilities (within or outside the Project Area) necessary to carry out the Plan. Such public improvements include, but are not limited to: parking lots or structures, over or underpasses, bridges, streets, curbs, gutters, sidewalks, street lights, sewers, storm drains, traffic signals, electrical distribution systems, natural gas distribution systems, water distribution systems, parks, plazas, playgrounds, and any buildings, structures or improvements necessary and convenient to the full development of any of the above. A non-exclusive list of potential public works projects in the Expansion area is set forth in Exhibit B.

The Agency, with the prior consent of the City Council, must pay all or a part of the value of the land for and the cost of the installation and construction of any building, facility, or other improvements which is publicly owned either within or outside the Project Area upon a determination by resolution of the Agency and City Council: (1) that such buildings, facilities, structures and other improvements are of benefit to the Project Area or the immediate neighborhood in which the Project Area is located, regardless of whether such improvements are within another Project Area or, in the case of a Project Area in which substantially all of the land is publicly owned, that such improvement is of benefit to an adjacent Project Area of the Agency; (2) that no other reasonable means of financing such buildings, facilities, structures or other improvements are available to the community.

When the value of such land or the cost of installation and construction of such building, facility or other improvement, or both, has been, or will be, paid of provided for initially by the community or other public corporation, the Agency may enter into a contract with the community or other public corporation under which it agrees to reimburse the community or other public corporation for all or part of the cost of such building, facility or other improvement, or both, by periodic payments over a period of years.

Any obligation of the Agency under such contract shall constitute an indebtedness of the Agency for the purpose of carrying out the Redevelopment Plan for such Project Area.

3. §317 **Preparation of Building Sites**
The Agency may develop as a building site any real property owned or acquired by it. In connection with such development, it may cause, provide or undertake or make provision with other agencies for the installation, or construction of parking facilities, street, utilities, parks, playgrounds and other public improvements necessary for carrying out in the Project Area the Redevelopment Plan.

H. §318 REHABILITATION AND MOVING OF STRUCTURES BY THE AGENCY

1. §319 **Rehabilitation**
The Agency is authorized to rehabilitate or to cause to be rehabilitated any building or structure in the Project Area.

2. §320 **Moving of Structures**
As necessary in carrying out this Plan, the Agency is authorized to move or cause to be moved any standard structure or building to a location outside the Project Area.

I. §321 PROPERTY DISPOSITION AND DEVELOPMENT

1. §322 **Real Property Disposition and Development**
(a) §323 GENERAL
For the purposes of this Plan, the Agency is authorized to sell, lease, exchange, subdivide, transfer, assign, pledge, encumber by mortgage or deed of trust, or otherwise dispose of any interest in real property.

To the extent permitted by law, the Agency is authorized to dispose of real property by negotiated leases or sales without public bidding.

All real property acquired by the Agency in the Project Area shall be sold or leased to public or private persons or entities for development for the uses permitted in the Plan for adequate consideration for the specific uses to be permitted on the real property sold or leased. Real property acquired by the Agency may be conveyed by the Agency without charge to the City and, where beneficial to the Project Area, without charge to any other public body. All purchasers or lessees of property from the Agency shall be obligated to use the property for the purposes designated in this Plan, to begin and complete development of the property within a period of time which the Agency fixes as reasonable, and to comply with other conditions which the Agency deems necessary to carry out the purposes of this Plan.

(b) §324 PURCHASE AND DEVELOPMENT BY PARTICIPANTS
Pursuant to the provisions of this Plan and the rules adopted by the Agency, the Agency shall offer real property acquired by the Agency in the Project Area for sale to and development by owner and tenant participants prior to the time that real property is made available for sale

to and development by persons who are not owner or tenants in the Project Area.

(c) §325 PURCHASE AND DEVELOPMENT DOCUMENTS
To provide adequate safeguards to ensure that the provisions of this Plan will be carried out and to prevent the recurrence of blight, all real property sold, leased, or conveyed by the Agency as well as all property subject to participation agreements, is subject to the provisions of this Plan.

Leases, deeds, contracts, agreements, and declarations of restrictions of the Agency may contain restrictions or covenants running with the land, rights of reverter, conditions subsequent, equitable servitudes, or any other provisions necessary to carry out this Plan.

All property in the Project Area is hereby subject to the restrictions that there shall be no discrimination or segregation based upon race, color, religion, national origin, or ancestry, in the sale, lease, sublease, transfer, use, occupancy, tenure, or enjoyment of property in the Project Area. All property sold, leased, conveyed, or subject to a participation agreement shall be expressly subject by appropriate documents to the restriction that all deeds, leases, or contracts for the sale, lease, sub-lease, or other transfer of land in the Project Area shall contain such nondiscrimination and non-segregation clauses as are required by law.

(d) §326 DEVELOPMENT
To the extent now or hereafter permitted by law, the Agency is authorized to pay for, develop, or construct any building, facility, structure, or other improvement either within or outside the Project Area for itself or for any public body or entity, which buildings, facilities, structures, or other improvements would be of benefit to the Project Area.

All development plans should be submitted to the Agency for approval and architectural review. All development in the Project Area must conform to this Plan and all applicable Federal, State and local laws and must receive the approval of the appropriate public agencies.

2. §327 **Personal Property Disposition**
For the purposes of this Plan the Agency is authorized to sell, lease, exchange, transfer, assign, pledge, encumber, or otherwise dispose of personal property which is acquired by the Agency.

IV. §400 USES PERMITTED IN THE PROJECT AREA AND AMENDED PROJECT AREA

A. §401 MAP
In addition to illustrating the location of the Project Area boundaries, the Map also illustrates the proposed land uses to be permitted in the Project Area. The location of such proposed land uses including proposed rights-of-way and easements is consistent with the General Plan and zoning of the City, and may be altered from time to time by changes to the General Plan or zoning regulations of the City.

B. §402 COMMERCIAL/RETAIL USES

The Project Area does contain areas designated for commercial/retail uses. Uses permitted in areas designated as commercial/retail include, but are not limited to regional and community shopping centers, general business and commercial services, specialty and accessory shops, entertainment, related auxiliary uses, motels, hotels and other highway related commercial uses, and supporting vehicle parking facilities. New development in the areas shall be developed according to City standards and General Plan designations. Except as inconsistent with this Plan all requirements of the City's zoning code as it now exists or as hereafter amended shall apply to commercial development hereunder.

C. §403 RESIDENTIAL USES

The Project Area contains an area wherein high and low density residential uses shall be permitted. Uses permitted in the area designed as the high density residential include but are not limited to multiple dwellings, group houses, accessory uses, and automobile parking as an accessory use. New development in the area shall be developed according to City zoning standards and General Plan requirements. Existing residential uses within the Project Area shall be permitted to remain in accordance with the provisions of the City's Zoning Ordinances and General Plan as now existing or hereafter a-mended.

D. §404 INDUSTRIAL USES

The Project Area contains areas wherein industrial uses shall be permitted. Uses permitted in areas designated as industrial include, but are not limited to industrial parks, light manufacturing, airport and airport related uses, wholesale and distributive uses.

Except as inconsistent with this Plan all requirements of the City's Zoning Code and General Plan as they now exist or as hereafter amended shall apply to industrial development uses hereunder

E. §405 RAILROAD

The Project Area contains areas wherein Railroad land uses and related uses shall be permitted. Such Railroad uses shall include Railroad right-of-way, trackage, permanent Railroad or Rail related businesses and Rail related automobile parking facilities.

F. §406 PARKING

The Project Area contains areas where off-street parking shall be permitted. Said off-street parking areas shall be to serve the needs of the Civic Center area and adjacent office and commercial areas.

G. §407 PUBLIC USES

1. §408 **Public Facilities**

The Project Area contains areas wherein Public Facilities shall be permitted. Such Public Facilities shall include but not be limited to municipal, and county administrative governmental buildings; municipal, and county court buildings; municipal, and county library buildings; educational facilities; hospitals; and park and recreation facilities (including civic center pedestrian mall facilities), municipal and or private airports, city and county public works facilities.

2. §409 **Parks and Recreation**
The Project Area contains areas wherein Parks and Recreational land uses shall include but not be limited to picnic, baseball, soccer, softball, swimming pools, community recreation and meeting centers, gymnasium, and related automobile parking facilities.

3. §410 **Public Street Layout, Rights-of-Way, and Easements**
The public rights-of-way and principal streets for the Project Area are illustrated on the Map and are as follows:

- Harding Avenue
- Harps Street
- Alexander Street
- Hagor Street
- Maclay Avenue
- Macneil Street
- Brand Boulevard
- Newton Street
- Griswold Avenue
- Jessie Street
- Park Avenue
- First Street
- Second Street
- Third Street
- Fourth Street
- Fifth Street
- Arroyo Street
- Glenoaks Boulevard
- Foothill Boulevard
- Eighth Street
- Park Avenue
- Library Street
- Fox Street
- Seventh Street
- Glencrest Drive.

Such streets and rights-of-way may be widened, altered, abandoned, vacated, or closed by the Agency and the City as necessary for proper development of the Project Area. Additional public streets, alleys and easements may be created by the Agency and the City in the Project Area as needed for property development and circulation.

The public rights-of-way shall be used for vehicular and/or pedestrian traffic as well as for public improvements, public and private utilities, and activities typically found in public rights-of-way. In addition, all necessary easements for public uses, public facilities, and public utilities may be retained and created.

4. §411 **Quasi-Public**
The Project Area contains areas wherein quasi-public land uses shall be permitted. Uses included in areas designated quasi-public include but are not limited to institutions or non-profit uses including churches, church facilities, hospitals, education, fraternal, employee, philanthropic and charitable institution, supporting vehicle parking facilities, airports and airport related activities.

5. §412 **Other Public, Quasi-Public, Institutional and Non-Profit Uses**
Additionally within any Area on the Map the Agency is authorized to permit the establishment or enlargement of public, quasi-public, institutional, or nonprofit uses, including park and recreational facilities, libraries, hospitals, educational, fraternal, employee, philanthropic and charitable institutions, and facilities of other similar associations or organizations. All such uses shall conform so far as possible to the provisions of this Plan applicable to the uses in the specific area

involved. The Agency shall impose such other reasonable restrictions upon such uses as are necessary to protect the development and use of the Project Area.

H. §413 GENERAL CONTROLS AND LIMITATIONS

1. §414 **New Construction**

All construction in the Project Area shall comply with all applicable State and local laws in effect from time-to-time including, without limitation, the Building, Electrical, Heating and Ventilating, Housing, and Plumbing Codes of the City.

All setback areas shall be landscaped and maintained by the owner. Any portion necessary for vehicle access shall be paved.

Parking structures and parking facilities for the joint use of two or more parcels of a size sufficient to meet the combined requirements of such parcels may be constructed with prior written approval of the Agency. No parking space shall be located in a setback area except with prior written approval of the Agency. Parking spaces shall be paved and drained so that storm and surface waters draining from parcels will not cross public sidewalks. Parking spaces visible from streets shall be landscaped in accordance with the City's zoning ordinance to prevent unsightly or barren appearance. Lighting for parking spaces shall be shielded from adjacent properties and adjoining streets.

Off-street loading facilities shall be located in a manner to avoid interference with public use of sidewalks from the street. All off-street loading facilities shall be reasonably located at such a depth within a completely enclosed building as to reasonably contain and restrict the emission of noises typically attributed to such function. Off-street loading facilities must also be screened by landscaping to the extent and in the manner required by the Agency.

The Agency shall establish setback requirements for all new development within the Project Area which may exceed the requirements of the City's Zoning Ordinance.

2. §415 **Existing Non-Conforming Uses**

The Agency is authorized to permit an existing use to remain in an existing building which does not conform to the provisions of this Plan, provided that such use is determined by the Agency to be generally compatible with the development and uses in the Project Area. The owner of such a property, must be willing to enter into a participation agreement and agree to the imposition of such reasonable restrictions as are necessary to protect the development and use of the Project Area.

3. §416 **Rehabilitation**

Any existing structure within the Project Area which the Agency shall approve for retention and rehabilitation shall be repaired, altered, reconstructed, or rehabilitated in such a manner that it will meet the following requirements: be safe and sound in all physical respects and be attractive in appearance and not detrimental to the surrounding uses.

4. §417 **Limitation on the Number of Buildings**
The maximum number of buildings constructed in the Project Area shall not exceed the total number of buildings permitted by the Zoning Ordinance of the city.

5. §418 **Open Spaces and Landscaping**
The approximate amount of open spaces to be provided in the Project Area is the total of all areas which will be in the public rights-of-way, the public grounds, the space around building, and all other amount of outdoor areas not permitted through limits on land coverage by this Plan to be covered by buildings. Landscaping shall be developed in the Project Area to ensure optimum use of living plant material.

6. §419 **Limitation on the Type, Size and Height of Buildings**
The height, type and size of buildings shall be as limited by the applicable state statutes and local zoning, building and other applicable codes and ordinances.

7. §420 **Light, Air and Privacy**
In all areas sufficient space shall be maintained between buildings to provide adequate light, air and privacy.

8. §421 **Signs**
On premise advertising, signs shall be permitted in the Project Area only in conformity with State statutes, and local codes and ordinances.

9. §422 **Utilities**
The Agency shall require that all utilities be placed underground whenever physically and economically feasible.

10. §423 **Incompatible Uses**
No use or structure which by reason of appearance traffic, smoke, glare, noise, odor or similar factors would be incompatible with the surrounding areas or structures shall be permitted in any part of the Project Area. Except as permitted by the City, there shall be no opening or penetration within 500 feet of the surface within the Project Area for extraction of oil, gas, or other mineral substances or for any other purpose connected therewith.

11. §424 **Non-Discrimination and Non-Segregation**
There shall be no discrimination or segregation based upon race, color, creed, religion, national origin, or ancestry permitted in the sale, lease, sublease, transfer, use, occupancy, tenure, or enjoyment of property in the Project Area.

12. §425 **Minor Variations**
Under exceptional circumstances the Agency is authorized to permit variations from the limits, restrictions and controls established by the Plan. In order to permit such a variation the Agency must determine that:

(1) The application of certain provision of the Plan would result in practical difficulties or unnecessary hardships inconsistent with the general purpose and intent of the Plan.

(2) There are exceptional circumstances or conditions applicable to the property or to the intended development of the property which do not apply generally to other properties having the same standards, restrictions and controls.

(3) Permitting a variation will not be materially detrimental to the public welfare or injurious to property or improvements in the area.

(4) Permitting a variation will not be contrary to the objectives of the Plan.

In permitting any such variations, the Agency shall impose such conditions as are necessary to protect the public health, safety, or welfare, and to assure compliance with the purposes of the Plan.

I. §426 DESIGN FOR DEVELOPMENT

Within the limits, restrictions, and controls established in the Plan, the Agency is authorized to establish heights of buildings, land coverage, design criteria, traffic circulation, traffic access, and other development and design controls necessary for property development of both private and public areas with the Project Area.

No new improvement shall be constructed and no existing improvement shall be substantially modified, altered, repaired, or rehabilitated except in accordance with architectural, landscape, and site plans submitted to and approved in writing by the Agency pursuant to the procedures of Section 428. One of the objective of this Plan is to create an attractive and pleasant environment in the Project Area. Therefore such plans shall give consideration to good design, open space, and other amenities to enhance the aesthetic quality of the Project Area. The Agency shall not approve any places that do not comply with this Plan.

J. §427 BUILDING PERMITS

1. §428 **Review of Applications for Issuance of Permits**

No permit shall be issued for the construction of any new building or for any construction on an existing building in the Project Area from the date of adoption of this Plan until the application for such permit has been processed in the manner herein provided. Any such permit that is issued must be in conformance with the provisions of this Plan.

Upon receipt of such an application for permit, the Executive Secretary of the Agency shall be requested by the City to review the application to determine what effect, if any, the issuance thereof would have upon the Plan. Within twenty-five (25) days thereafter said Executive Secretary after conferring with the Planning Commission shall file with the City a written report setting forth his finding of fact, but not limited to, the following:

(a) Whether the proposed improvements would be compatible with the standards and other requirements set forth in the Plan; and

(b) What modifications, if any, in the proposed improvements would be necessary in order to meet the requirements of the Plan; and

(c) Whether the applicant has entered into an agreement with the Agency for the development of said improvements and submitted development plans to the Agency.

After receipt of said report or after said 25-day period, whichever occurs first, the City may allow the issuance of the permit with conditions, or shall withhold the issuance of the permit if the Executive Secretary finds that the proposed improvement does not meet the requirements of the Plan. Within five (5) days after allowing or withholding issuance of the permit, the City shall notify by certified mail the applicant and the Executive Secretary of its decision.

V. §500 METHODS OF FINANCING THE PROJECT

A. §501 GENERAL DESCRIPTION OF THE PROPOSED FINANCING METHODS

Upon adoption of this Plan by the City Council, the Agency is authorized to finance this Project with financial assistance from the City, State of California, Federal Government, Property tax increments, interest income, Agency bonds, or any other available source.

Advances and loans for survey and planning and for the operating capital for nominal administration of this Project are to be provided by the City until adequate tax increments or other funds are available to repay the loans or are sufficiently assured to permit borrowing adequate working capital from sources other than the City. The City as it is able will also supply additional assistance through City loans and grants for various public facilities.

As available, gas tax funds from the State of California and the County of Los Angeles will be used for the street system. Some revenue will also accrue to the Project from interest earned on investment of Agency funds.

The Agency is hereby authorized to obtain advances, borrow funds and create indebtedness in carrying out the Redevelopment Plan. The principal and interest on such advances funds, and indebtedness may be paid from tax increments or any other funds available to the Agency.

B. §502 TAX INCREMENTS

All taxes levied upon taxable property within the Civic Center Redevelopment Project each year by or for the benefit of the State of California, County of Los Angeles, City of San Fernando, any district, or other public corporation (hereinafter sometimes called "taxing agencies") after the effective date of the ordinance approving this Redevelopment Plan, shall be divided as follows:

(1) That portion of the taxes which would be produced by the rate upon which the tax is levied each year by or for each of said taxing agencies upon the total sum of the assessed value of the taxable property in the Redevelopment Project as shown upon the assessment roll used in connection with the taxation of such property by such taxing agency, last equalized prior to the effective date of such ordinance, shall be allocated to and when collected shall be paid into the funds of the respective taxing agencies as taxes by or for said taxing agencies on all other property are paid (for the purpose of allocating taxes levied by or for any taxing

agency or agencies which did not include the territory of the Project on the effective date of such ordinance but to which such territory is annexed or otherwise included after such effective date, the assessment roll of the County of Los Angeles last equalized on the effective date of said ordinance shall be used in determining the assessed valuation of the taxable property in the Project on said effective date); and

(2) That portion of said levied taxes each year in excess of such amount shall be allocated to and when collected shall be paid into a special fund of the Agency to pay the principal of and interest on bonds, loans, moneys advanced to, or indebtedness (whether funded, refunded, assumed, or otherwise) incurred by the Agency to finance or refinance, in whole or in part, this Redevelopment Project.

Unless and until the total assessed valuation of the taxable property in the Project exceeds the total assessed value of the taxable property in the Project as shown by the last equalized assessment roll referred to in paragraph (1) hereof, all of the taxes levied and collected upon the taxable property in the Project shall be paid into the funds of the respective taxing agencies. When said bonds, loans, advances, and indebtedness, if any, and interest thereon, have been paid, all moneys thereafter received from taxes upon the taxable property in the Project shall be paid into the funds of the respective taxing agencies as taxes on all other property are paid.

The portion of taxes mentioned in subdivision (2) above are hereby irrevocably pledged for the payment of the principal of and interest on the advance of moneys, or making of loans, or the incurring of any indebtedness (whether funded, refunded, assumed, or otherwise) by the Redevelopment Agency to finance or refinance in whole or in part the Civic Center Redevelopment Project.

The Agency is authorized to make such pledges as to specific advances, loans and indebtedness as appropriate in carrying out the project.

Taxes shall be allocated and paid to the Agency consistent with the provisions of this Plan only to pay the principal of and interest on loans, moneys advanced to, or indebtedness (whether funded, refunded, assumed or otherwise) incurred by the Agency to finance or refinance, in whole or in part, the Redevelopment Project.

The number of dollars of taxes generated by the Expansion Area which may be divided and allocated to the Agency pursuant to California Health and Safety Code Section 33670 shall not exceed 50 Million Dollars ($50,000,000) except by the amendment of this Redevelopment Plan.

Lepant 5 22 ORD 1450

No loan, advance or indebtedness to be repaid from such allocations of taxes established or incurred by the Agency to finance in whole or in part the Redevelopment Project shall be established or incurred after twenty (20) years following the date of adoption of the ordinance approving and adopting Amendment One. Such loan, advance or indebtedness may be repaid over a period of time longer than such time limit. Such time limitation may be extended only by amendment of this Redevelopment Plan.

The amount of bonded indebtedness, to be repaid, in whole or in part from such allocation of taxes, which can be outstanding at one time shall not exceed 20 Million Dollars ($20,000,000), without an amendment of this Redevelopment Plan.

C. §503 OTHER LOANS AND GRANTS

Any other loans, grants, guarantees or financial assistance from the United States, or any other public or private source will be utilized if available.

D. §504 USE OF TAX INCREMENT TO PROVIDE LOW- AND MODERATE-INCOME HOUSING

Not less than 20% of all taxes allocated to the Agency pursuant to Section 502 of this Plan that are generated by the Expansion Area to the Plan shall be used by the Agency for the purposes of increasing and improving the community's supply of housing for persons and families of low, very low or moderate income unless one of the following findings are made:

(a) That no need exists in the community the provision of which would benefit the Project Area to improve or increase the supply of housing for persons and families of low or moderate income or very low income households; or

(b) That some stated percentage less than 20% of the taxes which are allocated to the agency pursuant to Section 33670 is sufficient to meet such housing need; or

(c) That a substantial effort to meet low and moderate income housing needs in the community is being made, and that this effort, including the obligation of funds currently available for the benefit of the community from state, local and federal sources for low and moderate income housing alone or in combination with the taxes allocated under this section, is equivalent in impact to the funds otherwise required to be set aside pursuant to this section. The legislative body shall consider the need that can be reasonably foreseen because of displacement of persons and families of low or moderate income or very low income households from within or adjacent to the Project Area, because of increased employment opportunities, or because of any other direct or indirect result of implementation of the redevelopment plan.

V. §600 ACTIONS BY THE CITY

The City shall aid and cooperate with the Agency in carrying out this Plan and shall take all actions necessary to ensure the continued fulfillment of the purposes of this Plan and to prevent the recurrence or spread in the area of conditions causing blight. Action by the City shall include, but not be limited to the following:

(1) Institution and completion of proceedings for opening, closing, vacating, widening, or changing the grades of streets, alleys, and other public rights-of way, and for other necessary modifications of the streets, the street layout, and other public rights-of-way in the Project Area. Such action by the City shall include the requirement of abandonment and relocation by the public utility companies of their operations in public rights-of-way as appropriate to carry out this Plan.

(2) Institution and completion of proceedings necessary for changes and improvements in publicly-owned utilities within or affecting the Project Area.

(3) Revision of zoning within the Project Area to permit the land uses and development authorized by this Plan.

(4) Performance of the above, and of all other functions and services relating to public health, safety, and physical development normally rendered in accordance with a schedule which

will permit the redevelopment of the Project Area to be commenced and carried to completion without unnecessary delays.

(5). The undertaking and completing of any other proceedings necessary to carry out the Project.

VII. §700 ENFORCEMENT

After development, the administrative enforcement of this Plan or other documents implementing this Plan shall be performed by the City or the Agency.

The provisions of this Plan or other documents entered into pursuant to this Plan may also be enforced by court litigation instituted by either the Agency or the City. Such remedies may include, but are not limited to, specific performance, damages, re-entry, injunctions, or any other remedies appropriated to the purpose of this Plan. In addition, any recorded provisions which are expressly for the benefit of owners of property in the Project Area may be enforced by such owners.

VIII. §800 DURATION OF THIS PLAN

Except for the nondiscrimination and non-segregation provisions which shall run in perpetuity, the provisions of this Plan shall be effective and the provisions of other documents formulated pursuant to this Plan may be made effective for thirty-five (35) years from the date of adoption of this Plan by the City Council.

IX. §900 PROCEDURE FOR AMENDMENT

This Plan may be amended by means of the procedure established in Sections 33450-33458 of the Redevelopment Law or by any other procedure hereafter established by law.

EXHIBIT 'A'

REDEVELOPMENT PLAN MAP

Redevelopment Agency of the City of San Fernando

CIVIC CENTER REDEVELOPMENT PROJECT No. 3

REDEVELOPMENT PLAN MAP

EXHIBIT 'A'

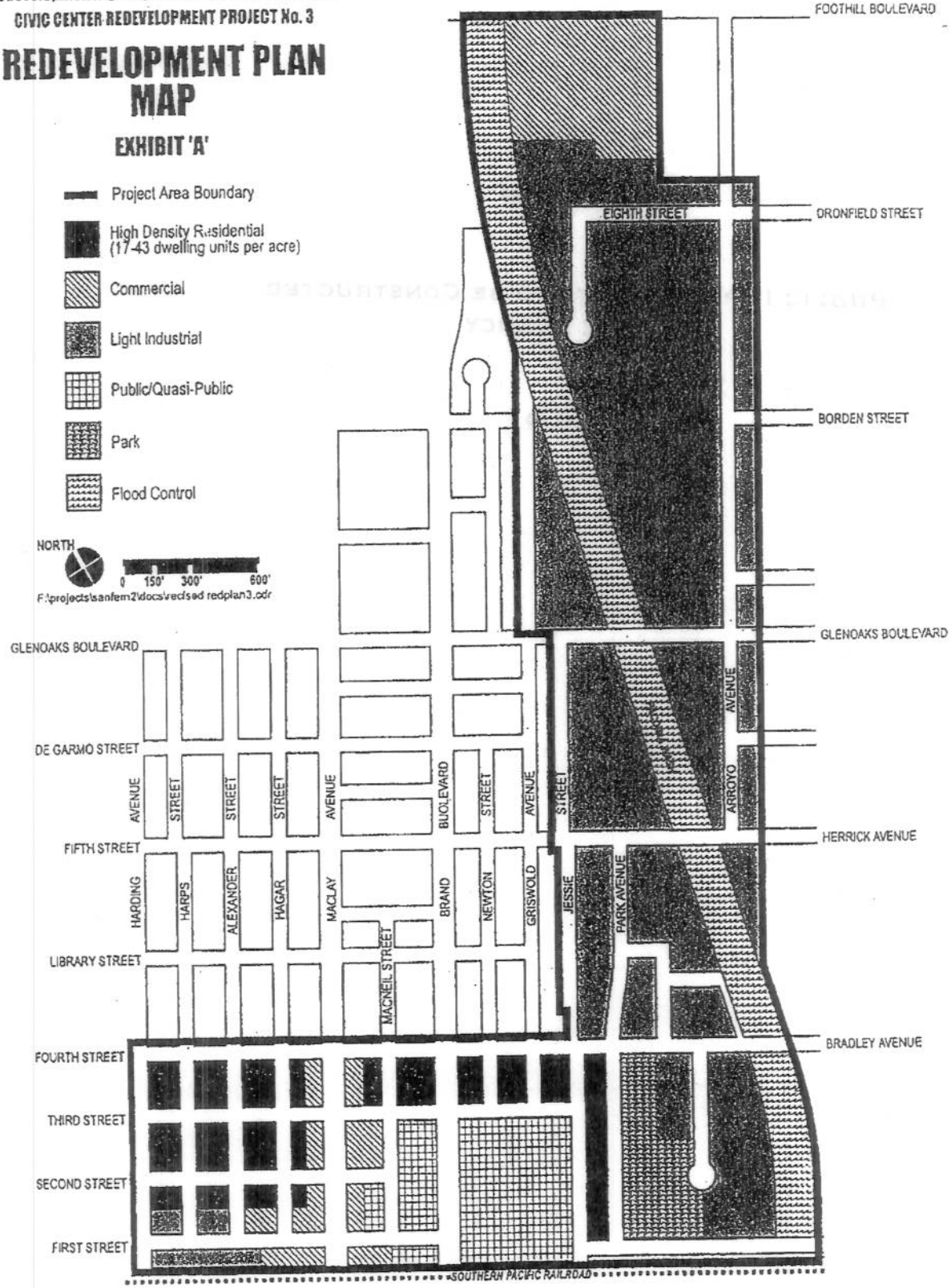

EXHIBIT 'B'

PUBLIC IMPROVEMENTS TO BE CONSTRUCTED BY THE AGENCY

EXHIBIT B

Public Improvements to be Constructed by Agency

The Redevelopment Agency is authorized by this plan to construct the following improvements within the Amended Project Area. Said list is not all-inclusive.

1. Construction and or reconstruction of streets, curb and gutters within the Project Area and Amended Project Area.
2. Repair and or replacement of water lines and other water facilities as necessary to increase capabilities of providing adequate fire flows and domestic water supplies.
3. Construction of vehicle parking facilities.
4. Undergrounding of all utilities in the Amended Project Area.
5. Signalization of various intersections in the Project and Amended Project Area.
6. Construction of Landscaping and Decorative Block Walls.

ORDINANCE NO. 1548

AN ORDINANCE OF THE CITY COUNCIL OF THE CITY OF SAN FERNANDO AMENDING THE REDEVELOPMENT PLANS TO EXTEND TIME LIMITS FOR REDEVELOPMENT PROJECT AREAS NO. 1, NO. 2, NO. 3 AND NO. 4

WHEREAS, the San Fernando Redevelopment Agency (hereinafter referred to as the "Agency") has been designated as the official redevelopment agency to carry out in the City of San Fernando the functions and requirements of the Community Redevelopment Law of the State of California (Health and Safety Code Sections 33000 et. seq.); and

WHEREAS, Health and Safety Code Section 33333.6 applies to every redevelopment plan adopted on or before December 31, 1993; and

WHEREAS, Health and Safety Code Section 33333.2 applies to every redevelopment plan adopted on or after January 1, 1994; and

WHEREAS, the Redevelopment Plan for Redevelopment Project Area No. 1 was originally adopted by the City Council of the City of San Fernando ("the Council") on May 26, 1966, by Ordinance No. 918, and was amended to add area on June 27, 1988, by Ordinance No. 1316. The Redevelopment Plan for Redevelopment Project Area No. 1 was most recently amended on November 16, 1998 by Ordinance No. 1494; and

WHEREAS, pursuant to the Redevelopment Plan, and subdivision (a) of Health and Safety Code Section 33333.6, the effectiveness of the Redevelopment Plan for Redevelopment Project Area No. 1 shall expire on January 1, 2009 for the original project area adopted by Ordinance No. 918, and June 27, 2018 for the area added by Ordinance No. 1316; and

WHEREAS, pursuant to the Redevelopment Plan for Redevelopment Project Area No. 1 and subdivision (b) of Health and Safety Code Section 33333.6, except as provided in subdivisions (f) and (g) of Health and Safety Code Section 33333.6, the Agency may not pay indebtedness with the proceeds of property taxes or receive property taxes pursuant to the Redevelopment Plan for Redevelopment Project Area No. 1, as provided in Health and Safety Code Section 33670, after January 1, 2019 for the original project area adopted by Ordinance No. 918, and June 27, 2028 for the area added by Ordinance No. 1316; and

WHEREAS, the Redevelopment Plan for Redevelopment Project Area No. 2 was originally adopted by the City Council of the City of San Fernando ("the Council") on August 21, 1972, by Ordinance No. 1032 and was most recently amended on November 16, 1998 by Ordinance No. 1494; and

WHEREAS, pursuant to the Redevelopment Plan for Redevelopment Project Area No. 2, and subdivision (a) of Health and Safety Code Section 33333.6, the effectiveness of the Redevelopment Plan shall expire on August 21, 2007; and

WHEREAS, pursuant to the Redevelopment Plan for Redevelopment Project Area No. 2 and subdivision (b) of the Health and Safety Code Section 33333.6, except as provided in

subdivisions (f) and (g) of Health and Safety Code Section 33333.6, the Agency may not pay indebtedness with the proceeds of property taxes or receive property taxes pursuant to the Redevelopment Plan for Redevelopment Project Area No. 2 as provided in Health and Safety Code Section 33670 after August 21, 2017; and

WHEREAS, the Redevelopment Plan for Redevelopment Project Area No. 3 was originally adopted by the City Council of the City of San Fernando ("the Council") on June 18, 1973, by Ordinance No. 1050. The Redevelopment Plan for Redevelopment Project Area No. 3 was amended to add area on April 4, 1983 by Ordinance No. 1219, and was subsequently amended on December 15, 1986 by Ordinance 1296 to extend the Agency's authority to undertake eminent domain proceedings. The Redevelopment Plan for Redevelopment Project Area No. 3 was again amended on October 17, 1994 by Ordinance No. 1450 to amend time limits and was subsequently amended on November 16, 1998 to extend the Agency's authority to undertake eminent domain proceedings; and

WHEREAS, pursuant to the Redevelopment Plan for Redevelopment Project Area No. 3, and subdivision (a) of Health and Safety Code Section 33333.6, the effectiveness of the Redevelopment Plan Area adopted on June 18, 1973 by Ordinance No. 1050 shall expire on June 18, 2008, and the effectiveness of the project area added on April 4, 1983 by Ordinance No. 1219 shall expire on April 4, 2018; and

WHEREAS, pursuant to the Redevelopment Plan for Redevelopment Project Area No. 3 and subdivision (b) of the Health and Safety Code Section 33333.6, except as provided in subdivisions (f) and (g) of Health and Safety Code Section 33333.6, the Agency may not pay indebtedness with the proceeds of property taxes or receive property taxes for the Redevelopment Plan Area adopted on June 18, 1973 by Ordinance No. 1050 after June 18, 2018, and after April 4, 2028 for the project area added on April 4, 1983 by Ordinance No. 1219; and

WHEREAS, the Redevelopment Plan for Redevelopment Project Area No. 4 (Redevelopment Plan) was originally adopted by the City Council of the City of San Fernando ("the Council") on July 18, 1994, by Ordinance No. 1447; and

WHEREAS, pursuant to the Redevelopment Plan for Redevelopment Project Area No. 4, and subdivision (a)(2) of Health and Safety Code Section 33333.2, the effectiveness of the Redevelopment Plan shall expire on July 18, 2024; and

WHEREAS, pursuant to the Redevelopment Plan for Redevelopment Project Area No. 4 and subdivision (a)(3) of Health and Safety Code Section 33333.2, the Agency may not pay indebtedness with the proceeds of property taxes or receive property taxes pursuant to the Redevelopment Plan for Redevelopment Project Area No. 4 as provided in Health and Safety Code Section 33670 after July 18, 2039; and

WHEREAS, Health and Safety Code Section 33333.6(e)(2)(C), as amended by SB 1045, provides that when an agency is required to make a payment pursuant to Health and Safety Code Section 33681.9, the legislative body may amend the redevelopment plan to extend the time limits required pursuant to subdivisions (a) and (b) of Health and Safety Code Section 33333.6 by one year by adoption of an ordinance, without the necessity of compliance with Health and

Safety Code Section 33354.6, Article 12 of the Health and Safety Code (commencing with Section 33450), or any other provision relating to the amendment of redevelopment plans; and

WHEREAS, Health and Safety Code Section 33333.2(a)(4)(C), as amended by SB 1045, provides that when an agency is required to make a payment pursuant to Health and Safety Code Section 33681.9, the legislative body may amend the redevelopment plan to extend the time limits required pursuant to paragraphs (2) and (3) of subdivision (a) of Health and Safety Code Section 33333.2 by one year by adoption of an ordinance, without the necessity of compliance with Health and Safety Code Section 33354.6, Article 12 of the Health and Safety Code (commencing with Section 33450), or any other provision relating to the amendment of redevelopment plans; and

WHEREAS, the Agency is required to make a payment pursuant to Health and Safety Code Section 33681.9; and

WHEREAS, the Agency and the City Council of the City of San Fernando desire to extend by one year the time limit on the effectiveness of the Redevelopment Plans for Redevelopment Project Area No. 1, No. 2, No. 3, and No. 4 and the time limit for paying indebtedness with the proceeds of property taxes and receiving property taxes.

NOW, THEREFORE, THE SAN FERNANDO CITY COUNCIL DOES ORDAIN AS FOLLOWS:

Section 1:

(a) Project Area No. 1:

(i) The effectiveness of the Redevelopment Plan for Redevelopment Project Area No. 1 is hereby amended to January 1, 2010, for the original project area adopted by Ordinance No. 918, and June 27, 2019 for the area added by Ordinance No. 1316.

(ii) After the time limit on the effectiveness of the Redevelopment Plan has expired, the Agency shall have no authority to act pursuant to the Redevelopment Plan except to pay previously incurred indebtedness and to enforce existing covenants or contracts, unless the Agency has not completed its housing obligations pursuant to subdivision (a) of Health and Safety Code Section 33333.8, in which case the Agency shall retain its authority to implement requirements under subdivision (a) of Health and Safety Code Section 33333.8, including its ability to incur and pay indebtedness for this purpose, and shall use this authority to complete these housing obligations as soon as it is reasonably possible.

(b) Project Area No. 2:

(i) The effectiveness of the Redevelopment Plan for Redevelopment Project Area No. 2 is hereby amended to August 21, 2008.

(ii) After the time limit on the effectiveness of the Redevelopment Plan has expired, the Agency shall have no authority to act pursuant to the Redevelopment Plan except to pay previously incurred indebtedness and to enforce existing covenants or contracts, unless the Agency has not completed its housing obligations pursuant to subdivision (a) of Health and Safety Code Section 33333.8, in which case the Agency shall retain its authority to implement requirements under subdivision (a) of Health and Safety Code Section 33333.8, including its ability to incur and pay indebtedness for this purpose, and shall use this authority to complete these housing obligations as soon as it is reasonably possible.

(c) Project Area No. 3:

(i) The effectiveness of the Redevelopment Plan for Redevelopment Project Area No. 3 is hereby amended to be June 18, 2009, for the original Project Area adopted by Ordinance No. 918, and April 4, 2019, for the area added by Ordinance No. 1219.

(ii) After the time limit on the effectiveness of the Redevelopment Plan has expired, the Agency shall have no authority to act pursuant to the Redevelopment Plan except to pay previously incurred indebtedness and to enforce existing covenants or contracts, unless the Agency has not completed its housing obligations pursuant to subdivision (a) of Health and Safety Code Section 33333.8, in which case the Agency shall retain its authority to implement requirements under subdivision (a) of Health and Safety Code Section 33333.8, including its ability to incur and pay indebtedness for this purpose, and shall use this authority to complete these housing obligations as soon as it is reasonably possible.

(d) Project Area No. 4:

(i) The effectiveness of the Redevelopment Plan for Redevelopment Project Area No. 4 is hereby amended to be July 18, 2025.

(ii) After the time limit on the effectiveness of the Redevelopment Plan has expired, the Agency shall have no authority to act pursuant to the Redevelopment Plan except to pay previously incurred indebtedness and to enforce existing covenants or contracts, unless the Agency has not completed its housing obligations pursuant to subdivision (a) of Health and Safety Code Section 33333.8, in which case the Agency shall retain its authority to implement requirements under subdivision (a) of Health and Safety Code Section 33333.8, including its ability to incur and pay indebtedness for this purpose, and shall use this authority to complete these housing obligations as soon as it is reasonably possible.

Section 2:

(a) Project Area No. 1:

The time limit for Agency payment of indebtedness and receipt of tax increment revenue pursuant to Section 33670 of the Code for Redevelopment Project Area No. 1 is hereby amended to be January 1, 2020, for the original Project Area adopted by Ordinance No. 918, and June 27, 2029, for the area added by Ordinance No. 1316, except as provided in Sections 33333.6(f) and (g) of the Health and Safety Code.

(b) Project Area No. 2:

The time limit for Agency payment of indebtedness and receipt of tax increment revenue pursuant to Section 33670 of the Code for Redevelopment Project Area No. 2 is hereby amended to be August 21, 2018, except as provided in Sections 33333.6(f) and (g) of the Code.

(c) Project Area No. 3:

The time limit for Agency payment of indebtedness and receipt of tax increment revenue pursuant to Section 33670 of the Code for Redevelopment Project Area No. 3 is hereby amended to be June 18, 2019, for the original Project Area adopted by Ordinance No. 1050, and April 4, 2029, for the area added by Ordinance No. 1219, except as provided in Sections 33333.6(f) and (g) of the Code.

(d) Project Area No. 4:

The time limit for Agency payment of indebtedness and receipt of tax increment revenue pursuant to Section 33670 of the Code for Redevelopment Project Area No. 4 is hereby amended to be July 18, 2040, except to comply with subdivision (a) of Section 33333.8 of the Health and Safety Code.

Section 3:

The City Clerk is hereby directed to send a certified copy of this Ordinance to the Agency, whereupon the Agency is vested with the responsibility for continuing to carry out the Redevelopment Plans as herein amended.

Section 4:

This Ordinance shall be in full force and effect thirty (30) days from and after the date of final passage.

Section 5:

If any part of this Ordinance or the Redevelopment Plans that it amends is held to be invalid for any reason, such decision shall not affect the validity of the remainder of this

Ordinance or of the Redevelopment Plans, or the Redevelopment Plans as they existed prior to adoption of this Ordinance, and the City Council hereby declares it would have passed the remainder of this Ordinance or approved the remainder of the Redevelopment Plans if such invalid portion thereof had been deleted.

Section 6:

This Ordinance shall be introduced at least five (5) days prior to the City Council meeting at which this Ordinance is to be adopted. The full text of this Ordinance shall be published and/or be posted as required by law in accordance with Government Code Section 36933.

PASSED, APPROVED, AND ADOPTED by the San Fernando City Council this 2nd day of February, 2004.

Dr. José Hernández

José Hernández, Mayor

ATTEST:

Elena G Chávez

Elena G. Chávez, City Clerk

STATE OF CALIFORNIA)
COUNTY OF LOS ANGELES) SS
CITY OF SAN FERNANDO)

I, Elena G. Chávez, City Clerk of the City of San Fernando, do hereby certify that the foregoing ordinance was duly adopted by the City Council and signed by the Mayor of said City at a meeting held on the 2nd day of February, 2004 and that same was passed by the following vote to wit:

AYES: Hernández, De La Torre, Martinez, Veres, Ruelas - 5
NOES: None
ABSENT: None
ABSTAIN: None

Elena G Chávez

Elena G. Chávez, City Clerk

ORDINANCE NO. 1573

AN ORDINANCE OF THE CITY OF SAN FERNANDO AMENDING THE REDEVELOPMENT PLANS FOR REDEVELOPMENT PROJECT AREAS NOS. 1, 2 AND 3 TO ELIMINATE THE TIME LIMIT ON THE ESTABLISHMENT OF LOANS, ADVANCES AND INDEBTEDNESS PURSUANT TO HEALTH AND SAFETY CODE SECTION 33333.6(e)(2)(B)

WHEREAS, Health and Safety Code Section 33333.6 applies to every redevelopment plan adopted on or before December 31, 1993; and

WHEREAS, the Redevelopment Plan for Redevelopment Project Area No. 1 was originally adopted by the City Council of the City of San Fernando ("the Council") on May 26, 1966 by Ordinance No. 918, was amended to add area on June 27, 1988 by Ordinance No. 1316, and was most recently amended by Ordinance No. 1548 on February 2, 2004 to extend certain time limits; and

WHEREAS, the Redevelopment Plan for Redevelopment Project Area No. 2 was originally adopted by the Council on August 21, 1972 by Ordinance No. 1032 and was most recently amended by Ordinance No. 1548 on February 2, 2004 to extend certain time limits; and

WHEREAS, the Redevelopment Plan for Redevelopment Project Area No. 3 was originally adopted by the Council on June 18, 1973 by Ordinance No. 1050 and was amended to add area on April 4, 1983 by Ordinance No. 1219, and was most recently amended by Ordinance 1548 on February 2, 2004 to extend certain time limits; and

WHEREAS, pursuant to the Redevelopment Plan (as amended), the time limits for the establishment of loans, advances and indebtedness for Project Area No. 1 originally adopted by Ordinance No. 918 expired on January 1, 2004, and will expire on June 27, 2008 for the area added by Ordinance No. 1316; and

WHEREAS, pursuant to the Redevelopment Plan (as amended), the time limits for the establishment of loans, advances and indebtedness for Project Area No. 2 expired on January 1, 2004; and

WHEREAS, pursuant to the Redevelopment Plan (as amended), the time limits for the establishment of loans, advances and indebtedness for Project Area No. 3 originally adopted by Ordinance No. 1050 expired on January 1, 2004, and on April 4, 2003 for the area added by Ordinance No. 1219; and

WHEREAS, Health and Safety Code Section 33333.6(e)(2)(B), states that "On or after January 1, 2002, a redevelopment plan may be amended by a legislative body by adoption of an ordinance to eliminate the time limit on the establishment of loans, advances, and indebtedness required by this section prior to January 1, 2002"; and

WHEREAS, Health and Safety Code Section 33333.6(e)(2)(B) provides that, in adopting an ordinance pursuant to this subparagraph, neither the legislative body nor the agency is required to comply with Section 33354.6, Article 12 (commencing with Section 33450), or any provision relating to the amendment of redevelopment plans, except that the agency shall make the payment to affected taxing entities required by Section 33607.7; and

WHEREAS, the Redevelopment Agency and the City Council of the City of San Fernando desire to eliminate the time limit on the establishment of loans, advances, and indebtedness of the Redevelopment Plans for Redevelopment Project Areas No. 1, No. 2 and No. 3.

NOW, THEREFORE, THE SAN FERNANDO CITY COUNCIL DOES ORDAIN AS FOLLOWS:

Section 1. Notwithstanding any other provision of the Redevelopment Plan (as amended) for Redevelopment Project Area No. 1, the Redevelopment Plan (as amended) for Redevelopment Project Area No. 1 is hereby amended to delete the time limit for establishing loans, advances, and indebtedness for Project Area No. 1, both the Original Area and the Added Area.

Section 2. Notwithstanding any other provision of the Redevelopment Plan (as amended) for Redevelopment Project Area No. 2, the Redevelopment Plan (as amended) for Redevelopment Project Area No. 2 is hereby amended to delete the time limit for establishing loans, advances, and indebtedness for Project Area No. 2.

Section 3. Notwithstanding any other provision of the Redevelopment Plan (as amended) for Redevelopment Project Area No. 3, the Redevelopment Plan (as amended) for Redevelopment Project Area No. 3 is hereby amended to delete the time limit for establishing loans, advances, and indebtedness for Project Area No. 3, both the Original Project Area and the Expansion Area.

Section 4. This Ordinance is adopted pursuant to Health and Safety Code Section 33333.6(e)(2)(B).

Section 5. Payments to affected taxing entities pursuant to Health and Safety Code Section 33607.7, occasioned by the adoption of this Ordinance, shall be subordinate to any pledge of tax increment revenues derived from the Project Area to the holders of any notes, bonds or other indebtedness of the Agency issued or incurred by the Agency prior to the effective date of this Ordinance.

Section 6. The City Clerk is hereby directed to send a certified copy of this Ordinance to the Agency, whereupon the Agency is vested with the responsibility for continuing to carry out the Redevelopment Plans as herein amended.

Section 7. If any section, subsection, sentence, clause or phrase of this Ordinance is for any reason held to be invalid or unconstitutional by the decision of any court of competent jurisdiction, such decision shall not affect the validity of the remaining portions of the Ordinance. The City Council hereby declares that it would have passed this Ordinance and each

section, subsection, sentence, clause and phrase thereof, irrespective of the fact that any one or more sections, subsections, sentences, clauses or phrases be declared invalid or unconstitutional.

Section 8. The City Clerk is hereby authorized and directed to certify to the passage of this Ordinance by the City Council and shall cause it to be published as required by law.

Section 9. This Ordinance shall be in full force and effect thirty (30) days from and after the date of final passage.

PASSED, APPROVED, AND ADOPTED by the San Fernando City Council this 21st day of August, 2006.

Nury Martinez, Mayor

ATTEST:

Elena G. Chávez, City Clerk

APPROVED AS TO FORM:

City Attorney

STATE OF CALIFORNIA)
COUNTY OF LOS ANGELES)SS
CITY OF SAN FERNANDO)

I HEREBY CERTIFY that the foregoing Ordinance was approved and adopted at a regular meeting of the City Council held on the 21st day of August, 2006, by the following vote to wit:

AYES: Martinez, Ruelas, Veres, De La Torre, Hernández - 5

NOES: None

ABSENT: None

ABSTAIN: None

Elena G. Chávez, City Clerk

ORDINANCE NO. 1575

AN ORDINANCE OF THE CITY OF SAN FERNANDO AMENDING CERTAIN TIME LIMITS IN THE REDEVELOPMENT PLANS FOR REDEVELOPMENT PROJECT AREA NO. 1, REDEVELOPMENT PROJECT AREA NO. 2, REDEVELOPMENT PROJECT AREA NO. 3, AND REDEVELOPMENT PROJECT AREA NO. 4 PURSUANT TO HEALTH AND SAFETY CODE SECTIONS 33333.2(d) AND 33333.6(e)(2)(D)

WHEREAS, the San Fernando Redevelopment Agency (hereinafter referred to as the "Agency") has been designated as the official redevelopment agency to carry out in the City of San Fernando the functions and requirements of the Community Redevelopment Law of the State of California (Health and Safety Code Sections 33000 et. seq.; all statutory references are to the Health and Safety Code, unless otherwise indicated); and

WHEREAS, Health and Safety Code Section 33333.2 applies to every redevelopment plan adopted on or after January 1, 1994; and

WHEREAS, Health and Safety Code Section 33333.6 applies to every redevelopment plan adopted on or before December 31, 1993; and

WHEREAS, the Redevelopment Plan for Redevelopment Project Area No. 1 was originally adopted by the City Council of the City of San Fernando (the "Council") on May 26, 1966, by Ordinance No. 918, and was amended to add area ("1A") on June 27, 1988, by Ordinance No. 1316; and

WHEREAS, the Redevelopment Plan for Redevelopment Project Area No. 2 was originally adopted by the Council on August 14, 1972, by Ordinance No. 1032; and

WHEREAS, the Redevelopment Plan for Redevelopment Project Area No. 3 was originally adopted by the Council on June 18, 1973, by Ordinance No. 1050 and was amended to add area ("3A") on April 4, 1983, by Ordinance No. 1219; and

WHEREAS, the Redevelopment Plan for Redevelopment Project Area No. 4 was originally adopted by the Council on July 18, 1994, by Ordinance No. 1447; and

WHEREAS, the time limits for the effectiveness of the Redevelopment Plan and for payment of indebtedness and receipt of tax increment revenue for Project Areas No. 1, No. 2 and No. 3 were amended on October 17, 1994, by Ordinance No. 1450; and

WHEREAS, the time limits for the effectiveness of the Redevelopment Plan and for payment of indebtedness and receipt of tax increment revenue for Project Areas No. 1, No. 2, No. 3 and No. 4 were amended on February 2, 2004, by Ordinance No. 1548; and

WHEREAS, Section 33681.12 required the Agency to make a payment for deposit in the Educational Revenue Augmentation Fund ("ERAF") created pursuant to Article 3 (commencing with section 97) of Chapter 6 of Part 0.5 of Division 1 of the Revenue and Taxation Code, during the Fiscal Years 2004-05 and 2005-06; and

WHEREAS, the Agency made the Fiscal Year 2004-05 and 2005-06 payments to the ERAF pursuant to Health and Safety Code Section 33681.12; and

WHEREAS, Sections 33333.2(d) and 33333.6(e)(2)(D) provide that when an agency is required pursuant to Section 33681.12 to make a payment to the county auditor for deposit in the county's ERAF, the legislative body may amend the redevelopment plan to extend the time limits for the effectiveness of the Redevelopment Plan and for payment of indebtedness and receipt of tax increment revenue; and

WHEREAS, Section 33333.6(e)(2)(D)(i) allows the Council to extend the time limits for the effectiveness of the Redevelopment Plan and for payment of indebtedness and receipt of tax increment revenue by one year for each year in which a payment is made, if the time limit for the effectiveness of the redevelopment plan is 10 years or less from the last day of the fiscal year in which payment is made; and

WHEREAS, the time limits for the effectiveness of the Redevelopment Plan for Project Areas No. 1, No. 2 and No. 3 expire, respectively, on January 1, 2010, August 21, 2008 and June 18, 2009, which dates are all 10 years or less from the last day of the fiscal year in which payment was made for Fiscal Years 2004-05 and 2005-06; and

WHEREAS, Section 33333.6(e)(2)(D)(ii) and Section 33333.2(d)(2) allow the Council to extend the time limits for the effectiveness of the redevelopment plan and for payment of indebtedness and receipt of tax increment revenue by one year for each year in which a payment is made, if both (a) the time limit for the effectiveness of the redevelopment plan is more than 10 years but less than 20 years from the last day of the fiscal year in which payment is made, and (b) certain required findings are made; and

WHEREAS, the time limits for the effectiveness of the Redevelopment Plan for Project Areas No. 1A and No. 3A expire, respectively, on June 27, 2019 and April 4, 2019, which dates are all more than 10 years but less than 20 years from the last day of the fiscal year in which payment was made for Fiscal Years 2004-05 and 2005-06; and

WHEREAS, the time limit for the effectiveness of the Redevelopment Plan for Project Area No. 4 expires on July 17, 2025, which date is more than 10 years but less than 20 years from the last day of the fiscal year in which payment was made for Fiscal Year 2005-06, but is more than 20 years from the last day of the fiscal year in which payment was made for Fiscal Year 2004-05; and

WHEREAS, the law provides that neither the legislative body nor the agency is required to comply with Section 33354.6, Article 12 (commencing with Section 33450), or any other provision of the Community Redevelopment Law relating to the amendment of redevelopment plans, when extending time limits pursuant to Sections 33333.6(e)(2)(D) or 33333.2(d); and

WHEREAS, the Agency and the City Council desire that the Redevelopment Plan be amended to extend by two years the time limit on the effectiveness of the Redevelopment Plan for Project Areas No. 1 (including 1A), No. 2, and No. 3 (including 3A) on account of the Agency's Fiscal Year 2004-05 and 2005-06 ERAF payment; and

Section 4: Time Limit for Plan Effectiveness.

(a) The effectiveness of the Redevelopment Plan for Redevelopment Project Area No. 1 is hereby amended to be January 1, 2012, for the original Project Area adopted by Ordinance No. 918, and June 27, 2021, for the area added by Ordinance No. 1316, except to pay previously incurred indebtedness, to comply with subdivision (a) of Section 33333.8 and to enforce existing covenants, contracts or other obligations.

(b) The effectiveness of the Redevelopment Plan for Redevelopment Project Area No. 2 is hereby amended to be August 21, 2010, except to pay previously incurred indebtedness, to comply with subdivision (a) of Section 33333.8 and to enforce existing covenants, contracts or other obligations.

(c) The effectiveness of the Redevelopment Plan for Redevelopment Project Area No. 3 is hereby amended to be June 18, 2011, for the original Project Area adopted by Ordinance No. 1050, and April 4, 2021, for the area added by Ordinance No. 1219, except to pay previously incurred indebtedness, to comply with subdivision (a) of Section 33333.8 and to enforce existing covenants, contracts or other obligations.

(d) The effectiveness of the Redevelopment Plan for Redevelopment Project Area No. 4 is hereby amended to be June 17, 2026, except to pay previously incurred indebtedness, to comply with subdivision (a) of Section 33333.8 and to enforce existing covenants, contracts or other obligations.

Section 5: Time Limit for Receiving Tax Increment and Paying Indebtedness.

(a) The time limit for Agency payment of indebtedness and receipt of tax increment revenue for Redevelopment Project Area No. 1 is hereby amended to be January 1, 2022, for the original Project Area adopted by Ordinance No. 918, and June 27, 2031, for the area added by Ordinance No. 1316, except as provided in Section 33333.6(f), (g) and (h).

(b) The time limit for Agency payment of indebtedness and receipt of tax increment revenue for Redevelopment Project Area No. 2 is hereby amended to be August 21, 2020, except as provided in Section 33333.6(f), (g) and (h).

(c) The time limit for Agency payment of indebtedness and receipt of tax increment revenue for Redevelopment Project Area No. 3 is hereby amended to be June 18, 2021, for the original Project Area adopted by Ordinance No. 1050, except as provided in Section 33333.6(f),(g) and (h).

(d) The time limit for Agency payment of indebtedness and receipt of tax increment revenue for Redevelopment Project Area No. 4 is hereby amended to be July 18, 2041, except as necessary to comply with subdivision (a) of Section 33333.8.

Section 6: Law. This Ordinance is adopted pursuant to Health and Safety Code Section 33333.6(e)(2)(D) for Project Areas No. 1 (including 1A), No. 2, and No. 3 (including 3A), and pursuant to Health and Safety Code Section 33333.2(d) for Project Area No. 4.

Section 7: Certified Copy by City Clerk. The City Clerk is hereby directed to send a certified copy of this Ordinance to the Agency, whereupon the Agency is vested with the responsibility for continuing to carry out the Redevelopment Plans as herein amended.

Section 8: Severability. If any section, subsection, sentence, clause or phrase of this Ordinance is for any reason held to be invalid or unconstitutional by the decision of any court of competent jurisdiction, such decision shall not affect the validity of the remaining portions of the Ordinance. The City Council hereby declares that it would have passed this Ordinance and each section, subsection, sentence, clause and phrase thereof, irrespective of the fact that any one or more sections, subsections, sentences, clauses or phrases be declared invalid or unconstitutional.

Section 9: Publication. The City Clerk is hereby authorized and directed to certify to the passage of this Ordinance by the City Council and shall cause it to be published as required by law.

Section 10: Effective Date. This Ordinance shall be in full force and effect thirty (30) days from and after the date of final passage.

PASSED, APPROVED, AND ADOPTED by the San Fernando City Council this 16th day of October, 2006.

Nury Martinez, Mayor

ATTEST:

Elena G. Chávez, City Clerk

APPROVED AS TO FORM:

Michael Estrada, City Attorney

STATE OF CALIFORNIA)
COUNTY OF LOS ANGELES) SS
CITY OF SAN FERNANDO)

I, Elena G. Chávez, City Clerk of the City of San Fernando, do hereby certify that the foregoing ordinance was duly adopted by the City Council and signed by the Mayor of said City at a meeting held on the 16th day of October, 2006 and that same was passed by the following vote to wit:

AYES:	Martinez, Ruelas, De La Torre, Hernández, Veres – 5
NOES:	None
ABSENT:	None
ABSTAIN:	None

Elena G. Chávez

Elena G. Chávez, City Clerk

CERTIFICATE OF SECRETARY OF SAN FERNANDO PUBLIC FINANCING AUTHORITY

with reference to

$11,490,000
San Fernando Redevelopment Agency
Civic Center Redevelopment Project (Project No. 3)
Tax Allocation Bonds, Series 2006

December 21, 2006

The undersigned hereby states and certifies as follows:

(a) The undersigned is the duly appointed, qualified and acting Secretary of the San Fernando Public Financing Authority (the "Authority"), a joint powers agency duly organized and existing under and by virtue of the laws of the State of California and, as such, is familiar with the facts herein and is authorized to certify the same.

(b) Attached hereto as Exhibit A is a true, correct and complete copy of Resolution No. 6, entitled "A Resolution of the San Fernando Public Financing Authority Approving the Execution and Delivery of a Purchase Contract Relating to Tax Allocation Bonds Being Issued by the San Fernando Redevelopment Agency and Other Actions Related Thereto" ("Resolution No. 6"), which was adopted at a duly held meeting of the governing body of the Authority on November 20, 2006. Resolution No. 6 has not been amended, modified, supplemented, rescinded or repealed and remains in full force and effect as of the date hereof.

(c) Attached hereto as Exhibit B are a true, correct and complete copy of the Joint Exercise of Powers Agreement, dated as of March 18, 1991 (the "JPA Agreement"), by and between the City of San Fernando and the San Fernando Redevelopment Agency pursuant to which the Authority was created and a true and correct copy of the Notice of Joint Powers Agreement relating to the JPA Agreement, which was duly filed with the California Secretary of State on March 17, 1991. The JPA Agreement has not been amended, modified, supplemented, rescinded or repealed and remains in full force and effect as of the date hereof.

(Certificate of Authority Secretary)

IN WITNESS WHEREOF, the undersigned has hereunto set her hand on the date first written above.

Elena G. Chávez

Elena G. Chávez
Secretary of San Fernando Public Financing Authority

Exhibit A
(Certificate of Secretary of San Fernando Public Financing Authority)

Resolution No. 6

(see attached)

RESOLUTION NO. 6

A RESOLUTION OF THE SAN FERNANDO PUBLIC FINANCING AUTHORITY APPROVING THE EXECUTION AND DELIVERY OF A PURCHASE CONTRACT RELATING TO TAX ALLOCATION BONDS BEING ISSUED BY THE SAN FERNANDO REDEVELOPMENT AGENCY AND OTHER ACTIONS RELATED THERETO

RECITALS:

WHEREAS, a Redevelopment Plan for a redevelopment project known and designated as the Civic Center Redevelopment Project (Project No. 3) (the "Project Area") has been duly approved and adopted by the City Council of the City of San Fernando (the "City Council"); and

WHEREAS, the San Fernando Redevelopment Agency (the "Agency") proposes to issue its Civic Center Redevelopment Project (Project No. 3) Tax Allocation Bonds, Series 2006 (the "Series 2006 Bonds"); and

WHEREAS, the Series 2006 Bonds are being issued for the purpose of financing the costs of certain capital projects of benefit to the Project Area, including a portion of the costs of construction and installation to complete the San Fernando Aquatic Center and the acquisition and construction of, and the relocation to, a new City maintenance yard and various street improvements; and

WHEREAS, pursuant to the Marks-Roos Local Bond Pooling Act of 1985 (found in Article 4, Chapter 5, Division 7, Title 1 of the California Government Code), the San Fernando Public Financing Authority (the "Authority") has the authority to purchase and resell the Series 2006 Bonds.

NOW, THEREFORE, THE SAN FERNANDO PUBLIC FINANCING AUTHORITY HEREBY FINDS, DETERMINES, RESOLVES AND ORDERS AS FOLLOWS:

Section 1. Recitals. The above recitals, and each of them, are true and correct.

Section 2. Purchase Contract. The form of Purchase Contract (the "Purchase Contract") proposed to be entered into by the Authority, the Agency and E. J. De La Rosa & Co., Inc., as the Underwriter with respect to the Series 2006 Bonds, and on file with the Secretary of the Authority, and the purchase and resale of the Series 2006 Bonds pursuant thereto upon the terms and conditions set forth therein are hereby approved. Subject to the limitation set forth below, the Chair (or in her absence, the Vice Chair) and the Executive Director of the Authority (the "Authorized Officers"), or either of them, is authorized and directed, for and in the name and on behalf of the Authority, to execute and deliver the Purchase Contract, with such changes therein as the Authorized Officer executing the same may require or approve (such approval to be conclusively evidenced by such Authorized Officer's execution and delivery thereof). The authorization given to the Authorized Officers in this Section 2 is subject to the following limitation: The terms of the Series 2006 Bonds sold under the Purchase Contract shall be consistent with the parameters set forth in Section 5 of the Resolution of the Agency authorizing the sale and issuance of the Bonds.

Section 3. The officers of the Authority are hereby authorized and directed, jointly and severally, to do any and all things and to execute and deliver any and all documents which they may deem necessary or advisable in order to consummate the purchase and resale of the Series 2006 Bonds as described above, or otherwise effectuate the purposes of this Resolution and the Purchase Contract and any such actions previously taken by such officers are hereby ratified, confirmed and approved in all respects.

Section 4. This resolution shall take effect immediately upon adoption.

PASSED, APPROVED AND ADOPTED this 20th day of November 2006.

Chair of the San Fernando
Public Financing Authority

ATTEST:

Secretary of the San Fernando
Public Financing Authority

STATE OF CALIFORNIA)
COUNTY OF LOS ANGELES) ss
CITY OF SAN FERNANDO)

I, Elena G. Chávez, Secretary of the San Fernando Public Financing Authority do hereby certify that the foregoing Resolution was duly adopted by the Public Financing Authority at its meeting held on the 20th day of November 2006, by the following vote:

AYES:	Martinez, Ruelas, Veres, Hernández – 4
NOES:	None
ABSENT:	None
ABSTAIN:	De La Torre – 1

Secretary of the San Fernando
Public Financing Authority

Exhibit B

(Certificate of Secretary of San Fernando Public Financing Authority)

JPA Agreement and Notice of Joint Powers Agreement

(see attached)

FINAL
3/12/91

#1071
F280

JOINT EXERCISE OF POWERS AGREEMENT

SAN FERNANDO PUBLIC FINANCING AUTHORITY

THIS AGREEMENT (this "Joint Exercise of Powers Agreement") is dated as of March 18, 1991, by and between the City of San Fernando (the "City") and the San Fernando Redevelopment Agency of the City of San Fernando (the "Agency"), each duly organized and existing under the laws of the State of California.

W I T N E S S E T H:

WHEREAS, the City and the Agency from time to time undertake the financing of public capital improvements, and the City and the Agency wish to form a joint powers authority under the Joint Exercise of Powers Law of the State of California (constituting Chapter 5 of Division 7 of Title 1 of the Government Code of the State of California) for the purpose of establishing a vehicle which may reduce local borrowing costs, promote the greater use of existing and new financial instruments and mechanisms, and provide investment opportunities.

NOW, THEREFORE, in consideration of the above premises and of the mutual promises herein contained, the City and the agency do hereby agree as follows:

ARTICLE I

DEFINITIONS

Section 1.01. Definitions. Unless the context otherwise requires, the words and terms defined in this Article shall, for the purpose hereof, have the meanings herein specified.

"Act" means Articles 1 through 4 (commencing with Section 6500) of Chapter 5, Division 7, Title 1 of the Government Code of the State of California.

"Agreement" means this Joint Exercise of Powers Agreement.

"Authority" means the San Fernando Public Financing Authority established pursuant to Section 2.02 of this Agreement.

"Bond Law" means the Marks-Roos Local Bond Pooling Act of 1985, being Article 4 of the Act (commencing with Section 6584), as now or hereafter amended, or any other law hereafter legally available for use by the Authority in the authorization and issuance of bonds to finance the acquisition of Local Obligations and/or Public Capital Improvements.

"Bond Purchase Agreement" means an agreement between the Authority and the City or the Agency, pursuant to which the Authority agrees to purchase Local Obligations from the City or the Agency or other local agencies, as the case may be.

"Board" means the Board of Directors of the San Fernando Public Financing Authority referred to in Section 2.03, which shall be the governing body of the Authority.

"Bonds" means bonds of the Authority issued pursuant to the Act.

"Directors" means the members of the City Council appointed to the Board pursuant to Section 2.03.

"Fiscal Year" means the period from July 1st to and including the following June 30th.

"Local Obligations" means "Bonds," as such term is defined in Section 6585(c) of the Bond Law, which are issued by the Agency or the City or other local agencies.

"Public Capital Improvement" has the meaning given to such term in Section 6585(g) of the Bond Law.

"Secretary" means the Secretary of the Authority who shall be the Deputy City Clerk of the City of San Fernando.

"Treasurer" means the Treasurer of the Authority appointed pursuant to Section 3.02.

ARTICLE II

GENERAL PROVISIONS

Section 2.01. Purpose. This Agreement is made pursuant to the Act providing for the joint exercise of powers common to the City and the Agency. The purpose of this Agreement is to provide for the financing of Public Capital Improvements for the City and the Agency or other local agencies through the acquisition by the Authority of such Public Capital Improvements and/or the purchase by the Authority of Local Obligations pursuant to Bond Purchase Agreements, in those instances in which the City or the Agency, as the case may be, determines that there are "significant public benefits" for taking such action, within the meaning of Section 6586 of the Bond Law.

Section 2.02. Creation of Authority. Pursuant to the Act, there is hereby created a public entity to be known as the "San Fernando Public Financing Authority." The Authority shall be a public entity separate and apart from the City and the Agency and shall administer this Agreement.

Section 2.03. Board of Directors. The Authority shall be administered by a Board of Directors consisting of five (5) Directors, unless and until such number is changed by amendment of this Agreement. The members of the City Council of the City shall constitute the Directors of the Authority. The Board shall be called the "Board of Directors of the San Fernando Public Financing Authority." All voting power of the Authority shall reside in the Board.

Section 2.04. Meetings of the Board.

(a) Regular Meetings. The Board shall provide for its regular meetings; provided, however, that at least one regular meeting shall be held each year. The date, hour and place of the holding of regular meetings may be fixed by resolution of the Board and a copy of such resolution shall be filed with the City and the Agency.

(b) Special Meetings. Special meetings of the Board may be called in accordance with the provisions of Section 54956 of the Government Code of the State of California.

(c) Call, Notice and Conduct of Meetings. All meetings of the Board, including without limitation, regular, adjourned regular and special meetings, shall be called, noticed, held and conducted in accordance with the provisions of the Ralph M. Brown Act of the Government Code of the State of California.

Section 2.05. Minutes. The Secretary shall cause to be kept minutes of the meetings of the Board and shall, as soon as possible after each meeting, cause a copy of the minutes to be filed in the official records of the Authority.

Section 2.06. Voting. Each Director shall have one vote.

Section 2.07. Quorum; Required Votes; Approvals. Directors holding a majority of the votes shall constitute a quorum for the transaction of business, except that less than a quorum may adjourn from time to time. The affirmative votes of at least a majority of the Directors present at any meeting at which a quorum is present shall be required to take any action by the Board.

Section 2.08. Bylaws. The Board may adopt, from time to time, such bylaws, rules and regulations for the conduct of its meetings as are necessary for the purposes hereof.

ARTICLE III

OFFICERS AND EMPLOYEES

Section 3.01. Chairperson and Vice-Chairperson. The Board shall elect a Chairperson and Vice-Chairperson from among the Directors. The officers shall perform the duties normal to said offices. The City Administrator of the City of San Fernando is hereby appointed as Executive Director. The Chairperson or Executive Director shall sign all contracts on behalf of the Authority and shall perform such other duties as may be imposed by the Board. The Vice-Chairperson shall sign contracts and perform all of the Chairperson's duties in the absence of the Chairman. The Secretary shall countersign all contracts signed by the Chairperson or Vice-Chairperson on behalf of the Authority, perform such other duties as may be imposed by the Board and cause a copy of this Agreement to be filed with the Secretary of State pursuant to the Act.

Section 3.02. Treasurer. Pursuant to Section 6505.6 of the Act, the Finance Director of the City of San Fernando is hereby designated as the Treasurer of the Authority. The Treasurer shall be the depositary, shall have custody of all the accounts, funds and money of the Authority from whatever source, shall have the duties and obligations set forth in Sections 6505 and 6505.5 of the Act and shall assure that there shall be strict accountability of all funds and reporting of all receipts and disbursements of the Authority. As provided in Section 6505 and Section 6505.6 of the Act, the Treasurer shall make arrangements with a certified public accountant or firm of certified public accountants for the annual audit of accounts and records of the Authority.

Section 3.03. Officers in Charge of Records, Funds and Accounts. Pursuant to Section 6505.2 of the Act, the Treasurer shall have charge of, handle and have access to all accounts, funds and money of the Authority and all records of the Authority relating thereto. The Secretary shall have charge of, handle and have access to all other records of the Authority.

Section 3.04. Bonding Persons Having Access to Public Capital Improvements. From time to time, the Board may designate persons, in addition to the Secretary and the Treasurer, having charge of, handling or having access to any records, funds or accounts or any Public Capital Improvement of the Authority and the respective amounts of the official bonds of the Secretary and the Treasurer and such other persons pursuant to Section 6505.1 of the Act.

Section 3.05. Legal Advisor. The Board shall have the power to appoint the legal advisor of the Authority who shall perform such duties as may be prescribed by the Board. Such

legal advisor shall initially be the City Attorney or Assistant City Attorneys of the City.

Section 3.06. Other Employees. The Board shall have the power by resolution to appoint and employ such other consultants and independent contractors as may be necessary for the purposes of this Agreement.

All of the privileges and immunities from liability, exemption from laws, ordinances and rules, all pension, relief, disability, workers' compensation and other benefits which apply to the activities of officers, agents, or employees of a public agency when performing their respective functions shall apply to the officers, agents or employees of the Authority to the same degree and extent while engaged in the performance of any of the functions and other duties of such officers, agents or employees under this Agreement.

None of the officers, agents, or employees directly employed by the Board shall be deemed, by reason of their employment by the Board to be employed by the City or the Agency or, by reason of their employment by the Board, to be subject to any of the requirements of the City or the Agency.

Section 3.07. Assistant Officers. The Board may by resolution appoint such assistants to act in the place of the Secretary or other officers of the Authority (other than any Director) and may by resolution provide for the appointment of additional officers of the Authority who may or may not be Directors, as the Board shall from time to time deem appropriate.

ARTICLE IV

POWERS

Section 4.01. General Powers. The Authority shall exercise in the manner herein provided the powers which are common to each of the City and the Agency and necessary to the accomplishment of the purposes of this Agreement, subject to the restrictions set forth in Section 4.04.

As provided in the Act, the Authority shall be a public entity separate from the City and the Agency. The Authority shall have the power to acquire and to finance the acquisition of Public Capital Improvements necessary or convenient for the operation of the City or the Agency.

Section 4.02. Power to Issue Revenue Bonds. The Authority shall have all of the powers provided in the Act, including the power to issue Bonds and other forms of indebtedness thereunder.

Section 4.03. Specific Powers. The Authority is hereby authorized, in its own name, to do all acts necessary for the exercise of the foregoing powers, including but not limited to, any or all of the following:

(a) to make and enter into contracts;

(b) to employ agents or employees;

(c) to acquire, construct, manage, maintain or operate any Public Capital Improvement, including the common power of the City and the Agency to acquire any Public Capital Improvement by the power of eminent domain;

(d) to sue and be sued in its own name;

(e) to issue Bonds and otherwise to incur debts, liabilities or obligations, provided that no such Bond, debt, liability or obligation shall constitute a debt, liability or obligation of the City and the Agency;

(f) to apply for, accept, receive and disburse grants, loans and other aids from any agency of the United States of America or of the State of California;

(g) to invest any money in the treasury pursuant to Section 6505.5 of the Act which is not required for the immediate necessities of the Authority, as the Authority determines is advisable, in the same manner and upon the same conditions as local agencies, pursuant to Section 53601 of the Government Code of the State of California;

(h) to carry out and enforce all the provisions of this Agreement;

(i) to make and enter into Bond Purchase Agreements; and

(j) to exercise any and all other powers as may be provided in the Act or in the Bond Law.

Section 4.04. Restrictions on Exercise of Powers. The powers of the Authority shall be exercised in the manner provided in the Act and in the Bond Law, and, except for those powers set forth in the Bond Law, shall be subject (in accordance with Section 6509 of the Act) to the restrictions upon the manner of exercising such powers that are imposed upon the City in the exercise of similar powers.

Section 4.05. Obligations of Authority. The debts, liabilities and obligations of the Authority shall not be the debts, liabilities and obligations of the City and the Agency.

ARTICLE V

METHODS OF PROCEDURE; CREDIT TO MEMBERS

Section 5.01. Assumption of Responsibilities By the Authority. As soon as practicable after the date of execution of this Agreement, the Directors shall give notice (in the manner required by Section 2.04) of the organizational meeting of the Board. At said meeting the Board shall provide for its regular meetings as required by Section 2.04 and elect a Chairperson and Vice-Chairperson and appoint the Secretary.

Section 5.02. Delegation of Powers. The City and the Agency hereby delegate to the Authority the power and duty to acquire, by lease, lease-purchase, installment sale agreements, or otherwise, such Public Capital Improvements as may be necessary or convenient for the operation of the City or the Agency.

Section 5.03. Credit to City and the Agency. All accounts or funds created and established pursuant to any instrument or agreement to which the Authority is a party, and any interest earned or accrued thereon, shall inure to the benefit of the City and the Agency in the respective proportions for which such funds or accounts were created.

ARTICLE VI

CONTRIBUTION: ACCOUNTS AND REPORTS; FUNDS

Section 6.01. Contributions. The City and the Agency may in the appropriate circumstance when required hereunder:

(a) make contributions from their treasuries for the purposes set forth herein;

(b) make payments of public funds to defray the cost of such purposes;

(c) make advances of public funds for such purposes, such advances to be repaid as provided herein; or

(d) use its personnel, equipment or property in lieu of other contributions or advances.

The provisions of Government Code Section 6513 are hereby incorporated into this Agreement by reference.

Section 6.02. Accounts and Reports. To the extent not covered by the duties assigned to a trustee chosen by the Authority, the Treasurer shall establish and maintain such funds and accounts as may be required by good accounting practice or by any provision of any trust agreement entered

into with respect to the proceeds of any Bonds issued by the Authority. The books and records of the Authority in the hands of a trustee or the Treasurer shall be open to inspection at all reasonable times by representatives of the City and the Agency. The Treasurer, within 180 days after the close of each Fiscal Year, shall give a complete written report of all financial activities for such Fiscal Year to the City and the Agency to the extent such activities are not covered by the report of such trustee. The trustee appointed under any indenture or trust agreement shall establish suitable funds, furnish financial reports and provide suitable accounting procedures to carry out the provisions of said trust agreement. Said trustee may be given such duties in said indenture or trust agreement as may be desirable to carry out this Agreement.

Section 6.03. Funds. Subject to the applicable provisions of any instrument or agreement which the Authority may enter into, which may provide for a trustee to receive, have custody of and disburse Authority funds, the Treasurer of the Authority shall receive, have custody of and disburse Authority funds as nearly as possible in accordance with generally accepted accounting practices and shall make the disbursements required by this Agreement or to carry out any of the provisions or purposes of this Agreement.

ARTICLE VII

TERM

Section 7.01. Term. This Agreement shall become effective as of the date hereof and shall continue in full force and effect until terminated by the parties in writing; provided, however, that this Agreement shall not be terminable while any Bonds of the Authority remain outstanding.

Section 7.02. Disposition of Assets. Upon termination of this Agreement, all property of the Authority, both real and personal, shall be divided among the parties hereto in such manner as shall be agreed upon by the parties.

ARTICLE VIII

MISCELLANEOUS PROVISIONS

Section 8.01. Notices. Notices hereunder shall be in writing and shall be sufficient if delivered to:

City of San Fernando
117 Mcneil Street
San Fernando, California 91340
Attention: City Administrator

Redevelopment Agency of the
City of San Fernando
117 Mcneil Street
San Fernando, California 91340
Attention: Executive Director

Section 8.02. Section Headings. All section headings in this Agreement are for convenience of reference only and are not to be construed as modifying or governing the language in the section referred to or to define or limit the scope of any provision of this Agreement.

Section 8.03. Consent. Whenever in this Agreement any consent or approval is required, the same shall not be unreasonably withheld.

Section 8.04. Law Governing. This Agreement is made in the State of California under the constitution and laws of the State of California and is to be so construed.

Section 8.05. Amendments. This Agreement may be amended at any time, or from time to time, except as limited by contract with the owners of Bonds issued by the Authority or by applicable regulations or laws of any jurisdiction having authority, by one or more supplemental agreements executed by both of the parties to this Agreement either as required in order to carry out any of the provisions of this Agreement or for any other purpose, including without limitation addition of new parties (including any legal entities or taxing areas heretofore or hereafter created) in pursuance of the purposes of this Agreement.

Section 8.06. Enforcement by Authority. The Authority is hereby authorized to take any or all legal or equitable actions, including but not limited to injunction and specific performance, necessary or permitted by law to enforce this Agreement.

Section 8.07. Severability. Should any part, term or provision of this Agreement be decided by any court of competent jurisdiction to be illegal or in conflict with any law of the State of California, or otherwise be rendered unenforceable or ineffectual, the validity of the remaining portions or provisions shall not be affected thereby.

Section 8.08. Successors. This Agreement shall be binding upon and shall inure to the benefit of the successors of the City or the Agency, respectively. Neither the City nor the Agency may assign any right or obligation hereunder without the written consent of the other.

IN WITNESS WHEREOF, the parties hereto have caused this Agreement to be executed and attested by their proper officers thereunto duly authorized and their official seals

to be hereto affixed, on the day and year set opposite the name of each of the parties.

CITY OF SAN FERNANDO

By: _____
Mayor of the City
of San Fernando

ATTEST:

_____
Mary Stenn, City Clerk
City of San Fernando

REDEVELOPMENT AGENCY OF THE
CITY OF SAN FERNANDO

By: _____
Chairperson
Redevelopment Agency of the
City of San Fernando

ATTEST:

_____
Secretary
Redevelopment Agency of
the City of San Fernando

5/124/063060-0058/007

State of California
Secretary of State

I, BRUCE McPHERSON, Secretary of State of the State of California, hereby certify:

That the attached transcript of ___1___ page(s) was prepared by and in this office from the record on file, of which it purports to be a copy, and that it is full, true and correct.

IN WITNESS WHEREOF, I execute this certificate and affix the Great Seal of the State of California this day of

OCT 24 2006

BRUCE McPHERSON
Secretary of State

State of California
March Fong Eu
Secretary of State

FILE NO. 1144

FILED
In the office of the Secretary of State
of the State of California
MAY 17 1991
March Fong Eu
MARCH FONG EU, Secretary of State

(Office Use Only)

NOTICE OF A JOINT POWERS AGREEMENT
(Government Code Section 6503.5 or 6503.7)

Instructions:

1. Complete and mail to: Secretary of State, P.O. Box 944225, Sacramento, CA 94244-2250 (916) 324-6778
2. Include filing fee of $5.00.
3. Do not include attachments, unless otherwise specified.

The name of the agency or entity created under the agreement and responsible for the administration of the agreement is: City of San Fernando Public Financing Authority

Mailing address: 117 Macneil Street, San Fernando, CA 91340

Provide a short title of the agreement if applicable: "Joint Exercise of Powers Agreement--City of San Fernando Public Financing Authority"

The public agencies party to the agreement are:

(1) City of San Fernando

(2) Redevelopment Agency of the City of San Fernando

(3)

if more space is needed, continue on a separate sheet and attach it to this form.

The effective date of the agreement is: March 18, 1991

Provide a condensed statement of the agreement's purpose or the powers to be exercised:

To provide financing and refinancing of public capital improvements for the parties to the agreement and other public entities.

Date: May 15, 1991

Mary Strenn
Signature

Mary Strenn, City Administrator
Typed Name and Title

Sec/State Form 1F158-404 Rev 1/1988

SAN FERNANDO REDEVELOPMENT AGENCY

and

U.S. BANK NATIONAL ASSOCIATION

as Trustee

INDENTURE

Dated as of December 1, 2006

Relating to

San Fernando Redevelopment Agency
Civic Center Redevelopment Project (Project No. 3)
Tax Allocation Bonds

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ITEM 3

Presentation to be provided by City of San Fernando Successor Agency Staff.

RESOLUTION NO. 532

A RESOLUTION OF THE SAN FERNANDO REDEVELOPMENT AGENCY AMENDING THE BUDGET FOR THE 1993-94 FISCAL YEAR

WHEREAS, Resolution No. 500 approving the budget for fiscal year 1993-94 was adopted on June 25 1993; and

WHEREAS, the Executive Director has recommended, and the Agency Board desires, to approve certain amendments to said budget.

NOW, THEREFORE, BE IT RESOLVED by the Agency Board of the Redevelopment Agency of the City of San Fernando that the Director of Finance is authorized to record interfund cash transfers as requested in accordance with this resolution, and Resolution No. 471 adopting the budget for fiscal year 1993-94 is hereby amended as follows:

1. ADDITION

Account Number	Account Name	Amount
93-650-0000-4300 Fund:Project No 4	Professional Service	$50,000

2. PURPOSE

To provide funds for feasibility of and creation of Project Area No. 4 with loan from General Fund.

2. SOURCE

Account Number	Account Name	Amount
93-2401 Fund: Project No 4	Available Fund Bal (Tran Fm Gen Fd)	$50,000

PASSED AND ADOPTED by the Redevelopment Agency of the City of San Fernando this 6th day of June, 1994.

CHAIRMAN

ATTEST:

EXECUTIVE DIRECTOR

STATE OF CALIFORNIA)
COUNTY OF LOS ANGELES) ss
CITY OF SAN FERNANDO)

I, Mary Strenn, Executive Director of the Redevelopment Agency of the City of San Fernando, do hereby certify that the foregoing resolution was duly adopted by the Agency Board and signed by the Chairman of said City at a meeting held on the 6th day of June, 1994; and that the same was passed by the following vote to-wit:

AYES: Ojeda, Wysbeek, Godinez, Baltierrez, Chacon - 5

NOES: None - 0

ABSENT: None - 0

EXECUTIVE DIRECTOR

RESOLUTION NO. 537

RESOLUTION OF THE SAN FERNANDO REDEVELOPMENT AGENCY, APPROVING A BUDGET FOR THE 1994-95 FISCAL YEAR AND ACCEPTING LOANS FROM THE CITY OF SAN FERNANDO TO THE AGENCY'S ADMINISTRATIVE FUND AND AUTHORIZING EXPENDITURES THEREFROM.

WHEREAS, the Proposed budget of the San Fernando Redevelopment Agency (the "Agency") for Fiscal Year 1994-95 is attached hereto as Exhibit "A" (the "Budget"), and by this reference is incorporated herein; and

WHEREAS, Section 33445 of the Law provides, in pertinent part, that an Agency may, with the consent of the City Council, pay all or part of the cost of the installation and construction of any building, facility, structure or other improvement which is publicly owned, either within or without the Project Areas, upon a determination by the City Council that such buildings, facilities, structures, or other improvements are of benefit to the Project Area or the immediate neighborhood in which the Project Area is located, and that no other reasonable means of financing such buildings, facilities, structures or other improvements are available to the community; and

WHEREAS, said Section 33445 of the Law authorizes the Agency to borrow funds from the City in furtherance of the Agency's activities and functions; and

WHEREAS, the Fiscal Year 1994-95 Loan Agreements documenting such loan is attached hereto as Exhibit "B" and by this reference incorporated herein; and

WHEREAS, reimbursement agreements between the City and Agency for certain public improvements are attached hereto as Exhibit "C" or are already in existence and by reference incorporated herein.

NOW, THEREFORE, BE IT HEREBY RESOLVED, DETERMINED AND ORDERED BY THE AGENCY BOARD OF THE SAN FERNANDO REDEVELOPMENT AGENCY AS FOLLOWS:

Section 1. That the Budget attached hereto as Exhibit "A" is hereby adopted and approved as the 1994-95 Fiscal Year Budget of the Agency.

Section 2. The Agency hereby determines that the construction of the public improvements funded in the Agency's 1994-95 Fiscal Year Budget are of benefit to the Project Areas, the surrounding neighborhoods in which the Project Areas are located and the entire community of the City of San Fernando.

Section 3. The Agency determines that it is appropriate to finance said public improvements, contingent only upon the City Council of the City of San Fernando adopting its resolution finding

that the improvements are of benefit to the Project Areas, the surrounding neighborhoods in which the Project Areas are located and the entire community of the City of San Fernando and there are no other reasonable means of financing such improvement activities.

Section 4. That the loan from the City of San Fernando of $483,000 appropriated to the Agency Administrative Fund as set forth in said Budget, is hereby accepted by the Agency, and the Agency acknowledges that said loan constitutes indebtedness of the Agency within the meaning of Article 6, Chapter 6, of the Law.

Section 5. The expenditure of monies from the Agency Administrative Fund as set forth in said Budget is hereby authorized, subject to expenditures in substantially the same manner as money drawn by other agencies and departments of the City of San Fernando subject to budgetary control.

Section 6. The Agency agrees to reimburse the City for certain costs of public improvements as identified in Exhibit "C", and for other costs established by other existing reimbursement agreements, and said reimbursement constitutes indebtedness of the Agency.

Section 7. As required by the Law, the Agency shall file annually with the City a detailed report of all of its transactions with respect to the Agency Administrative Fund, including a statement of all revenues and expenditures. This requirement may be met by the filing of the report required by Section 33080.1 of the Law.

Section 8. The Chairman and the Executive Director are hereby authorized to execute the Loan Agreement attached hereto as Exhibit "B" and reimbursement Agreements attached hereto as Exhibit C", on behalf of the Agency as the Agency;s act and deed.

PASSED, APPROVED, AND ADOPTED this 20th day of June, 1994.

RAYMOND OJEDA, CHAIRMAN

ATTEST:

MARY STREWN, EXECUTIVE DIRECTOR

STATE OF CALIFORNIA)
COUNTY OF LOS ANGELES) SS
CITY OF SAN FERNANDO)

I, MARY STRENN, Executive Director of the Redevelopment Agency, do hereby certify that the foregoing Resolution No. 537 was duly adopted by the Agency and signed by the Chairman of said Board at a meeting held on the 20th day of June, 1994; and that the same was passed by the following vote to-wit:

AYES: Baltierrez, Chacon, Godinez, Wysbeek, Ojeda - 5

NOES: None - 0

ABSENT: None - 0

ABSTAIN: None - 0

Mary Strenn

MARY STRENN, EXECUTIVE DIRECTOR

SAN FERNANDO REDEVELOPMENT AGENCY
FISCAL YEAR 1994-95 BUDGET
DEBT FUNDS.

REVENUES

Source	Project 1	Project 2	Project 3	Project 4	Housing
Tax Increment Receipts[1]	$411,100 *405,010*	$294,560 *301,280*	$1,963,290 *2,091,200*	$ -0- *-0-*	$ -0- *-0-*
Interest Earned	$ 27,200 *26,240*	26,500 *29,600*	120,200 *120,000*	-0- *-0-*	38,500 *40,000*
General Fund Loan				90,000 *-0-*	
Prior Year Fund Balance					1,214,480 *1,048,440*[2]
Total Income	$438,300 *431,250*	$321,060 *330,880*	$2,083,490 *2,211,200*	90,000 *-0-*	$1,252,980 *1,088,440*

LEGEND:
Normal Print - 1994-95 Recommended Budget
Italics Print - 1993-94 Budget

[1]Tax Increment Receipts are total tax receipts collected on property within each Project Area.

[2] Low and Moderate debt service from all Project Area's

SAN FERNANDO REDEVELOPMENT AGENCY
FISCAL YEAR 1994-95 BUDGET
DEBT FUNDS.

DEBT APPROPRIATIONS

Appropriations	Project 1	Project 2	Project 3	Project 4	Housing
1987 Bond Debt Service	$100,780 *102,580*	$ 0 *0*	$ 123,900 *126,000*	-0- *-0-*	
1991 Series A Bond Debt Svc.	$ 18,470 *18,470*	$210,880 *205,430*	$ 390,960 *439,370*	-0- *-0-*	
Parking Lot 6N Debt Svc.	$ 0	$ 0	$ 106,000 *119,000*	-0- *-0-*	
Facade Renovation Program/ Interest Debt Svc.	$ 20,000[3] *$ 9,000*	$ 0	$ -0-	-0- *-0-*	
Total Debt Service	$139,250 *130,050*	$210,880 *205,430*	$620,860 *684,370*	-0- *-0-*	

[3] Agency's share of interest repayment on Facade Loans and architectural fees.

SAN FERNANDO REDEVELOPMENT AGENCY
FISCAL YEAR 1994-95 BUDGET
DEBT FUNDS.

ONGOING COMMITTED APPROPRIATIONS

Appropriations	Project 1	Project 2	Project 3	Project 4	Housing
Trsfer to Housing Set- Aside	$ 82,280 *81,000*	$ 58,910 *60,260*	$ 392,660 *270,000*		$(533,850) *(411,260)*
DDA Payment - Haagan	$110,000 *110,000*		$ 216,800 *$ 216,800*		
Administrative Expenses[4]	$ 41,830 *41,830*	$ 29,360 *40,360*	$ 130,000 *190,000*	$ 60,000 *-0-*	$ 86,810 *75,810*
Legal, Appraisal, Consultants	$ 30,000 *30,000*	$ 15,000 *15,000*	$ 30,000 *30,000*	$ 30,000 *-0-*	$ 30,000 *30,000*
Eastman DDA-Payment			$ 160,000 *150,000*		
0.00 * rea Program					$ 185,000 *477,100*
41,830.00 + 29,360.00 + 130,000.00 + 60,000.00 + 86,810.00 + 348,000.00 ◊ ousing Project					$ 400,000 *-0-*
ition					$1,085,020 *916,790*
Purchase	$ 7,600 *7,600*	$ 4,400 *4,400*	$ 28,000 *28,000*		
30,000.00 + 15,000.00 + 30,000.00 + 30,000.00 + 30,000.00 + 483,000.00 *					

0.00 * e the City for administrative costs determined by the annual cost allocation update. The updated 8,000 and projected 1993-94 is $348,000.

SAN FERNANDO REDEVELOPMENT AGENCY
FISCAL YEAR 1994-95 BUDGET
DEBT FUNDS.

ONGOING COMMITTED APPROPRIATIONS

Appropriations (cont'd)	Project 1	Project 2	Project 3	Project 4	Housing
County School Augmentation	$ 7,700 *7,700*	$ 5,500 *5,500*	$ 36,800 *36,800*		
County Pass Through (Net)[5]	$ 10,500 *10,500*		$420,500 *395,400*		
Subtotal	$289,910 *288,630*	$ 113,170 *125,520*	$1,415,760 *1,317,000*	$ 90,000 *-0-*	$1,252,980 *1,088,440*
Total Appropriations	$429,160 *418,680*	$ 324,050 *330,950*	$2,036,620 *2,001,370*	$ 90,000 *-0-*	1,252,980 *1,088,440*
Surplus	$ 10,140 *12,570*	$ (2,990) *(70)*	$ 46,870 *209,830*	-0- *-0-*	0 *0*

[5] County withholding of tax revenues as spelled out in annexation agreements between the City and the County for Project Area 1 and 3 annexation agreement.

SAN FERNANDO REDEVELOPMENT AGENCY
FISCAL YEAR 1994-95 BUDGET

PROJECTS

Discription	Project 1	Project 2	Project 3	Project 4	Housing
City Hall Litigation			$ 370,000		
San Fernando Road	$ 500,000				
City Yard Relocate[6]			750,000		
Future Project Assist		$ 550,000			
Total Projects	$ 500,000	$ 550,000	$1,120,000		

[6] To fund a New City Yard Needs Assessment & Site Analysis.

ORDINANCE NO. 1447

AN ORDINANCE OF THE CITY COUNCIL OF THE CITY OF SAN FERNANDO APPROVING AND ADOPTING THE REDEVELOPMENT PLAN FOR REDEVELOPMENT PROJECT AREA NO. 4 AS THE OFFICIAL REDEVELOPMENT PLAN FOR SAID PROJECT

WHEREAS, The City Council has received from the San Fernando Redevelopment Agency (the "Agency") the proposed Redevelopment Plan for Redevelopment Project Area No. 4 (the "Redevelopment Plan") area (the "Project Area") as approved by the Agency, a copy of which is on file with the City Clerk at the Office of the City Clerk, 117 Macneil Street, San Fernando, CA 91340, together with the report of the Agency prepared pursuant to Section 33352 of the California Health and Safety Code (the "Report to City Council"), including the reasons for the selection of the area and a discussion of certain other matters as set forth in Section 33352 of the California Health and Safety Code including an analysis of the physical, and economic conditions existing in the Project Area, the proposed method of financing the redevelopment of the Project Area, a plan for the relocation of business owners and tenants who may be temporarily or permanently displaced under the Redevelopment Plan, the minutes of consultations with affected taxing agencies, the Mitigated Negative Declaration on the Redevelopment Plan, and an implementation plan as required in the Report to City Council; and

WHEREAS, the City Council and the Agency held a joint public hearing on July 5, 1994 concerning the adoption of the Redevelopment Plan and the adoption of the Mitigated Negative Declaration on the Redevelopment Plan ("Negative Declaration"); and

WHEREAS, notice of the hearing was duly and regularly published in a newspaper of general circulation in the City of San Fernando in accordance with Sections 33361 and 34013(f) of the California Health and Safety Code, and a copy of said notice and affidavit of publication are on file with the City Clerk of the City of San Fernando and Secretary of the Agency, and

WHEREAS, copies of the notice of joint public hearing were mailed by first class mail to the last known address of each assessee, as shown on the last equalized assessment roll of the County of Los Angeles, of each parcel of land in the Project Area, to each resident, and to each business as practicable; and

WHEREAS, each addressee in the Project Area was sent a separate statement, attached to the notice of joint public hearing, that properties will be subject to acquisition by condemnation under the provisions of the Redevelopment Plan; and

WHEREAS, copies of the notice of joint public hearing were mailed by certified mail with return receipt requested to the governing body of each known taxing agency which receives taxes from property in the Project Area; and

WHEREAS, the Agency has prepared and submitted a method for the relocation of persons and businesses who may be displaced as a result of carrying out redevelopment activities in accordance with the Redevelopment Plan; and

WHEREAS, the City Council has knowledge of the conditions existing in the Project Area and of the availability of suitable housing in the City for the relocation of families and persons who may be displaced by redevelopment activities, and in light of such knowledge of local housing conditions, has carefully considered and reviewed such program for relocation; and

WHEREAS, the City Council has considered the report of the Agency, the Redevelopment Plan and its economic feasibility, the feasibility of the relocation program, and the Negative Declaration; and has provided an opportunity for all persons to be heard, and has received and considered all evidence and testimony presented for or against any and all aspects of the Redevelopment Plan; and

WHEREAS, the Agency and the City Council have reviewed and considered the Negative Declaration for the Redevelopment Plan, prepared and submitted pursuant to Public Resources Code Section 21000 et seq. and Health & Safety Code Section 33352, and approved said Negative Declaration on July 5, 1994, by City Council Resolution No. 6361 .

NOW, THEREFORE, THE SAN FERNANDO CITY COUNCIL DOES ORDAIN AS FOLLOWS:

Section 1:

The purpose and intent of the City Council with respect to the Project Area is to accomplish to the greatest extent feasible the following:

- Preserve the economic base of the Project Area by developing commercial establishments that are high sales tax and job producers.
- Broaden the community's economic base by attracting new commercial and industrial uses to the Project Area.
- Diversify the make-up of the Project Area by developing a variety of uses that work in concert toward economic stability.
- Provide for infrastructure improvements in the Project Area.
- Encourage expansion of local commercial and industrial opportunities, which will create jobs and an expanded sales and property tax base.

- Promote new development consistent with the City's General Plan.

- Provide financial incentives to interested property owners who wish to repair or rehabilitate their buildings or revitalize their properties consistent with the San Fernando General Plan.

- Encourage public participation in the planning and implementation of the Project.

- Eliminate existing blighted conditions and damage from the Northridge earthquake, be they properties or structures, and prevent recurring blight in and about the Project Area.

- Eliminate environmental deficiencies, including inadequate street improvements, inadequate truck access, inadequate utility systems, and inadequate public services; and mitigation of the various economic, physical, and environmental characteristics of blight extant in the Project Area.

Section 2:

The City Council hereby finds and determines that:

(a) Redevelopment Project Area No. 4 suffered damage from the Northridge earthquake and its aftershocks, as documented in the Agency's Report to City Council.

(b) The Project Area is a predominately urbanized area. As demonstrated in part by the Agency's Report to City Council, not less than eighty percent (80%) of the privately owned property in the Project Area has been or is developed for urban uses.

(c) The Redevelopment Plan will redevelop the Project Area in conformity with the Community Redevelopment Law and in the interests of the public health, safety and welfare. This finding is based in part upon the fact that redevelopment of the Project Area will implement the objectives of the Community Redevelopment Law by aiding in the elimination and correction of the conditions documented in the Report to City Council, providing for planning, development, redesign, clearance, reconstruction or rehabilitation of properties which suffered damage or need improvement, and providing for higher economic utilization of potentially useful land.

(d) The adoption and carrying out of the Redevelopment Plan is economically sound and feasible. This finding is based in part on the fact that under the Redevelopment Plan no public redevelopment activity will be undertaken unless the Agency can demonstrate that it has adequate revenue to finance the activity;

the Agency's Report to City Council further discusses and demonstrates the economic soundness and feasibility of the Redevelopment Plan and undertakings pursuant thereto.

(e) The carrying out of the Redevelopment Plan will promote the public peace, health, safety and welfare of the City of San Fernando and will effectuate the purposes and policies of the Community Redevelopment Law. This finding is based on the fact that redevelopment will benefit the Project Area and the community by correcting conditions documented in the Report to City Council and by coordinating public and private actions to stimulate development, assist in repairing damage caused by the Northridge earthquake, contribute toward needed public improvements and improve the economic, and physical conditions of the Project Area and the community.

(f) The condemnation of real property to the extent provided for in the Redevelopment Plan is necessary to the execution of the Redevelopment Plan, and adequate provisions have been made for payment for property to be acquired as provided by law. This finding is based in part upon the need to assemble sites for development which will result in new economic activity in the Project Area and to prevent the recurrence of blight.

(g) The Agency has a feasible method for the relocation of families and persons displaced from the Project Area. The City Council and the Agency recognize that the provisions of Sections 7260 to 7276 of the California Government Code would be applicable to any relocation that would occur due to the implementation by the Agency of the Redevelopment Plan. The City Council finds and determines that the provision of relocation assistance according to law constitutes a feasible method for relocation.

(h) There shall be provided, within the Project Area or within other areas not generally less desirable with regard to public utilities and public and commercial facilities and at rents or prices within the financial means of any families and persons who might be displaced from the Project Area, decent, safe and sanitary dwellings equal in number to the number of and available to the displaced families and persons, and reasonably accessible to their places of employment. Families and persons shall not be displaced prior to the adoption of a relocation plan pursuant to Health and Safety Code Sections 33411 and 33411.1. Dwelling units housing persons and families of low or moderate income shall not be removed or destroyed prior to the adoption of a replacement housing plan pursuant to Health and Safety Code Sections 33334.5, 33413, and 33413.5. This finding is based upon the Relocation Method for Redevelopment Project Area No. 4 and the Housing Element of the General Plan.

(i) All land in the Project Area is either damaged or necessary for effective redevelopment, and not included for the purpose of obtaining the allocation of taxes from the Project Area pursuant to Section 33670 of the Community Redevelopment Law without other substantial justification for its inclusion. This finding, is based in part upon the fact that, following careful study, the Project Area was identified as an area within the City of San Fernando suffering conditions of damage from the Northridge earthquake.

(j) Inclusion of any land, buildings or improvements which are not detrimental to the public health, safety or welfare is necessary for the effective redevelopment of the entire area of which they are a part, and any such area is not included for the purpose of obtaining the allocation of tax increment revenues from such area pursuant to Section 33670 of the Community Redevelopment Law without other substantial justification for its inclusion. This finding is based in part upon the fact that the boundaries of the Project Area were specifically drawn to include lands and structures that were damaged during the Northridge earthquake, or affected by the existence of damage, whose inclusion is necessary to accomplish the objectives and benefits of the Redevelopment Plan.

(k) The redevelopment of the Project Area would not reasonably be expected to be accomplished by private enterprise acting alone without the aid and assistance of the Agency. This finding is based in part upon the existence of various conditions including, without limitation, the demonstrated lack of private sector interest in redeveloping properties in the Project Area, earthquake damage, structural deficiencies and other conditions more fully enumerated in the Agency's Report to City Council, and the infeasibility due to cost of requiring individuals (by means of assessments or otherwise) to eradicate or significantly alleviate existing deficiencies in properties and facilities and the inability and inadequacy of other governmental programs and financing mechanisms to eliminate the blighting conditions.

(l) The Redevelopment Plan contains adequate safeguards so that the work of redevelopment will be carried out pursuant to the Redevelopment Plan, and it provides for the retention of controls and the establishment of restrictions and covenants running with the land sold or leased for private use for periods of time and under conditions specified in the Redevelopment Plan, which the City Council deems necessary to effectuate the purposes of the Community Redevelopment Law.

(m) The time limitations and financial limitations established for the Project Area are reasonably related to the projects proposed in the Redevelopment Plan and to the ability of the Agency to eliminate blight within the Project Area.

Section 3:

The City Council is satisfied that permanent housing facilities will be available within three (3) years from the time occupants of the Project Area, if any, are displaced, and that pending the development of such permanent facilities, there will be available to any such displaced occupants temporary housing facilities at rents comparable to those in the City of San Fernando at the time of their displacement.

Section 4:

That certain document entitled "Redevelopment Plan for Redevelopment Project Area No. 4", the maps contained therein and such other reports as are incorporated therein by reference, a copy of which is on file in the Office of the City Clerk of the City of San Fernando, having been duly reviewed and considered, is hereby incorporated in this Ordinance by reference and made a part hereof. The Redevelopment Plan is hereby designated, approved and adopted as the official "Redevelopment Plan for Redevelopment Project Area No. 4."

Section 5:

In order to implement and facilitate the effectuation of the Redevelopment Plan as hereby approved, the City Council hereby (a) pledges its cooperation in helping to carry out the Redevelopment Plan, (b) requests the various officials, departments, boards and agencies of the City of San Fernando having administrative responsibilities in the Project Area likewise to cooperate to such end and to exercise their respective functions and powers in a manner consistent with the redevelopment of the Project Area, (c) stands ready to consider and take appropriate action upon proposals and measures designed to effectuate the Redevelopment Plan, and (d) declares its intention to undertake and complete any proceeding necessary to be carried out by the City of San Fernando under the provisions of the Redevelopment Plan.

Section 6:

The City Clerk is hereby directed to send a certified copy of this Ordinance to the Agency, whereupon the Agency is vested with the responsibility for carrying out the Redevelopment Plan.

Section 7:

The City Clerk is hereby directed to record with the County Recorder of Los Angeles County a description of the land within the Project Area and a statement that proceedings for the redevelopment of the Project Area have been instituted under the Community Redevelopment Law.

Section 8:

The City Clerk is hereby directed to transmit a copy of the description and statement to be recorded by the City Clerk pursuant to Section 8 of this Ordinance, a copy of this Ordinance and a map or plat indicating the boundaries of the Project Area, to the auditor and tax assessor of the County of Los Angeles, to the governing body of each of the taxing agencies which receives taxes from property in the Project Area and to the State Board of Equalization.

Section 9:

The Building Department of the City of San Fernando is hereby directed for a period of two (2) years after the effective date of this Ordinance to advise all applicants for building permits within the Project Area that the site for which a building permit is sought for the construction of buildings or for other improvements is within a redevelopment project area.

Section 10:

This Ordinance shall be in full force and effect thirty (30) days from and after the date of final passage.

Section 11:

If any part of this Ordinance or the Redevelopment Plan which it approves is held to be invalid for any reason, such decision shall not affect the validity of the remaining portion of this Ordinance or of the Redevelopment Plan, and the City Council hereby declares it would have passed the remainder of this Ordinance or approved the remainder of the Redevelopment Plan if such invalid portion thereof had been deleted.

Section 12:

This Ordinance shall be introduced at least five (5) days prior to the City Council meeting at which this Ordinance is to be adopted. The full text of this Ordinance shall be published and/or be posted as required by law in accordance with Government Code Section 36933.

PASSED, APPROVED, AND ADOPTED by the City Council of the City of San Fernando this 18th day of July, 1994.

Mayor of the City of San Fernando

ATTEST:

City Clerk of the City of San Fernando

I, MARY STRENN, City Clerk of the City of San Fernando, do hereby certify that the foregoing ordinance was duly adopted by the City Council and signed by the Mayor at a meeting held on the 18th day of July, 1994; and the same was passed by the following vote, to wit:

AYES:	Ojeda, Chacon, Godinez, Baltierrez - 4
NOES:	None - 0
ABSENT:	None - 0
ABSTAIN:	Wysbeek - 1

City Clerk

SAN FERNANDO
REDEVELOPMENT
AGENCY

Adopted July 18, 1994
Ordinance No. 1447

Redevelopment Plan for Redevelopment Project Area No. 4

GRC Redevelopment Consultants, Inc.
1340 Valley Vista Drive
Suite 120
Diamond Bar, CA 91765
(909) 396-9930

GRC

Redevelopment Plan for Redevelopment Project Area No. 4

AGENCY BOARD OF DIRECTORS

Raymond Ojeda, *Chairperson / Mayor*
Rosa Chacon, *Member / Mayor Pro Tem*
Joanne Baltierrez, *Member / Councilmember*
Raul Godinez II, *Member / Councilmember*
Doude Wysbeek, *Member / Councilmember*

PLANNING COMMISSION

Marisela Torres, *Chair*
Robert Quist, *Vice-Chair*
Gene Wyatt, *Commissioner*
Helen Arriola, *Commissioner*
Pancho Valenzuela, *Commissioner*

AGENCY STAFF

Mary Strenn, *Executive Director*
Josie Aguilar, *Former Project Manager*
Julia E. Sylva, Ochoa and Silas, *General Counsel*

Redevelopment Plan for Redevelopment Project Area No. 4

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I. INTRODUCTION

A. (§100) AUTHORITY

This Redevelopment Plan (hereinafter "Plan") for Redevelopment Project Area No. 4 was prepared by the San Fernando Redevelopment Agency in accordance with the California Community Redevelopment Law, California Health and Safety Code Section 33000 et seq. (hereinafter "Community Redevelopment Law" or "CRL"), and all applicable laws and ordinances, pursuant to the provisions of the Community Redevelopment Assistance and Disaster Project Law (CRL Sections 34000 to 34014). The Redevelopment Plan consists of this text, the Redevelopment Plan Map (Appendix "A"), and the Legal Description that will be appended hereto as Appendix "B" upon adoption of this Plan.

The CRL gives the Agency the authority to prepare a redevelopment plan using a streamlined process when a catastrophe has occurred, the Governor of the State of California has certified the need for assistance, and the President of the United States has determined that a major disaster has occurred pursuant to Public Law 875, 81st Congress, or other federal law. In response to the January 17, 1994 Northridge Earthquake, the Governor declared the need for such assistance to exist, and the President declared a major disaster pursuant to the Robert T. Stafford Disaster Relief and Emergency Assistance Act (42 U.S.C. 5121 et seq.). The Community Redevelopment Assistance and Disaster Project Law modifies the provisions of the CRL by allowing a redevelopment agency to approve a redevelopment plan in a disaster area without regard to the following provisions of the CRL:

(a) The requirements of Sections 33301 and 33302 that there be a planning commission and a general plan.

(b) The requirements of Sections 33320.1 and 33322 that the project area be a blighted area or that the project area be selected by a planning commission.

(c) The requirement of Section 33322 that a preliminary plan be prepared.

(d) The requirements of Section 33331 and 33332 that the redevelopment or urban renewal plan shall conform to the general plan and shall be based on a preliminary plan.

(e) The requirement of Section 33346 that the redevelopment or urban renewal plan be submitted to the planning commission.

(f) The notice of hearing requirements of Sections 33349 and 33361, provided notice of such hearings shall be published once at least 10 days prior to the hearing in question and the notice of the hearing by the agency on the redevelopment plan may be published at the same time as the notice of the hearing by the legislative body on the redevelopment plan, and both hearings may be held on the same day.

(g) The requirements of Section 33367 that the ordinance of the legislative body adopting the redevelopment or urban renewal plan shall contain findings (1) that the project area is a blighted area and (2) that the redevelopment or urban renewal plan conforms to the general plan of the community.

(h) The "relocation findings and statement" required by Section 33367 and the "relocation requirements" of Sections 33410 and 33411; provided, that the legislative body at the time of adopting the redevelopment or urban renewal plan for the disaster project area finds that the redevelopment agency has presented a plan for the encouragement, to the maximum extent feasible, of the provision of dwellings suitable for the needs of families displaced by the disaster or by redevelopment, rehabilitation or renewal activities.

Any ordinance of a legislative body adopting a redevelopment plan for a disaster area may be adopted as an emergency ordinance and shall not be subject to referendum.

B. (§110) DEFINITIONS

The following definitions will govern in the context of this Plan unless otherwise stipulated herein:

(§110.1) **Agency** means the Redevelopment Agency for the City of San Fernando.

(§110.2) **Area Median Income** means the median household income of a geographic area of the state as adjusted for family size as annually estimated by the United States Department of Housing and Urban Development or, in the event such determinations are discontinued, income limits published by the State Department of Housing and Community Development (Health and Safety Code Section 50093).

(§110.3) **City** means the City of San Fernando, California.

(§110.4) **City Council** means the City Council of the City of San Fernando, California.

(§110.5) **County** means the County of Los Angeles, California.

(§110.6) **Legal Description** means a description of the land within the Project Area in accordance with map specifications approved by the California State Board of Equalization. attached hereto as Appendix "B."

(§110.7) **Low- or Moderate-Income Households** means persons and families whose income does not exceed one hundred twenty percent (120%) of the Area Median Income (Health and Safety Code Section 50093).

(§110.8) **Map** means the Redevelopment Plan Map, attached hereto as Appendix "A."

(§110.9) **Occupant** means the persons, families, or businesses holding possession of a building or part of a building.

(§110.10) **Person** means any individual or any public or private entity.

(§110.11) **Plan** means this Redevelopment Plan for Redevelopment Project Area No. 4 in the City of San Fernando, California, a "redevelopment plan" under California Community Redevelopment Law.

(§110.12) **Planning Commission** means the Planning Commission of the City of San Fernando, California.

(§110.13) **Project** means Redevelopment Project Area No. 4, a "redevelopment project" under California , Community Redevelopment Law.

(§110.14) **Project Area** means the area included within the boundaries of Redevelopment Project Area No. 4, as depicted on

the Map, attached hereto as Appendix "A," and the Legal Description that will be appended hereto as Appendix "B" upon adoption of this Plan.

(§110.15) **Real Property** means land, buildings, structures, fixtures and improvements on the land; property appurtenant to or used in connection with the land; every estate, interest, privilege, easement, franchise, and right in land, including rights-of-way, terms for years, and liens, charges, or encumbrances by way of judgment, mortgage or otherwise, and the indebtedness secured by such liens.

(§110.16) **Redevelopment Law** means the Community Redevelopment Law of the State of California (California Health and Safety Code, Sections 33000 et seq.), as amended to date.

(§110.17) **State** means any state agency or instrumentality of the State of California.

(§110.18) **Tenant** means a person or group of persons who rent or otherwise are in lawful possession of a dwelling or business, including a sleeping room which is owned by another.

(§110.19) **Very Low Income Household** means persons and families whose incomes do not exceed the qualifying limits for very low income families established pursuant to Section 8 of the United States Housing Act of 1937 or, in the event such federal standards become obsolete, persons and families whose incomes do not exceed fifty percent (50%) of the median income, as estimated by the State Department of Housing and Community Development from time to time, for the area in which the housing units in question are located (Health and Safety Code Section 50105).

C. (§120) PROJECT AREA BOUNDARIES

The boundaries of the Project Area are shown in Appendix "A" and described in Appendix "B."

II. DEVELOPMENT IN THE PROJECT AREA

A. (§200) PROJECT OBJECTIVES

The Project Area includes property damaged in the Northridge earthquake and its various aftershocks. Additionally, various conditions of blight as defined in the CRL exist in the Project Area. The overriding objective of this Plan is to provide for the alleviation of physical and economic damage from the Northridge earthquake, and the elimination of physical and economic blighting conditions. These conditions will be alleviated or eliminated by assisting in long-term damage recovery, and through the provision of needed public improvements, mitigating the effects of building deterioration, age and obsolescence, and correcting problems of impaired investments and economic maladjustment. In eliminating these blighting conditions, this Plan will facilitate development as contemplated in the General Plan of the City of San Fernando.

In pursuing these general objectives, the Agency expects to:

Preserve the economic base of the Project Area by developing commercial establishments that are high sales tax and job producers.

Broaden the community's economic base by attracting new commercial and industrial uses to the Project Area.

Diversify the make-up of the Project Area by developing a variety of uses that work in concert toward economic stability.

Provide for infrastructure improvements in the Project Area.

Encourage expansion of local commercial and industrial opportunities, which will create jobs and an expanded sales and property tax base.

Promote new development consistent with the City's General Plan.

Provide financial incentives to interested property owners who wish to repair or rehabilitate their buildings or revitalize their properties consistent with the San Fernando General Plan.

Encourage public participation in the planning and implementation of the Project.

Eliminate existing blighted conditions, be they properties or structures, and prevent recurring blight in and about the Project Area.

Eliminate environmental deficiencies, including inadequate street improvements, inadequate truck access, inadequate utility systems, and inadequate public services; and mitigation of the various economic, physical, and environmental characteristics of blight extant in the Project Area.

B. (§210) CONFORMANCE TO CITY'S GENERAL PLAN

All uses proposed in this Plan, or other plans that may be adopted by the Agency, shall be in conformance with the City of San Fernando's General Plan as it now exists or may be hereafter amended. The Agency, after consultation with the Planning Commission, may, by resolution, adopt specific plans or programs for all or any portion of the Project Area which establish architectural controls, heights of buildings, land coverage, setback requirements, traffic circulation, traffic access, sign criteria and other development and design controls necessary for proper development of both private and public areas within the Project Area. These controls shall be in addition to, and may not relax requirements of the City of San Fernando's Zoning Ordinance.

C. (§220) SPECIFIC DEVELOPMENT OBJECTIVES

Development in the Project Area will be in conformance with this Plan and the City of San Fernando General Plan, which indicates Commercial, Light Industrial, and Medium Density residential (6 to 17 dwelling units per acre) land uses.

The Agency's development objectives involve encouraging the implementation of development in accordance with the General Plan designations identified above. In doing so it is the Agency's intent to provide assistance in the following manner:

1. The construction of needed public improvements and facilities including, but not limited to those described in Section 344 herein.

2. Various forms of Agency financial assistance including but not limited to land write-downs, tax exempt financing and financial aid programs for new construction and/or rehabilitation.

3. The completion of various planning studies as required to facilitate and coordinate the redevelopment process.

D. (§230) LAND USES FOR THE PROJECT AREA

In addition to illustrating the location of the Project Area boundaries, the Redevelopment Plan Map (Appendix "A") also illustrates the proposed public rights-of-way, public easements, open space, and proposed land uses to be permitted in the Project Area.

E. (§240) PUBLIC USES FOR THE PROJECT AREA

1. (§241) PUBLIC STREET LAYOUT, RIGHTS-OF-WAY AND EASEMENTS

The public rights-of-way, easements, and principal streets proposed or existing in the Project Area are shown on the attached Redevelopment Plan Map (Appendix "A").

Such streets and rights-of-way may be widened, altered, realigned, abandoned, vacated, or closed by the Agency and the City as necessary for proper development of the Project. Additional public streets, alleys, and easements may be created by the Agency and the City in the Project Area as needed for proper circulation.

The public rights-of-way shall be used for vehicular and pedestrian traffic as well as for public improvements, public and private utilities, and activities typically found in public rights-of-way. In addition, all necessary easements for public uses, public facilities, and public utilities may be retained and created.

2. (§242) OPEN SPACE, PUBLIC AND QUASI-PUBLIC USES, AND FACILITIES

In any portion of the Project Area, the Agency is authorized to permit the establishment or enlargement of public, semi-

public, institutional, or nonprofit uses. All such uses shall conform, so far as possible, with the provisions of this Plan applicable to the uses in the special area involved.

3. (§243) INTERIM USES

Pending the ultimate development of land in accordance with the provisions of this Plan, the Agency is authorized to use or permit the use of any land in the Project Area for interim uses not in conformity with the uses permitted in this Plan; provided, however, that approval of any such interim uses shall be subject to compliance with provisions of the San Fernando Municipal Code.

F. (§250) GENERAL DEVELOPMENT REQUIREMENTS

1. (§251) THE APPROXIMATE AMOUNT OF OPEN SPACE TO BE PROVIDED AND STREET LAYOUT

Open space and street layout is shown in the Redevelopment Plan Map included herewith as Appendix "A" and described in Section 242 of this Plan. Additional open space will be provided through application of City standards for building setbacks. An estimated 26 acres will be devoted to open space, landscaping, building setbacks, and rights-of-way at Project completion.

2. (§252) LIMITATIONS ON TYPE, SIZE, HEIGHT, NUMBER, AND PROPOSED USE OF BUILDINGS

Except as may be set forth in other Sections of this Plan, the type, size, height, number, and proposed use of buildings shall be limited by the applicable federal, state, and local statutes, ordinances, regulations, the San Fernando General Plan, and any requirements that may be adopted pursuant to this Plan. Limitations on land use are indicated on the Redevelopment Plan Map in Appendix "A."

3. (§253) THE APPROXIMATE NUMBER OF DWELLING UNITS

Approximately 25 dwelling units will be constructed in the Project Area upon full development pursuant to the San

Fernando General Plan. The uses permitted are as indicated on the Redevelopment Plan Map, Appendix "A."

4. (§254) THE PROPERTY TO BE DEVOTED TO PUBLIC PURPOSES AND THE NATURE OF SUCH PURPOSES

The locations of public uses are shown in the Redevelopment Plan map included herewith as Appendix A. Also, public uses are described in Section 240 of this Plan and specific public improvements/facilities are listed in Section 344. These improvements are generally expected to be provided in the public right-of-way or on land specifically acquired by the City for such purposes.

5. (§255) CONFORMANCE WITH THIS PLAN

All real property in the Project Area is hereby made subject to the controls and requirements of this Plan. No real property shall be developed, rehabilitated, or otherwise changed after the date of the adoption of this Plan except with the approval of the Agency and in conformance with the provisions of the City of San Fernando General Plan, of the San Fernando Municipal Code, and of this Plan and all applicable provisions of State law. The Agency shall have the right, to the greatest extent permitted by law, to administratively interpret this Plan in order to determine whether such changes are in conformance with this Plan including, without limitation, the controls and project objectives of this Plan.

6. (§256) NEW CONSTRUCTION

All construction in the Project Area shall comply with and meet or exceed all applicable state and local laws in effect as amended from time to time, including, but not necessarily limited to, Fire, Building, Electrical, Mechanical, Grading, Plumbing, and Planning Codes of the City of San Fernando.

7. (§257) REHABILITATION AND RETENTION OF PROPERTIES

Any existing structure within the Project Area and specifically approved for retention and rehabilitation may be repaired, altered, reconstructed, or rehabilitated as may be deemed necessary by the Agency to ensure that such structure will be safe and sound in all physical respects and not detrimental to the surrounding uses. Property rehabilitation standards for rehabilitation of existing buildings and site improvements may be established from time to time by the Agency.

8. (§258) SUBDIVISION OR CONSOLIDATION OF PARCELS

No parcels in the Project Area, including any parcels retained by a participant, shall be subdivided or consolidated without approval of the City.

G. (§260) DEVELOPMENT PROCEDURES

1. (§261) REVIEW OF APPLICATIONS FOR BUILDING PERMITS

Applications for building permits and the review thereof shall follow City procedures. The Agency may enact separate procedures for the review of building permits if the Agency deems such review necessary or beneficial to the implementation of this Plan.

2. (§262) MINOR VARIATIONS

The Agency is authorized to permit a minor variation from the limits, restrictions, and controls established by this Plan if the Agency determines that:

a) There are particular circumstances or conditions applicable to a property or to the intended development of a property which justify a minor variation;

b) Permitting a minor variation will not be materially detrimental to the public welfare or injurious to property or improvements in the area; and

c) Permitting a minor variation will not be contrary to the objectives of this Plan or of the General Plan of the City.

No variation shall be granted which changes a basic land use or which permits other than a minor departure from the provisions of this Plan. In permitting any such variation, the Agency shall impose such conditions as are necessary to protect the public peace, health, safety, or welfare and to assure compliance with the purposes of this Plan. Any variation permitted by the Agency hereunder shall not supersede any other approval required under applicable City codes and ordinances.

III. REDEVELOPMENT IMPLEMENTATION

A. (§300) GENERAL

To obtain the objectives of this Plan, the Agency is authorized to undertake the following implementation actions:

1. (§301) Providing for participation by owners and tenants of properties located in the Project Area by extending preferences to remain or relocate within the redevelopment area;

2. (§302) Acquisition of real property and management of property under the ownership and control of the Agency;

3. (§303) Relocation assistance to displaced Project occupants;

4. (§304) Demolition or removal of buildings and improvements;

5. (§305) Installation, construction, or reconstruction of streets, utilities, open spaces and other public improvements and facilities;

6. (§306) Rehabilitation, development, or construction of low- and moderate-income housing within the City;

7. (§307) Disposition of property for uses in accordance with this Plan;

8. (§308) Redevelopment of land by private enterprise and public agencies for uses in accordance with this Plan; and

9. (§309 Rehabilitation of structures and improvements by present owners, their successors, tenants, or the Agency.

B. (§310) PARTICIPATION BY OWNERS AND TENANTS

1. (§311) PARTICIPATION OPPORTUNITIES FOR OWNERS

Persons who are owners of businesses and other types of real property in the Project Area shall be given an opportunity to participate in redevelopment. Such opportunity may consist of retaining all or a portion of their properties, acquiring adjacent or other properties in the Project Area, or, where the Agency deems appropriate, by selling their properties to the Agency and purchasing other properties in the Project Area or in such other manner as the Agency shall deem to be appropriate. To the extent now or hereafter permitted by law, the Agency may establish a program under which it loans funds to owners or tenants for the purpose of rehabilitating commercial or industrial buildings or structures within the Project Area.

In the event anyone designated as a participant pursuant to this Plan fails or refuses to rehabilitate or develop his or her real property pursuant to this Plan and/or a participation agreement with the Agency, the real property, or any interest therein, may be acquired by the Agency subject to the limitations set forth in this Plan, and sold or leased for rehabilitation or development in accordance with this Plan.

Participation opportunities shall necessarily be subject to and limited by such factors as the land uses designated for the Project Area, the provision of public facilities, realignment of streets, experience in the development or operation of such undertakings as may be deemed appropriate by the Agency to best implement this Plan, the ability of owners to finance acquisition and development of structures in accordance with this Plan, the ability of owners to manage or operate the proposed development or activity, or any change in the total number of individual parcels in the Project Area.

In order to provide an opportunity to owners and tenants to participate in the growth and development of the Project Area, the Agency has promulgated rules for owner and tenant participation. If conflicts develop between the desires of participants for particular sites or land uses, the Agency has established reasonable priorities and preferences among the owners and tenants. Some of the factors considered in establishing the priorities and preferences included present occupancy, participant's length of occupancy in the area, accommodation of as many participants as possible, similar land use to similar land use, conformity of participants'

proposals with the intent and objectives of this Plan, experience with the development and operation of particular uses, and ability to finance the implementation, development experience, and total effectiveness of each participant's proposal in providing a service to the community. Such matters are more fully discussed in the rules for owner participation as adopted prior to the date this Plan is approved.

Owner/participant priorities shall take effect at the time that this Plan is adopted by the San Fernando City Council.

In addition to opportunities for participation by individual persons and firms, participation, to the extent it is feasible, shall be available for two or more persons, firms, or institutions to join together in partnerships, corporations, or other joint entities.

2. (§312) RE-ENTRY PREFERENCES FOR TENANTS

The Agency shall extend reasonable preferences to persons who are engaged in business in the Project Area to re-enter in business within the redevelopment Project Area, if they otherwise meet the requirements prescribed in this Plan. Business, institutional and semi-public tenants may, if they so desire, purchase and develop real property in the Project Area if they otherwise meet the requirements prescribed in this Plan.

3. (§313) PARTICIPATION AGREEMENTS

At the Agency's option, each participant may be required to enter into a binding agreement with the Agency by which the participant agrees to develop, rehabilitate, or use the property in conformance with this Plan and be subject to the provisions in the participation agreement. In such agreements, participants who retain real property shall be required to join in the recordation of such documents as are necessary to make the provisions of the agreement applicable to their properties.

Whether or not a participant enters into a participation agreement with the Agency, the provisions of this Plan are applicable to all public and private property in the Project Area.

C. (§320) PROPERTY ACQUISITION AND MANAGEMENT

1. (§321) ACQUISITION OF REAL PROPERTY

The Agency may acquire, but is not required to acquire, any real property located in the project area by gift, devise, exchange, purchase, or any other lawful method, including eminent domain on land not legally occupied for residential purposes. Eminent domain proceedings, if used, must be commenced within twelve (12) years from the date of adoption of this Plan. Such time limit may be extended by an amendment to this Plan.

The Agency is authorized to acquire structures without acquiring the land upon which those structures are located. The Agency is also authorized to acquire any other interest in real property less than a fee.

Properties may be acquired and cleared by the Agency if a determination is made that one or more of the following conditions exist:

a) The buildings and/or structures must be removed in order to assemble land into parcels of reasonable size and shape to eliminate that impediment to optimal land development;

b) The buildings and/or structures are substandard as demonstrated by an inspection of the property by the Building Department of the City of San Fernando;

c) The buildings and/or structures must be removed in order to eliminate an environmental deficiency, including, but not limited to, incompatible land uses and small and irregular lot subdivisions;

d) The buildings and/or structures must be removed to provide land for needed public facilities, including among others, rights-of-way, public safety facilities, public recreational facilities and open space, and other public utilities.

e) The acquisition of the property is allowed by Redevelopment Law and will promote the implementation of the Plan.

Properties which may not be acquired by eminent domain include the following:

a) Property owned by public bodies which do not consent to such acquisition. The Agency is authorized, however, to acquire property devoted to public use; or,

b) Real property to be retained by an owner, either as a conforming owner or pursuant to a participation agreement, if the owner fully performs under the agreement; or,

c) Real property on which an existing building is to be continued on its present site and in its present form and use may not be acquired by eminent domain without the consent of the owner unless: (i) the building requires structural alterations, improvements, modernization or rehabilitation; (ii) the site or lot on which the building is situated requires modification in size, shape or use; or (iii) it is necessary to impose upon such property any of the standards, restrictions and controls of this Plan, and the owner fails or refuses to participate in this project by executing an Owner Participation Agreement.

Other provisions of this section notwithstanding, the Agency shall not acquire from any of its members or officers any property or interest in property except through eminent domain proceedings.

2. (§322) ACQUISITION OF PERSONAL PROPERTY

Generally, personal property shall not be acquired. However, where necessary for the execution of this Plan, the Agency is authorized to acquire personal property in the Project Area by any lawful means.

3. (§323) PROPERTY MANAGEMENT

During such time as property, if any, in the Project Area is owned by the Agency, such property shall be under the management and control of the Agency. Such property may be maintained, managed, operated, repaired, cleaned, rented, or leased to an individual, family, business, or other appropriate entity by the Agency pending its disposition for redevelopment.

The Agency shall maintain all Agency-owned property that is not to be demolished in a reasonably safe and sanitary condition. Furthermore, the Agency may insure against risks or hazards, any of the real or personal property which it owns.

In accordance with CRL Section 33401, the Agency may, in any year during which it owns property in the Project Area (and, therefore, is tax exempt) pay directly to any city, county, city and county, district, including, but not limited to, a school district, or other public corporation for whose benefit a tax would have been levied upon the property had it not been exempt, an amount of money in lieu of taxes that may not exceed the amount of money the public entity would have received if the property had not been tax exempt.

The Agency is not authorized to own and operate rental property acquired and rehabilitated in prospects of resale, beyond a reasonable period of time necessary to effect such resale.

D. (§330) RELOCATION OF PERSONS, FAMILIES AND BUSINESSES

1. (§331) RELOCATION ASSISTANCE

Relocation advisory assistance will be furnished by the Agency to any person (either owners or renters) or business concern whose property is acquired by the Agency in connection with the implementation of the Plan. No person of low- or moderate-income will be required to move from his dwelling unit because of the activities of the Agency in implementing the Plan unless and until there is a suitable housing unit available and ready for occupancy by such displaced person or family at rents comparable to those at the time of their displacement. Replacement housing shall be available in areas not generally less desirable with regard to public utilities, public and commercial facilities, and reasonably accessible to the place of employment.

2. (§332) RELOCATION PLAN

The Agency shall prepare a feasible plan for relocation of all of the following:

a) Families and persons to be temporarily or permanently displaced from housing facilities in the Project Area.

b) Nonprofit local community institutions to be temporarily or permanently displaced from facilities

actually used for institutional purposes in the Project Area.

The City Council shall insure that such plan of the Agency for the relocation of families or single persons to be displaced by a project shall provide that no persons or families of low- and moderate-income shall be displaced unless and until there is a suitable housing unit available and ready for occupancy by such displaced person or family at rents comparable to those at the time of their displacement. Such housing units shall be suitable to the needs of such displaced persons or families and must be decent, safe, sanitary, and otherwise standard dwellings. The Agency shall not displace such person or family until such housing units are available and ready for occupancy.

3. (§333) RELOCATION PAYMENTS

The Agency shall make relocation payments to qualified persons or businesses displaced by the Project pursuant to applicable laws. Such relocation payments shall be made pursuant to Agency rules and regulations adopted pursuant to California Government Code and guidelines promulgated by the State Department of Housing and Community Development and any Agency rules and regulations adopted pursuant thereto. In addition, the Agency may make any additional relocation payments which, in the Agency's opinion, may be reasonably necessary to carry out the purposes of this Plan. These additional payments shall be subject to the availability of funds for such purpose.

4. (§334) TEMPORARY RELOCATION HOUSING

The Agency is authorized to provide temporary relocation housing on cleared sites within the Project Area, subject to approval by the City of San Fernando. Such action by the Agency would be to provide additional safe, standard, and decent relocation housing resources for families and businesses within the Project Area prior to permanent disposition and development of such cleared sites. If feasible and desirable, the Agency may also utilize sites outside the Project Area for providing relocation housing resources. The Agency is also authorized to provide temporary relocation housing in houses acquired by the Agency that are being held for sale and/or rehabilitation.

E. (§340) DEMOLITION, CLEARANCE, SITE PREPARATION, PROJECT IMPROVEMENTS AND PUBLIC IMPROVEMENTS

1. (§341) DEMOLITION AND CLEARANCE

The Agency is authorized to demolish and clear or move, or cause to be demolished and cleared or moved, buildings, structures, and other improvements from any real property in the Project Area as necessary to carry out the purposes of this Plan.

2. (§342) BUILDING SITE PREPARATION

The Agency is authorized to prepare, or cause to be prepared as building sites, any real property in the Project Area.

3. (§343) PROJECT IMPROVEMENTS

The Agency is authorized to install and construct, or to cause to be installed and constructed, project improvements and public utilities necessary to carry out this Plan. Such improvements include, but are not limited to, streets, curbs, gutters, street lights, sewers, storm drains, traffic signals, electrical distribution systems, natural gas distribution systems, water distribution systems, or overpasses, underpasses, bridges, and landscaped areas.

4. (§344) PUBLIC IMPROVEMENTS

The Agency may, with the consent and cooperation of the City Council, pay all or part of the value of the land for, and the cost of the installation and construction of, any buildings, facilities, structures or other improvements which are publicly owned, either outside or inside the Project Area, if each of the City Council and the Agency determines that:

a) Such buildings, facilities, structures or other improvements are of benefit to the Project Area or to the immediate neighborhood in which the Project is located.
b) No other reasonable means of financing such buildings, facilities, structures or other improvements are available to the community. Such determinations by the Agency and the City Council shall be final and conclusive.

c) The payment of funds for the acquisition of land or the cost of buildings, facilities, structures, or other improvements will assist in the elimination of one or more blighting conditions inside the Project Area.

The Agency is specifically authorized to provide or participate in providing the improvements described in Section 365, as well as, the public improvements or facilities including the acquisition of any appurtenant rights-of-way listed below.

Street Improvements

- Resurface Truman Street
- Resurface First Street
- Upgrade traffic signal at Truman Street and S. Workman Street
- Upgrade traffic signal at San Fernando Road and S. Workman Street
- Vacate a portion of S. Workman Street between Truman Street and the railroad right-of-way
- Vacate a portion of Lazard Street between Truman Street and the railroad right-of-way

Sewer Improvements

- Repair sections of sewer system damaged in the earthquake

Water Improvements

- Replace water main under Lazard Street
- Replace water main under San Fernando Road

Miscellaneous Improvements

- Construct bikeway along railroad right-of-way
- Install lights along railroad right-of-way
- Underground utilities
- Various improvements to Layne Park

Future Improvements

- The Agency will be authorized to finance the construction of additional improvements based on further analysis of earthquake damage not specified above, the requirements of any future project environmental documents, the Congestion Management Program (CMP), or the Air Quality Management Plan (AQMP). Future improvements in connection with the existing Metrolink station will also be authorized.

The Agency is further authorized to construct, or cause to be constructed, any improvements in rights-of-way, including acquisitions of appurtenant rights-of-way, if a determination is made that such improvements would be of benefit to the Project Area and that no other reasonable means of financing such construction is available to the community. Changes in circumstances or designs may alter the location of the facility described above, or require other related facilities. Such related facilities shall be deemed authorized by this Section 344.

5. (§345) TEMPORARY PUBLIC IMPROVEMENTS

The Agency is authorized to install and construct, or cause to be installed and constructed, temporary public improvements and temporary public utilities necessary to carry out this Plan. Such temporary public improvements shall include, but not be limited to, streets, public facilities and utilities. Temporary utilities may be installed above ground.

F. (§350) REHABILITATION AND CONSERVATION OF STRUCTURES

1. (§351) REHABILITATION OF STRUCTURES

The Agency is authorized to rehabilitate and conserve, or to cause to be rehabilitated and conserved, any building or structure in the Project Area owned by the Agency. The Agency is also authorized and directed to advise, encourage, and financially assist in the rehabilitation and conservation of property in the Project Area not owned by the Agency. To the extent now or hereafter permitted by law, the Agency may establish a program under which it loans funds to owners or tenants for the purpose of rehabilitating commercial or industrial buildings or structures within the Project Area.

The Agency and the City may conduct a rehabilitation program to encourage owners of property within the Project Area to upgrade and maintain their property consistent with City codes and standards. The Agency and the City may develop a program for making low interest loans for the rehabilitation of properties in the Project Area. Properties may be rehabilitated, provided that rehabilitation and conservation activities on a structure are carried out in an expeditious manner and in conformance with this Plan.

2. (§352) MOVING OF STRUCTURES

As is necessary in carrying out this Plan and where it is economically feasible to so do, the Agency is authorized to move, or cause to be moved, any standard structure or building which can be rehabilitated to a location within or outside the Project Area.

3. (§353) BUILDINGS OF HISTORICAL SIGNIFICANCE

To the extent practical, special consideration shall be given to the protection, rehabilitation, or restoration of any structure determined to be historically significant, taking into consideration State and local guidelines. The Agency shall make every feasible effort to conserve any structure determined to be historically significant.

G. (§360) REAL PROPERTY DISPOSITION AND DEVELOPMENT

1. (§361) GENERAL REQUIREMENTS

For the purpose of this Plan, the Agency is authorized to sell, lease, exchange, subdivide, transfer, assign, pledge, encumber by mortgage or deed of trust, or otherwise dispose of any interest in real property.

In the manner required and to the extent permitted by law, before any interest in real property of the Agency is acquired, in whole or in part, directly or indirectly, with tax increment monies, sold, leased, or otherwise disposed of for development pursuant to this Plan, such sale, lease, or disposition shall first be approved by the City Council after public hearing. The Agency shall lease or sell all real property acquired by it in the Project Area, except property conveyed by it to the community.

Where required by the CRL, all real property acquired by the Agency in the Project Area shall be sold or leased for development at prices which shall not be less than fair value for uses permitted under this Plan, or the fair reuse value of the interest to be conveyed or leased, as determined at use and with the conditions, covenants and developments costs required by the sale or lease. Property containing buildings or structures rehabilitated by the Agency shall be offered for resale within one year after completion of rehabilitation, or an

annual report concerning such property shall be published by the Agency as required by CRL Section 33443.

Purchasers or lessees of Agency-owned property in the Project Area shall be obligated to use the property for the purposes designated in this Plan, to begin and complete development of the property within a period of time which the Agency fixes as reasonable, and to comply with other conditions which the Agency deems necessary to carry out the purposes of this Plan.

To the extent permitted by law, the Agency is authorized to dispose of real property by leases or sales by negotiation without public bidding. Real property may be conveyed by the Agency to the City or any other public body without charge.

2. (§362) DISPOSITION AND DEVELOPMENT DOCUMENTS

To provide adequate safeguards ensuring that the provisions of this Plan will be carried out and to prevent the recurrence of blight, all real property sold, leased, or conveyed by the Agency shall be made subject to the provisions of this Plan by lease, deeds, contracts, agreements, declarations, or other lawful means. Where determined appropriate by the Agency, such documents or portions thereof shall be recorded in the Office of the Recorder of the County.

The leases, deeds, contracts, agreements, and declarations of restrictions may contain restrictions, covenants running with the land, rights of reverter, conditions subsequent, equitable servitudes, or any other provision necessary to carry out this Plan.

All deeds, leases, or contracts for the sale, lease, sublease, or other transfer of any land in a redevelopment project shall contain the following provisions and nondiscrimination clauses.

Restricting the rental, sale or lease of property on the basis of race, color, religion, sex, marital status, ancestry or national origin of any person by lessees and purchasers of real property acquired in redevelopment projects and owners of property improved as part of a redevelopment project is prohibited. Redevelopment agencies, in accordance with CRL Section 33435, shall obligate said lessees and purchasers to refrain from discriminatory practices.

In accordance with CRL Section 33436, leases and contracts which the Agency proposes to enter into with respect to the sale, lease, sublease, transfer, use, occupancy, tenure or enjoyment of any real property in the Project Area shall include the following provisions:

> In deeds, the following language shall appear: "The grantee herein covenants by and for himself, his or her heirs, executors, administrators and assigns, and all persons claiming under or through them, that there shall be no discrimination against or segregation of, any person or group of persons on account of race, color, creed, religion, sex, marital status, national origin, or ancestry in the sale, lease, sublease, transfer, use, occupancy, tenure or enjoyment of the premises herein conveyed, nor shall the grantee himself or herself, or any person claiming under or through him or her, establish or permit any such practice or practices of discrimination or segregation with reference to the selection, location, number, use or occupancy of tenants, lessees, subtenants, sublessees or vendees in the premises herein conveyed. The foregoing covenants shall run with the land."
>
> In leases, the following language shall appear: "The lessee herein covenants by and for himself or herself, his or her heirs, executors, administrators and assigns, and all persons claiming under or through him or her, and this lease is made and accepted upon and subject to the following conditions:
>
> That there shall be no discrimination against, or segregation of, any person or group of persons, on account of race, color, creed, religion, sex, marital status, national origin or ancestry, in the leasing, subleasing, transferring, use, occupancy, tenure or enjoyment of the premises herein leased, nor shall the lessee himself or herself, or any person claiming under or through him or her, establish or permit any such practice or practices of discrimination or segregation with reference to the selection, location, number, use or occupancy of tenants, lessees, sublessees, subtenants, or vendees in the premises herein leased."

In contracts entered into by the Agency relating to the sale, transfer or leasing of land or any interest therein acquired by

the Agency within any Survey Area or Project Area, t foregoing provisions, in substantially the forms set forth, shall be included, and such contracts shall further provide that the foregoing provisions shall be binding upon and shall obligate the contracting party or parties and any subcontracting party or parties, or other transferees under the instrument.

3. (§363) DESIGN FOR DEVELOPMENT

Within the limits, restrictions, and controls established in the Plan, the Agency is authorized to establish restrictions on heights of buildings, land coverage, setback requirements, design criteria, traffic circulation, traffic access, and other development and design controls necessary for proper development of both private and public areas within the Project Area.

No new improvement shall be constructed and no existing improvement shall be substantially modified, altered, repaired, or rehabilitated except in accordance with any such controls. In the case of property which is the subject of a disposition and development or participation agreement with the Agency, it shall be constructed in accordance with architectural, landscape, and site plans submitted to and approved in writing by the Agency. One of the objectives of this Plan is to create an attractive and pleasant environment in the Project Area. Therefore, such plans shall give consideration to good design, open space, and other amenities to enhance the aesthetic quality of the Project Area. The Agency will not approve any plans that do not comply with this Plan.

4. (§364) DEVELOPMENT BY PARTICIPANTS

Pursuant to the provisions of this Plan and the rules adopted by the Agency, the Agency shall, as appropriate in accordance with those rules, offer real property in the Project Area for purchase and development by owner participants and tenant participants who have appropriately expressed an interest in participating not later than the time that real property is made available for purchase and development by persons who are not owners or tenants in the Project Area.

5. (§365) DEVELOPMENT BY AGENCY

To the extent now or hereafter permitted by law, the Agency is authorized to pay for, develop, or construct any buildings,

facilities, structures, or other improvements, either within or outside the Project Area, for itself or for any public body or entity, if a determination is made that such improvements would be of benefit to the Project Area, that no other reasonable means of financing such construction is available to the community, and that the improvement will assist in the elimination of blight. During the period of development in the Project Area, the Agency shall ensure that the provisions of this Plan and other documents formulated pursuant to this Plan are being observed, and that development in the Project Area is proceeding in accordance with development documents and time schedules.

The Agency may pay for, install, or construct the following facilities, and may acquire or pay for the land required, including, but not limited to:

- Streets
- Site improvements for new development, including foundations and parking structures
- Gutters
- Sidewalks
- Landscaping
- Open Space
- Utilities
- Community facilities
- Street lighting
- Storm drains and flood control facilities
- Public buildings
- Street furniture
- Parks and playgrounds
- Street rights-of-way
- Railroad crossings
- Bicycle paths or bikeways

The Agency shall require that development plans be submitted to it for approval and review. All development must conform to this Plan and all federal, state, and local laws, as amended from time to time, and must receive the approval of appropriate public agencies.

6. (§366) COMMERCIAL REHABILITATION LOANS

Pursuant to CRL Section 33444.5, the Agency is authorized to establish a program under which it loans funds to owners or tenants for the purpose of rehabilitating commercial structures within the Project Area.

7. (§367) INDUSTRIAL AND MANUFACTURING PROPERTY

To the extent now or hereafter permitted by law, the Agency may, as part of an agreement that provides for the development or rehabilitation of property within the Project Area that will be used for industrial or manufacturing purposes, assist with the financing of facilities or capital equipment including, but not necessarily limited to, pollution control devices and hazardous waste or ground water contamination remediation devices. Prior to entering into an agreement for a development that will be assisted pursuant to this Section, the Agency will find, after a public hearing, that the assistance is necessary for the economic feasibility of the development and the assistance cannot be obtained on economically feasible terms in the private market.

8. (§368) PERSONAL PROPERTY DISPOSITION

For purposes of this Plan, the Agency is authorized to sell, lease, exchange, transfer, assign, pledge, encumber, or otherwise dispose of personal property that has been acquired by the Agency.

IV. LOW- AND MODERATE-INCOME HOUSING

A. (§400) 20% TAX INCREMENT FUNDS REQUIREMENT

Not less than twenty percent (20%) of all taxes allocated to the Agency pursuant to CRL Section 33670 shall be used by the Agency for the purposes of increasing, improving, and preserving the City's supply of housing for persons and families of low- or moderate-income.

B. (§410) LOW- AND MODERATE-INCOME HOUSING AND REPLACEMENT

In carrying out the activities contemplated in this Plan, it may become necessary, from time to time, for the Agency to enter into various agreements, such as an agreement for acquisition of real property, an agreement for the disposition and development of property, or an owner participation agreement, which would lead to the destruction or removal of dwelling units from the low- and moderate-income housing market. Not less than thirty (30) days prior to the execution of such an agreement, the Agency shall adopt, by a resolution, a Replacement Housing Plan, which shall include the general location of the replacement housing, a finding that the replacement housing does not require the approval of the voters pursuant to Article XXXIV of the California Constitution or that such approval has been obtained, the number of dwelling units housing persons or families of low or moderate income planned for construction or rehabilitation, and a timetable for meeting the Plan's relocation, rehabilitation and replacement housing objectives. A dwelling unit whose replacement is required by CRL Section 33413, but for which no Replacement Housing Plan has been prepared, shall not be removed from the low- and moderate-income housing market.

For a reasonable period of time prior to adopting a Replacement Housing Plan, the Agency shall make available a draft of the proposed Plan for review and comments by public agencies, and the general public.

To the extent required by Sections 33413 and 33413.5, whenever dwelling units housing persons and families of low- or moderate-income are destroyed or removed from the low- and moderate-income housing market as part of a redevelopment project which is subject to a written agreement with the Agency or where financial assistance has been provided by the Agency, the Agency shall, within four years of such destruction or removal, rehabilitate, develop, price-restrict, or construct, or cause to be rehabilitated, developed, price-restricted, or constructed for rental or sale to persons and families of low- or moderate-income an equal number of replacement dwelling units at affordable housing costs as defined by Section 50052.5 of the Health and Safety Code, within the territorial jurisdiction of the Agency. Seventy-five percent (75%) of the replacement dwelling units shall replace dwelling units available at affordable housing costs to the same income level of very low income households, lower income households, and persons and families of low- and moderate-income as the persons displaced from those destroyed or removed units.

C. (§420) PROVISION OF LOW- AND MODERATE-INCOME HOUSING

The Agency may, to the extent permitted by law and land use designations, inside or outside the Project Area, acquire land, sell or lease land, donate land, improve sites, or construct or rehabilitate structures in order to provide housing for persons and families of low or moderate income. The Agency may also provide subsidies to, or for the benefit of, such persons and families or households to assist them in obtaining housing within the City.

D. (§430) NEW OR REHABILITATED DWELLING UNITS DEVELOPED WITHIN THE PROJECT AREA

To the extent required by CRL Section 33413, at least thirty percent (30%) of all price-restricted, new and substantially rehabilitated dwelling units developed within the Project Area by the Agency shall be for persons and families of low- and moderate-income; and of such thirty percent (30%), not less than fifty percent (50%) thereof shall be for very low income households.

At least fifteen percent (15%) of all new or substantially rehabilitated units developed within the Project Area by public or private entities or persons other than the Agency shall be for persons and families of low- and moderate-income; and of such fifteen percent (15%), not less than forty percent (40%) thereof

shall be for very low income households. To satisfy this provision, in whole or in part, the Agency may cause, by regulation or agreement, to be available, at affordable housing costs, to persons and families of low- or moderate-income or to very-low-income households, as applicable, two units outside the Project Area for each unit that otherwise would have had to be available inside the Project Area. Also, in order to satisfy this provision, the Agency may aggregate new or substantially rehabilitated dwelling units in one or more redevelopment project areas.

The percentage requirements set forth in this Section shall apply in the aggregate to housing in the Project Area and not to each individual case of rehabilitation, development, price-restriction, or construction of dwelling units. The Agency may purchase long-term affordability covenants for units to the greatest extent allowed by law.

The Agency shall require, by contract or other appropriate means, that whenever any low- and moderate-income housing units are developed within the Project Area, such units shall be made available on a priority basis for rent or purchase, whichever the case may be, to persons and families of low- and moderate-income displaced by the Project; provided, however, that failure to give such priority shall not affect the validity of title to the real property upon which such housing units have been developed.

E. (§440) LAST RESORT HOUSING

If sufficient suitable housing units are not available in the City for use by persons and families of low- and moderate-income displaced by the Project, the Agency may, to the extent of that deficiency, direct or cause the development, rehabilitation or construction of housing units within the City, both inside and outside of the Project Area.

V.
PROJECT
FINANCING

A. (§500) GENERAL DESCRIPTION OF THE PROPOSED FINANCING METHOD

Upon adoption of this Plan by the City Council, the Agency, if it deems appropriate, is authorized to finance this Project with assistance from the City of San Fernando, Los Angeles County, State of California, United States Government, any other public agency, property tax increments, interest revenue, income revenue, Agency-issued notes and bonds, or from any other available sources of financing which are legally available and do not conflict with the objectives of this Plan.

The City may, in accordance with the law, supply advances and expend money as necessary to assist the Agency in carrying out this Project. Such assistance shall be on terms established by an agreement between the City of San Fernando and the San Fernando Redevelopment Agency.

B. (§510) TAX INCREMENTS

Pursuant to CRL Section 33670, for a period not to exceed forty-five (45) years from the date of adoption of this Plan, or such longer time as otherwise provided by the CRL, all taxes levied upon taxable property within the Project Area each year by or for the benefit of the State of California, County of Los Angeles, City of San Fernando, any district, or other public corporation (hereinafter sometimes called "taxing agencies") after the effective date of the Ordinance approving this Plan (see Appendix C), or any amendment thereto, shall be divided as follows:

1. That portion of the taxes which would be produced by the rate upon which the tax is levied each year by or for each of said taxing agencies upon the total sum of the assessed value of the taxable property in the Project Area as shown upon the assessment roll used in connection with the taxation of such property by such taxing agency, last equalized prior to the effective date of such ordinance, shall be allocated to and when collected shall be paid into the

funds for the respective taxing agencies as taxes by or for said taxing agencies on all other property are paid (for the purpose of allocating taxes levied by or for any taxing agency or agencies which did not include the territory of the Project Area on the effective date of such ordinance but to which such territory is annexed or otherwise included after such effective date the assessment roll of the County equalized on the effective date of said ordinance shall be used in determining the assessed valuation of the taxable property in the Project Area on said effective date); and,

2. Except as provided in paragraphs (3), (4) and (5) below, that portion of the levied taxes each year in excess of such amount shall be allocated to and when collected shall be paid into a special fund of the Agency to pay the principal of and interest on bonds, loans, moneys advanced to, or indebtedness (whether funded, refunded, assumed or otherwise) incurred by the Agency to finance or refinance, in whole or in part, this Project Area. Unless and until the total assessed value of the taxable property in the Redevelopment Project exceeds the total assessed value of the taxable property in the Redevelopment Project, as shown by the last equalized assessment roll referred to in paragraph (1) above, all of the taxes levied and collected upon the taxable property in the Project Area shall be paid into the funds of the respective taxing agencies. When said bonds, loans, advances and indebtedness, if any, and interest thereon, have been paid, all moneys thereafter received from taxes upon the taxable property in the Redevelopment Project shall be paid into the funds of the respective taxing agencies as taxes on all other property are paid; and

3. That portion of the taxes identified in paragraph (2) above, which are attributable to a tax rate levied by any of said taxing agencies for the purpose of providing revenues in an amount sufficient to make annual repayments of the principal of, and the interest on, any bonded indebtedness for the acquisition or improvement of real property shall be allocated to, and when collected shall be paid into, the fund of that taxing agency. This paragraph shall only apply to taxes levied to repay bonded indebtedness approved by the voters of said taxing agency or agencies on or after January 1, 1989.

4. That portion of tax revenues allocated to the Agency pursuant to paragraph (2) above which is attributable to increases in the rate of tax imposed for the benefit of any affected taxing agency whose levy occurs after the tax year

in which the ordinance adopting this Plan becomes effective, shall be allocated to such affected taxing agency to the extent the affected taxing agency has elected in the manner required by law to receive such allocation.

5. That portion of tax revenues allocated to the Agency pursuant to paragraph (2) above which is attributable to the tax rate levied for that tax override fund commonly known as the "Retirement Fund of the City of San Fernando," shall be allocated to, and when collected shall be paid into. the "Retirement Fund of the City of San Fernando."

Any advanced moneys are hereby irrevocably pledged for the payment of the principal of and interest on the advance of moneys, or making of loans, or the incurring of any indebtedness (whether funded, refunded, assumed, or otherwise) by the Agency to finance or refinance the Project in whole or in part.

The Agency is authorized to make such pledges as to specific advances, loans and indebtedness as appropriate in carrying out the Project. Taxes shall be allocated and paid to the Agency consistent with the provisions of this Plan only to pay the principal of and interest on loans, moneys advanced to, or indebtedness (whether funded, refunded, assumed or otherwise) incurred by the Agency to finance or refinance, in whole or in part, the Project.

Taxes levied in a Project Area and allocated to the Agency as provided in CRL Section 33670 may, to the greatest extent legally allowable, be used anywhere within the territorial jurisdiction of the Agency to finance the construction or acquisition of public improvements which will enhance the environment of a residential neighborhood containing housing for persons and families of low- or moderate-income, and public improvements which will be of benefit to the Project Area.

C. (§520) ISSUANCE OF BONDS AND NOTES

The Agency may issue bonds or notes when a determination has been made that such financing is required and feasible. Such bonds or notes shall be issued only after the Agency has determined that funds are, or will be, available to repay or refinance principal and interest when due and payable.

D. (§530) LOANS AND GRANTS

The Agency is authorized to obtain advances, borrow funds, and create indebtedness in carrying out this Plan. The principal and interest on such advance funds and indebtedness may be paid from tax increments or any other funds available to the Agency.

E. (§540) FINANCING LIMITATIONS

Consistent with CRL Sections 33333.2 and 33334.1, the following financing limitations are imposed on this Plan:

1. (§541) AUTHORITY TO ISSUE BONDS AND LIMITS THEREON

From time to time as may be appropriate, the Agency may issue bonds and/or notes for any of its corporate purposes. The Agency may issue such types of bonds on which the principal and interest are payable in whole or in part from tax increments. The total outstanding principal of any bonds so issued and repayable from said tax increment shall not exceed Twelve Million, Five Hundred Thousand Dollars ($12,500,000) at any one time, except by amendment of the Plan.

2. (§542) TIME LIMIT ON INCURRING DEBT

No loans, advances, or indebtedness to finance, in whole or in part, this project and to be repaid from the allocation of taxes described in the before-mentioned Section 33670 shall be established or incurred by the Agency beyond twenty (20) years from the date of adoption of the Ordinance approving this Plan (Appendix C). However, such loans, advances, or indebtedness may be repaid over a period of time longer than such time limit. This limit, however, shall not prevent the Agency from incurring debt to be paid from the Low and Moderate Income Housing Fund, or establishing more debt in order to fulfill the Agency's housing obligations under CRL Section 33413.

This time limit may be extended only by amendment of this Plan after the agency finds, based on substantial evidence, that significant blight remains in the Project Area, and that the blight cannot be eliminated without the establishment of additional debt. The amended time limitation may not exceed

30 years from the effective date of the Ordinance adopting this Plan.

3. (§543) TIME LIMIT ON REPAYING DEBT

The Agency shall not repay indebtedness with the proceeds of property taxes received pursuant to CRL Section 33670 after forty-five (45) years from the date of adoption of the Ordinance approving this Plan (Appendix C). The Agency shall not receive property taxes pursuant to Section 33670 after forty-five (45) years from the date of adoption of the Ordinance approving this Plan (Appendix C).

F. (§550) LOW- AND MODERATE-INCOME HOUSING FUND

Not less than twenty percent (20%) of all taxes which are allocated to the Agency pursuant to Section 33670 shall be held in a separate low-and moderate-income housing fund and used by the Agency for the purposes of increasing and improving the community's supply of housing for persons and families of low- or moderate-income, as defined in Health and Safety Code Section 50093, and very low-income households, as defined in Section 50105.

VI. ADMINISTRATION

A. (§600) ADMINISTRATION AND ENFORCEMENT OF THE PLAN

The administration and enforcement of this Plan, including the preparation and execution of any documents implementing this Plan, shall be performed by the Agency and/or the City.

The provisions of this Plan, or other documents entered into pursuant to this Plan, may also be enforced by court litigation instituted by either the Agency or the City. Such remedies may include, but are not limited to, specific performance, damages, re-entry, injunctions, or any other available legal or equitable remedies. In addition, any recorded provisions which are expressly for the benefit of owners of property in the Project Area may be enforced by such owners.

All provisions in Redevelopment Law as may be required to be included in a redevelopment plan are hereby incorporated as if fully set forth herein.

B. (§610) DURATION OF THIS PLAN'S DEVELOPMENT CONTROLS

Except for the nondiscrimination and nonsegregation provisions which shall run in perpetuity, the land use and development control provisions of this Plan shall be effective, and the provisions of other documents formulated pursuant to this Plan may be made effective for thirty (30) years from the date of adoption of the Ordinance approving this Plan (Appendix C).

C. (§620) PROCEDURE FOR AMENDMENT

This Plan may be amended by means of the procedure established in Sections 33450- 33458 of the Community Redevelopment Law or by any other procedure established by law. Necessarily, some of the statements in this Plan are general and tentative and

formal amendment of the Plan is not required for a subsequent administrative interpretation and filling-in of details.

D. (§630) AGENCY/CITY COOPERATION

Subject to any limitation in law, the City will aid and cooperate with the Agency in carrying out this Plan and may take any further action necessary to ensure the continued fulfillment of the purposes of this Plan and to prevent the recurrence or spread of blight or those conditions which caused the blight in the Project Area. Actions by the City may include, but are not necessarily limited to, the following:

1. Institution and completion of proceedings for opening, closing, vacating, widening, or changing the grades of streets, alleys, and other public rights-of-way, and for other necessary modifications of the streets, the street layout, and other public rights-of-way in the Project Area. Such action by the City may include the abandonment and relocation of public utilities in the public rights-of-way as necessary to carry out this Plan, and the construction of railroad crossings.

2. Institution and completion of proceedings necessary for changes and improvements in publicly-owned public utilities within or affecting the Project Area.

3. Imposition wherever necessary of appropriate design controls within the limits of this Plan upon parcels in the Project Area to ensure their proper development and use.

4. Provision for administration/enforcement of this Plan by the City after development.

5. Performance of the above and of all other functions and services relating to public health, safety, and physical development normally rendered in accordance with a schedule which will permit the redevelopment of the Project Area to be commenced and carried to completion without unnecessary delays.

6. The initiation and completion of any other proceedings necessary to carry out the Project.

The Agency is authorized, but not obligated, to provide and expend funds to ensure the completion of the Project as a whole in accordance with this Plan. The obligation of the Agency to

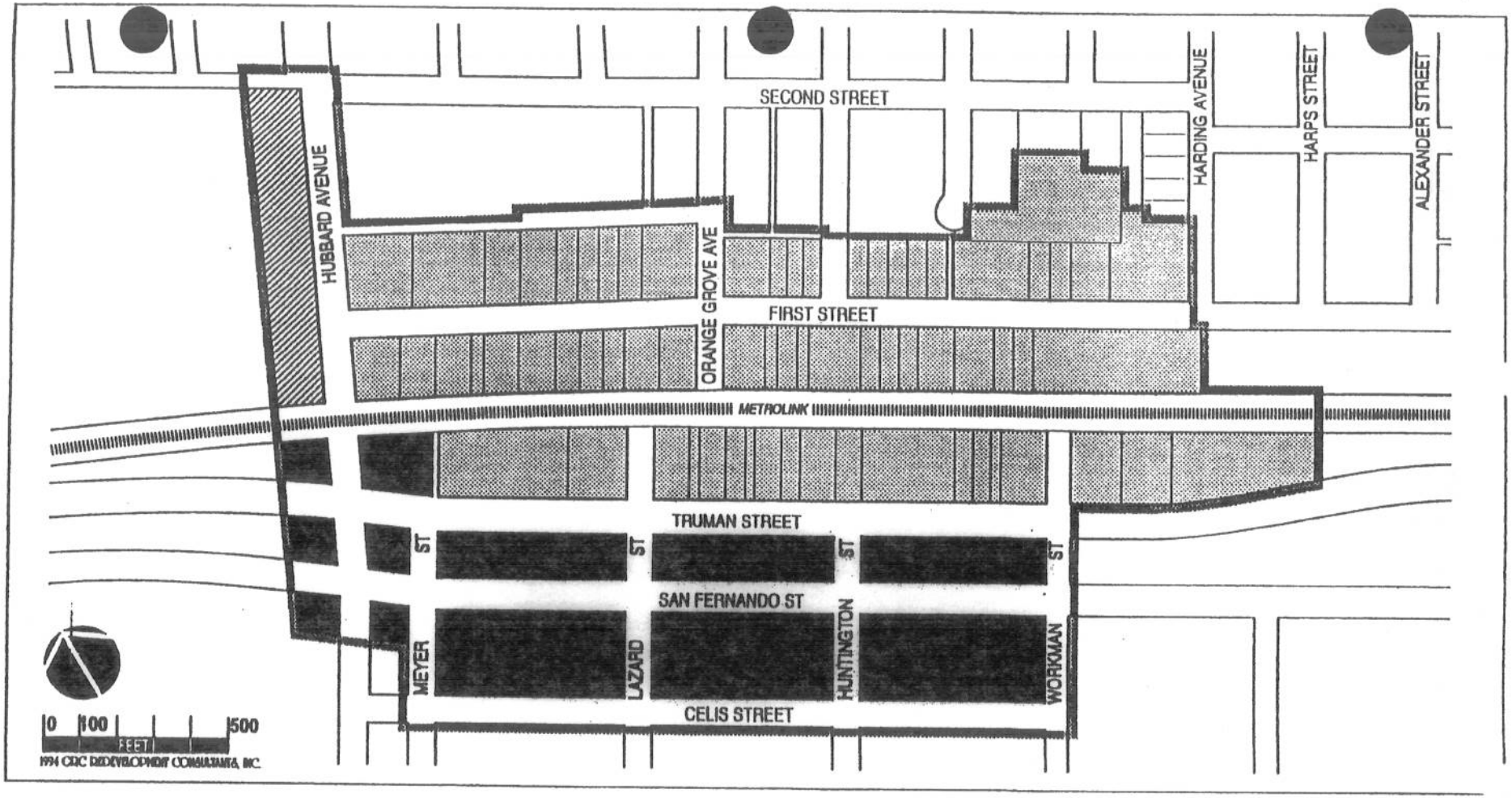
perform the actions indicated in this Section shall be contingent upon the continued availability of funding for this Project primarily from tax increment revenues as defined in Section 510 hereof. However, the Agency may utilize any legally available sources of revenue for funding projects in accordance with this Plan.

E. (§640) COOPERATION WITH OTHER PUBLIC JURISDICTIONS

Certain public bodies are authorized by state law to aid and cooperate, with or without consideration, in the planning, construction, or operation of this Project. The Agency shall seek the aid and cooperation of such public bodies and shall attempt to coordinate this Plan with the activities of such public bodies in order to accomplish the purposes of redevelopment and the highest public good.

The Agency, by law, is not authorized to acquire real property owned by public bodies without the consent of such public bodies. However, the Agency will seek the cooperation of all public bodies which own or intend to acquire property in the Project Area. Any public body which owns or leases property in the Project Area will be afforded all the privileges of owner and tenant participation if such public body is willing to enter into a participation agreement with the Agency.

APPENDIX "A"



San Fernando Redevelopment Agency

REDEVELOPMENT PROJECT AREA 4

Redevelopment Plan Map

Project Area Boundary

Medium Density Residential
(6 to 17 Dwelling Units Per Acre)

Commercial

Industrial

APPENDIX "B"

August 9, 1994

LEGAL DESCRIPTION
SAN FERNANDO REDEVELOPMENT AGENCY, REDEVELOPMENT AREA NO. 4

This Legal Description is being used in conjunction with the boundary map of San Fernando Redevelopment Agency, Redevelopment Area No. 4. The course numbers on the description correspond with the course numbers shown on the Boundary Map.

All of that certain real property in the County of Los Angeles, State of California, described as follows:

P.O.B.

Beginning at the intersection of the southeasterly Right-of-Way line of Workman Street, 60 feet wide, with the southwesterly Right-of-Way line of Celis Street, 60 feet wide; thence

1. northwesterly along said southwesterly Right-of-Way line to its intersection with the northwesterly Right-of-Way line of Meyer Street, 60 feet wide; thence

2. northeasterly along said northwesterly Right-of-Way line to its intersection with the southeasterly prolongation of the southwesterly line of Lot 1 of Tract No. 10939 as shown on map recorded in Book 193, Pages 26 and 27 of Maps, Records of said County; thence

3. northwesterly along said prolongation, said southwesterly line and its northwesterly prolongation to its intersection with the northwesterly line of Lot 5 of said Tract No. 10939; thence

4. northeasterly along said northwesterly line and its northeasterly prolongation to its intersection with the northeasterly Right-of-Way line of Ralston Avenue; thence

5. southeasterly along said northeasterly Right-of-Way line to its intersection with the southeasterly Right-of-Way line of Hubbard Avenue, 60 feet wide; thence

6. southwesterly along said southeasterly Right-of-Way line and its intersection with the southwesterly line of Lot 1 of Tract No. 38599 as shown on map recorded in Book 1004, Pages 34 and 35 of Maps, Records of said County; thence

7. southeasterly along said southwesterly line to its intersection with the southeasterly line of said Lot 1; thence

8. northeasterly along said southeasterly line to its intersection with the southwesterly line of Tract No. 16623 as shown on map recorded in Book 408, Pages 39 and 40 of Maps, Records of said County; thence

9. southeasterly along said southwesterly line and its southeasterly prolongation to its intersection with the southeasterly Right-of-Way line of Orange Grove Avenue, 60 feet wide; thence

10. southwesterly along said southeasterly Right-of-Way line to its intersection with the southwesterly line of Lot 29 of Tract No. 13612 as shown on map recorded in Book 295, Pages 33 and 34 of Maps, Records of said County; thence

11. southeasterly along said southwesterly line and its southeasterly prolongation to its intersection with the northwesterly Right-of-Way line of Huntington Street, 60 feet wide; thence

12. southwesterly along said northwesterly Right-of-Way line to its intersection with the northwesterly prolongation of the southwesterly line of Lot 34 of Tract No. 13291 as shown on map recorded in Book 268, Page 39 of Maps, Records of said County; thence

13. southeasterly along said southwesterly line and its southeasterly prolongation to its intersection with the southeasterly Right-of-Way line of Fermoore Street, 60 feet wide; thence

14. northeasterly along said southeasterly Right-of-Way line to its intersection with a line 108.06 feet northeasterly and parallel with the northeasterly line of Tract No. 8112 as shown on map recorded in Book 102, Pages 34 and 35 of Maps, Records of said County; thence

15. southeasterly along said parallel line to its intersection with a line 132 feet southeasterly and parallel with the southeasterly Right-of-Way line of Fermoore Street; thence

16. northeasterly along said parallel line to its intersection with a line 109 feet southwesterly and parallel with the southwesterly Right-of-Way line of Second Street, 60 feet wide; thence

17. southeasterly along said parallel line to its intersection with a line 285 feet southeasterly and parallel with the southeasterly Right-of-Way line of Fermoore Street; thence

18. southwesterly along said parallel line to its intersection with a line 146 feet southwesterly and parallel with the southwesterly Right-of-Way line of Second Street; thence

19. southeasterly along said parallel line to its intersection with a line 189 feet northwesterly and parallel with the northwesterly Right-of-Way line of Harding Street; thence

20. southwesterly along said parallel line to its intersection with a line 239.06 feet southwesterly and parallel with the southwesterly Right-of-Way line of Second Street; thence

21. southeasterly along said parallel line to its intersection with a line 126 feet northwesterly and parallel with the northwesterly Right-of-Way line of Harting Avenue; thence

22. southwesterly along said parallel line to its intersection with a line 56.06 feet northeasterly and parallel with the northeasterly line of said Tract No. 8112; thence

23. southeasterly along said parallel line to its intersection with the northwesterly Right-of-Way line of Harding Avenue, 60 feet wide; thence

24. southwesterly along said northwesterly Right-of-Way line and its southwesterly prolongation to its intersection with the northeasterly Right-of-Way line of the Southern Pacific Railway Right-of-Way, 100 feet wide; thence

25. southeasterly along said northeasterly Right-of-Way line to its intersection with the northeasterly prolongation of the south easterly line of Lot A of Boruff Tract as shown on map recorded in Book 18, Page 171 of Maps, Records of said County; thence

26. southwesterly along said prolongation, said southeasterly line and its southwesterly prolongation to its intersection with the southwesterly Right-of-Way line of Truman Street, 80 feet wide; thence

27. northwesterly along said southwesterly Right-of-Way line to its intersection with the southeasterly Right-of-Way line of Workman Street, 60 feet wide; thence

28. southwesterly along said southeasterly Right-of-Way line to the Point of Beginning.

APPENDIX "C"

ORDINANCE NO. 1447

AN ORDINANCE OF THE CITY COUNCIL OF THE CITY OF SAN FERNANDO APPROVING AND ADOPTING THE REDEVELOPMENT PLAN FOR REDEVELOPMENT PROJECT AREA NO. 4 AS THE OFFICIAL REDEVELOPMENT PLAN FOR SAID PROJECT

WHEREAS, The City Council has received from the San Fernando Redevelopment Agency (the "Agency") the proposed Redevelopment Plan for Redevelopment Project Area No. 4 (the "Redevelopment Plan") area (the "Project Area") as approved by the Agency, a copy of which is on file with the City Clerk at the Office of the City Clerk, 117 Macneil Street, San Fernando, CA 91340, together with the report of the Agency prepared pursuant to Section 33352 of the California Health and Safety Code (the "Report to City Council"), including the reasons for the selection of the area and a discussion of certain other matters as set forth in Section 33352 of the California Health and Safety Code including an analysis of the physical, and economic conditions existing in the Project Area, the proposed method of financing the redevelopment of the Project Area, a plan for the relocation of business owners and tenants who may be temporarily or permanently displaced under the Redevelopment Plan, the minutes of consultations with affected taxing agencies, the Mitigated Negative Declaration on the Redevelopment Plan, and an implementation plan as required in the Report to City Council; and

WHEREAS, the City Council and the Agency held a joint public hearing on July 5, 1994 concerning the adoption of the Redevelopment Plan and the adoption of the Mitigated Negative Declaration on the Redevelopment Plan ("Negative Declaration"); and

WHEREAS, notice of the hearing was duly and regularly published in a newspaper of general circulation in the City of San Fernando in accordance with Sections 33361 and 34013(f) of the California Health and Safety Code, and a copy of said notice and affidavit of publication are on file with the City Clerk of the City of San Fernando and Secretary of the Agency, and

WHEREAS, copies of the notice of joint public hearing were mailed by first class mail to the last known address of each assessee, as shown on the last equalized assessment roll of the County of Los Angeles, of each parcel of land in the Project Area, to each resident, and to each business as practicable; and

WHEREAS, each addressee in the Project Area was sent a separate statement, attached to the notice of joint public hearing, that properties will be subject to acquisition by condemnation under the provisions of the Redevelopment Plan; and

WHEREAS, copies of the notice of joint public hearing were mailed by certified mail with return receipt requested to the governing body of each known taxing agency which receives taxes from property in the Project Area; and

WHEREAS, the Agency has prepared and submitted a method for the relocation of persons and businesses who may be displaced as a result of carrying out redevelopment activities in accordance with the Redevelopment Plan; and

WHEREAS, the City Council has knowledge of the conditions existing in the Project Area and of the availability of suitable housing in the City for the relocation of families and persons who may be displaced by redevelopment activities, and in light of such knowledge of local housing conditions, has carefully considered and reviewed such program for relocation; and

WHEREAS, the City Council has considered the report of the Agency, the Redevelopment Plan and its economic feasibility, the feasibility of the relocation program, and the Negative Declaration; and has provided an opportunity for all persons to be heard, and has received and considered all evidence and testimony presented for or against any and all aspects of the Redevelopment Plan; and

WHEREAS, the Agency and the City Council have reviewed and considered the Negative Declaration for the Redevelopment Plan, prepared and submitted pursuant to Public Resources Code Section 21000 et seq. and Health & Safety Code Section 33352, and approved said Negative Declaration on July 5, 1994, by City Council Resolution No. 6361.

NOW, THEREFORE, THE SAN FERNANDO CITY COUNCIL DOES ORDAIN AS FOLLOWS:

Section 1:

The purpose and intent of the City Council with respect to the Project Area is to accomplish to the greatest extent feasible the following:

- Preserve the economic base of the Project Area by developing commercial establishments that are high sales tax and job producers.
- Broaden the community's economic base by attracting new commercial and industrial uses to the Project Area.
- Diversify the make-up of the Project Area by developing a variety of uses that work in concert toward economic stability.
- Provide for infrastructure improvements in the Project Area.
- Encourage expansion of local commercial and industrial opportunities, which will create jobs and an expanded sales and property tax base.

- Promote new development consistent with the City's General Plan.

- Provide financial incentives to interested property owners who wish to repair or rehabilitate their buildings or revitalize their properties consistent with the San Fernando General Plan.

- Encourage public participation in the planning and implementation of the Project.

- Eliminate existing blighted conditions and damage from the Northridge earthquake, be they properties or structures, and prevent recurring blight in and about the Project Area.

- Eliminate environmental deficiencies, including inadequate street improvements, inadequate truck access, inadequate utility systems, and inadequate public services; and mitigation of the various economic, physical, and environmental characteristics of blight extant in the Project Area.

Section 2:

The City Council hereby finds and determines that:

(a) Redevelopment Project Area No. 4 suffered damage from the Northridge earthquake and its aftershocks, as documented in the Agency's Report to City Council.

(b) The Project Area is a predominately urbanized area. As demonstrated in part by the Agency's Report to City Council, not less than eighty percent (80%) of the privately owned property in the Project Area has been or is developed for urban uses.

(c) The Redevelopment Plan will redevelop the Project Area in conformity with the Community Redevelopment Law and in the interests of the public health, safety and welfare. This finding is based in part upon the fact that redevelopment of the Project Area will implement the objectives of the Community Redevelopment Law by aiding in the elimination and correction of the conditions documented in the Report to City Council, providing for planning, development, redesign, clearance, reconstruction or rehabilitation of properties which suffered damage or need improvement, and providing for higher economic utilization of potentially useful land.

(d) The adoption and carrying out of the Redevelopment Plan is economically sound and feasible. This finding is based in part on the fact that under the Redevelopment Plan no public redevelopment activity will be undertaken unless the Agency can demonstrate that it has adequate revenue to finance the activity;

the Agency's Report to City Council further discusses and demonstrates the economic soundness and feasibility of the Redevelopment Plan and undertakings pursuant thereto.

(e) The carrying out of the Redevelopment Plan will promote the public peace, health, safety and welfare of the City of San Fernando and will effectuate the purposes and policies of the Community Redevelopment Law. This finding is based on the fact that redevelopment will benefit the Project Area and the community by correcting conditions documented in the Report to City Council and by coordinating public and private actions to stimulate development, assist in repairing damage caused by the Northridge earthquake, contribute toward needed public improvements and improve the economic, and physical conditions of the Project Area and the community.

(f) The condemnation of real property to the extent provided for in the Redevelopment Plan is necessary to the execution of the Redevelopment Plan, and adequate provisions have been made for payment for property to be acquired as provided by law. This finding is based in part upon the need to assemble sites for development which will result in new economic activity in the Project Area and to prevent the recurrence of blight.

(g) The Agency has a feasible method for the relocation of families and persons displaced from the Project Area. The City Council and the Agency recognize that the provisions of Sections 7260 to 7276 of the California Government Code would be applicable to any relocation that would occur due to the implementation by the Agency of the Redevelopment Plan. The City Council finds and determines that the provision of relocation assistance according to law constitutes a feasible method for relocation.

(h) There shall be provided, within the Project Area or within other areas not generally less desirable with regard to public utilities and public and commercial facilities and at rents or prices within the financial means of any families and persons who might be displaced from the Project Area, decent, safe and sanitary dwellings equal in number to the number of and available to the displaced families and persons, and reasonably accessible to their places of employment. Families and persons shall not be displaced prior to the adoption of a relocation plan pursuant to Health and Safety Code Sections 33411 and 33411.1. Dwelling units housing persons and families of low or moderate income shall not be removed or destroyed prior to the adoption of a replacement housing plan pursuant to Health and Safety Code Sections 33334.5, 33413, and 33413.5. This finding is based upon the Relocation Method for Redevelopment Project Area No. 4 and the Housing Element of the General Plan.

(i) All land in the Project Area is either damaged or necessary for effective redevelopment, and not included for the purpose of obtaining the allocation of taxes from the Project Area pursuant to Section 33670 of the Community Redevelopment Law without other substantial justification for its inclusion. This finding, is based in part upon the fact that, following careful study, the Project Area was identified as an area within the City of San Fernando suffering conditions of damage from the Northridge earthquake.

(j) Inclusion of any land, buildings or improvements which are not detrimental to the public health, safety or welfare is necessary for the effective redevelopment of the entire area of which they are a part, and any such area is not included for the purpose of obtaining the allocation of tax increment revenues from such area pursuant to Section 33670 of the Community Redevelopment Law without other substantial justification for its inclusion. This finding is based in part upon the fact that the boundaries of the Project Area were specifically drawn to include lands and structures that were damaged during the Northridge earthquake, or affected by the existence of damage, whose inclusion is necessary to accomplish the objectives and benefits of the Redevelopment Plan.

(k) The redevelopment of the Project Area would not reasonably be expected to be accomplished by private enterprise acting alone without the aid and assistance of the Agency. This finding is based in part upon the existence of various conditions including, without limitation, the demonstrated lack of private sector interest in redeveloping properties in the Project Area, earthquake damage, structural deficiencies and other conditions more fully enumerated in the Agency's Report to City Council, and the infeasibility due to cost of requiring individuals (by means of assessments or otherwise) to eradicate or significantly alleviate existing deficiencies in properties and facilities and the inability and inadequacy of other governmental programs and financing mechanisms to eliminate the blighting conditions.

(l) The Redevelopment Plan contains adequate safeguards so that the work of redevelopment will be carried out pursuant to the Redevelopment Plan, and it provides for the retention of controls and the establishment of restrictions and covenants running with the land sold or leased for private use for periods of time and under conditions specified in the Redevelopment Plan, which the City Council deems necessary to effectuate the purposes of the Community Redevelopment Law.

(m) The time limitations and financial limitations established for the Project Area are reasonably related to the projects proposed in the Redevelopment Plan and to the ability of the Agency to eliminate blight within the Project Area.

Section 3:

The City Council is satisfied that permanent housing facilities will be available within three (3) years from the time occupants of the Project Area, if any, are displaced, and that pending the development of such permanent facilities, there will be available to any such displaced occupants temporary housing facilities at rents comparable to those in the City of San Fernando at the time of their displacement.

Section 4:

That certain document entitled "Redevelopment Plan for Redevelopment Project Area No. 4", the maps contained therein and such other reports as are incorporated therein by reference, a copy of which is on file in the Office of the City Clerk of the City of San Fernando, having been duly reviewed and considered, is hereby incorporated in this Ordinance by reference and made a part hereof. The Redevelopment Plan is hereby designated, approved and adopted as the official "Redevelopment Plan for Redevelopment Project Area No. 4."

Section 5:

In order to implement and facilitate the effectuation of the Redevelopment Plan as hereby approved, the City Council hereby (a) pledges its cooperation in helping to carry out the Redevelopment Plan, (b) requests the various officials, departments, boards and agencies of the City of San Fernando having administrative responsibilities in the Project Area likewise to cooperate to such end and to exercise their respective functions and powers in a manner consistent with the redevelopment of the Project Area, (c) stands ready to consider and take appropriate action upon proposals and measures designed to effectuate the Redevelopment Plan, and (d) declares its intention to undertake and complete any proceeding necessary to be carried out by the City of San Fernando under the provisions of the Redevelopment Plan.

Section 6:

The City Clerk is hereby directed to send a certified copy of this Ordinance to the Agency, whereupon the Agency is vested with the responsibility for carrying out the Redevelopment Plan.

Section 7:

The City Clerk is hereby directed to record with the County Recorder of Los Angeles County a description of the land within the Project Area and a statement that proceedings for the redevelopment of the Project Area have been instituted under the Community Redevelopment Law.

Section 8:

The City Clerk is hereby directed to transmit a copy of the description and statement to be recorded by the City Clerk pursuant to Section 8 of this Ordinance, a copy of this Ordinance and a map or plat indicating the boundaries of the Project Area, to the auditor and tax assessor of the County of Los Angeles, to the governing body of each of the taxing agencies which receives taxes from property in the Project Area and to the State Board of Equalization.

Section 9:

The Building Department of the City of San Fernando is hereby directed for a period of two (2) years after the effective date of this Ordinance to advise all applicants for building permits within the Project Area that the site for which a building permit is sought for the construction of buildings or for other improvements is within a redevelopment project area.

Section 10:

This Ordinance shall be in full force and effect thirty (30) days from and after the date of final passage.

Section 11:

If any part of this Ordinance or the Redevelopment Plan which it approves is held to be invalid for any reason, such decision shall not affect the validity of the remaining portion of this Ordinance or of the Redevelopment Plan, and the City Council hereby declares it would have passed the remainder of this Ordinance or approved the remainder of the Redevelopment Plan if such invalid portion thereof had been deleted.

Section 12:

This Ordinance shall be introduced at least five (5) days prior to the City Council meeting at which this Ordinance is to be adopted. The full text of this Ordinance shall be published and/or be posted as required by law in accordance with Government Code Section 36933.

PASSED, APPROVED, AND ADOPTED by the City Council of the City of San Fernando this 18th day of July, 1994.

Mayor of the City of San Fernando

ATTEST:

City Clerk of the City of San Fernando

I, MARY STRENN, City Clerk of the City of San Fernando, do hereby certify that the foregoing ordinance was duly adopted by the City Council and signed by the Mayor at a meeting held on the 18th day of July, 1994; and the same was passed by the following vote, to wit:

AYES:	Ojeda, Chacon, Godinez, Baltierrez - 4
NOES:	None - 0
ABSENT:	None - 0
ABSTAIN:	Wysbeek - 1

City Clerk

RESOLUTION NO. 1100

A RESOLUTION OF THE REDEVELOPMENT AGENCY OF THE CITY OF SAN FERNANDO AUTHORIZING THE PAYMENT OF EIGHT HUNDRED FORTY THOUSAND DOLLARS TO THE CITY OF SAN FERNANDO TO INCREASE AFFORDABLE HOUSING PURSUANT TO HEALTH AND SAFETY CODE SECTION 33334.2 AND APPROVING THE TRANSFER OF ITS RIGHT, TITLE AND INTEREST IN AND TO CERTAIN REAL PROPERTY TO THE CITY OF SAN FERNANDO, IN SUPPORT OF THE AFFORDABLE HOUSING PROJECT AT 1422 SAN FERNANDO ROAD

WHEREAS, the City of San Fernando (the "City") has purchased certain real property located at 1422 San Fernando Road, APN 2521-003-900 (the "Housing Site") using City funds from the Cash In-Lieu of Parking Fund ("parking in-lieu fund");

WHEREAS, the City proposes to enter into a Disposition and Development Agreement ("DDA") with Los Angeles Housing Partnership, Inc., a California non-profit public benefit corporation ("Developer") to cause the development of twenty units of housing affordable to very low- and low-income households (the "Affordable Housing Project") on the Housing Site;

WHEREAS, in order to assist with the financial feasibility of the Affordable Housing Project, the City proposes to enter into the long-term ground lease with Developer for a nominal rent;

WHEREAS, the City will be unable to cause the development of affordable housing on the Housing Site unless the City's parking in-lieu fund is reimbursed the City's cost to purchase the Housing Site;

WHEREAS, the City is experiencing numerous fiscal challenges, and has no monies available with which to repay the parking in-lieu fund;

WHEREAS, the Housing Site is located within Redevelopment Project Area No. 4;

WHEREAS, pursuant to City of San Fernando Ordinance No. 1600, adopted by the City Council on July 6, 2010, and in accordance with Community Redevelopment Law (Health and Safety Code Section 33000 et seq.), Redevelopment Project Area No. 4 was merged along with Redevelopment Project Area Nos. 1, 2, 3, and 3A to comprise the San Fernando Merged Redevelopment Project Area;

WHEREAS, pursuant to Health and Safety Code Section 33334.2, the Redevelopment Agency of the City of San Fernando (the "Agency") must use twenty percent (20%) or more of all taxes that are allocated to the Agency pursuant to Health and Safety Code Section 33670 for the purposes of increasing, improving, and preserving the City's supply of low- and moderate-income housing available at affordable housing cost to persons and families of low- or moderate-income, lower-income households, very low-income households, and extremely low-income households, that is occupied by these persons and families;

WHEREAS, pursuant to Health and Safety Code Section 33334.3, the funds that are required by Health and Safety Code Section 33334.2 to be used for affordable housing are required to be held in a separate Low and Moderate Income Fund ("Housing Set Aside Fund") until used;

WHEREAS, in consideration of the City entering into the long-term ground lease with Developer to cause the development of housing affordable to very low- and low-income households on the Housing Site, the Agency desires to make a payment in the amount of Eight Hundred Forty Thousand Dollars ($840,000) to the City from the Housing Set Aside Fund in order to make feasible the development of affordable housing on the real property located at 1422 San Fernando Road and thereby increase the City's supply of very low- and low-income housing in accordance with Health and Safety Code Section 33334.2;

WHEREAS, the Agency desires to make the total payment of Eight Hundred Forty Thousand Dollars ($840,000) to the City by making an initial payment of One Hundred Fifty Thousand Dollars ($150,000) from the Housing Set Aside Fund upon the City's execution of the DDA and executing an unsecured promissory note in the amount of Six Hundred Ninety Thousand Dollars ($690,000) for the balance of the payment from the Housing Set Aside Fund;

WHEREAS, the Agency acquired a certain parcel of unimproved real property located at 551 S. Kalisher Street, APN 2521-011-900 (the "Park Site"), for affordable housing, using monies from the Housing Set Aside Fund;

WHEREAS, pursuant to Health and Safety Code Section 33334.16, if the Agency fails to use the Park Site for a purpose associated with the development of affordable housing, the Agency must sell the property independently and use the proceeds to reimburse the Housing Set Aside Fund;

WHEREAS, the proposed DDA, and related land use approvals, contemplate that the required open space for the Affordable Housing Project will be located on the Park Site, which will be improved by the Developer as passive open space;

WHEREAS, if the required open space for the Affordable Housing Project were to be located on the Housing Site, instead of as proposed on the Park Site, City staff estimate that only approximately ten (10) units of housing could be constructed on the Housing Site, instead of the contemplated twenty (20) units of affordable housing;

WHEREAS, the fair market value of the Housing Site and the Park Site were recently appraised at Nine Hundred Thousand Dollars ($900,000) and Sixty Thousand Dollars ($60,000), respectively; and

WHEREAS, the purpose of this Resolution is to (i) authorize the total payment of Eight Hundred Forty Thousand Dollars ($840,000) to the City in order to make feasible the development of affordable housing on the real property located at 1422 San Fernando Road and (ii) approve the permanent transfer of the Agency's right, title and interest in the real property located at 551 S. Kalisher Street to the City for development as open space for the benefit of both the Affordable Housing Project and the community at large.

NOW, THEREFORE, THE REDEVELOPMENT AGENCY OF THE CITY OF SAN FERNANDO HEREBY FINDS, DETERMINES, RESOLVES AND ORDERS AS FOLLOWS:

SECTION 1. The Agency hereby finds and determines the foregoing recitals to be true and correct.

SECTION 2. The Agency hereby authorizes the payment of One Hundred Fifty Thousand Dollars ($150,000) to the City from the Housing Set Aside Fund upon the City's execution of the DDA.

SECTION 3. The Agency hereby authorizes the payment of Six Hundred Ninety Thousand Dollars ($690,000) to the City, and hereby directs the Chairman to execute, on behalf of the Agency, an unsecured promissory note payable to the City in the amount of Six Hundred Ninety Thousand Dollars ($690,000), in the form attached hereto as Exhibit "A," and incorporated herein by this reference (the "Promissory Note").

SECTION 4. The Agency members and its officers, employees and counsel are hereby authorized to do all acts and things which may be required of them by this Resolution or which may be necessary or desirable in carrying out the issuance of the Promissory Note as provided by this Resolution and all matters incidental thereto. All such acts and things heretofore done are hereby approved, ratified and confirmed.

SECTION 5. This Agency hereby approves the permanent transfer of the real property located at 551 S. Kalisher Street to the City of San Fernando and authorizes and directs the Chairman and the Executive Director to take any and all actions, and execute any and all documents, necessary to effect the permanent transfer of all right, title and interest in and to the real property located at 551 S. Kalisher Street to the City of San Fernando.

SECTION 6. The Agency Secretary shall certify to the adoption of this Resolution and is hereby authorized and directed to transmit a copy of this Resolution to the City Council.

PASSED, APPROVED AND ADOPTED this 9th day of March, 2011.

Mario F. Hernández, Chairperson

ATTEST:

Elena G. Chávez, Secretary

STATE OF CALIFORNIA)
COUNTY OF LOS ANGELES) ss
CITY OF SAN FERNANDO)

I HEREBY CERTIFY that the foregoing Resolution was approved and adopted at a regular adjourned meeting of the Redevelopment Agency held on the 9th day of March, 2011, by the following vote to wit:

AYES: M. Hernández, Esqueda, E. Hernández, De La Torre - 4

NOES: None

ABSENT: Veres - 1

Elena G. Chávez

Elena G. Chávez, Secretary

UNSECURED PROMISSORY NOTE - Exhibit A

$690,000.00
San Fernando, California
March 9, 2011

FOR VALUE RECEIVED, the Redevelopment Agency of the City of San Fernando (the "Agency") hereby promises to pay to the City of San Fernando (the "City"), or order, the principal amount of SIX HUNDRED NINETY THOUSAND AND NO/100 DOLLARS ($690,000.00), plus interest thereon, as provided herein.

1. Pursuant to Resolution No. 7417, adopted on March 9, 2011, by the City Council of the City, the City accepted payment from the Agency in the amount of $840,000.00, in the form of a cash payment of $150,000.00, and this Note to City for the remaining principal amount of $690,000.00. The purpose of the payment is to make feasible the development of affordable housing on the real property located at 1422 San Fernando Road and thereby increase the City's supply of low-income housing in accordance with Health and Safety Code Section 33334.2. Pursuant to Resolution No. 1100, adopted on March 9, 2011, by the Agency Board of Agency, the Agency agreed to make such payment to the City.

2. This promissory note (this "Note") evidences the Agency's obligation to pay the City the principal amount of $690,000.00, plus the interest thereon as described below.

3. The principal hereof shall become due and payable according to the following schedule:

Principal Due Date	Amount
June 30, 2011	$200,000
June 30, 2012	$100,000
June 30, 2013	$100,000
June 30, 2014	$100,000
June 30, 2015	$100,000
June 30, 2016	$90,000

4. The Agency shall pay interest on the outstanding principal balance of this Note, in arrears, on a yearly basis (with each year commencing July 1st and ending the following June 30th). The Agency shall make the annual interest payment on each June 30th, commencing June 30, 2011. After June 1st (but before June 30th) of each year, the City's Finance Manager shall calculate the interest then coming due, which shall be equal to (a) the outstanding principal balance of this Note, multiplied by (b) the per annum interest rate then payable on funds invested in the California Local Agency Investment Fund ("LAIF").

5. Outstanding principal may be prepaid in whole or in part at any time; provided, that if the Agency makes a prepayment on a date other than June 30th, then the Agency shall also include in the prepayment, an interest portion, which shall be calculated by the City's Finance Manager. Such interest portion shall be equal to (a) the amount of principal being prepaid, multiplied by (b) the per annum interest rate then payable on funds invested in LAIF, divided by (c) twelve, and multiplied by (d) the number of whole months that has elapsed since the immediately preceding June 30th.

6. The payment obligations of the Agency evidenced by this Note shall constitute an indebtedness of the Agency for the purpose of carrying out the redevelopment plan for the San Fernando Merged Redevelopment Project Area (the "Merged Project Area"), which Merged Project Area was adopted by the City Council of the City on July 6, 2010, pursuant to Ordinance No. 1600. The Agency shall pay to the City all amounts due hereunder from (i) tax increment generated in the Merged Project Area and eligible to be allocated to the Agency (or to any successor agency or entity of the Agency and/or any entity established by law to carry out the redevelopment plan for the Merged Project Area and/or expend tax increment or pay indebtedness of the Agency) pursuant to the Community Redevelopment Law of the State of California (being Part 1 of Division 24 of the Health and Safety Code of the State of California, as amended), and all laws amendatory thereof or supplemental thereto (the "Redevelopment Law"); or (ii) any other available funds of the Agency.

7. The Agency's obligation to pay the City all amounts due under this Note shall, without the necessity of further action by the Agency or the City, be junior and subordinate to all other obligations or indebtedness heretofore or hereafter voluntarily incurred by the Agency, including bonds or loans secured by a pledge of tax increment revenues derived from the Merged Project Area, and to all pre-existing statutory obligations of the Agency pursuant to Section 33607.5 or 33606.7 of the Redevelopment Law.

8. All sums payable under this Note shall be paid by the Agency at the City Hall of the City, or at such other place as the City Administrator of the City may inform the Agency, in lawful money of the United States.

9. The Agency waives presentment for payment, demand, protest, and notices of dishonor and of protest; the benefits of all waivable exemptions; and all defenses and pleas on the ground of any extension or extensions of the time of payment or of any due date under this Note, in whole or in part, whether before or after maturity and with or without notice.

10. The Agency hereby agrees to pay all costs and expenses, including reasonable attorneys' fees, which may be incurred by the City, in the enforcement of this Note.

11. The failure of the City to exercise any right or remedy (and any delay in the exercise of such right or remedy), shall not constitute a waiver of such right or remedy.

12. If the interest rate stated above is greater than the maximum rate permitted by law, it shall be deemed to be reduced to the maximum rate permitted by law.

13. The Agency's obligation to make payments under this Note shall be binding on any successor-in-interest to the Agency.

14. The terms set forth in this Note reflect the agreement of the Agency and the City regarding the payment terms as of the dated date of this Note, and shall supersede all prior agreements and understandings between the City and the Agency regarding the same subject matter to the extent that such prior agreements and understandings are inconsistent with the terms set forth herein.

15. This Note shall be governed by the laws of the State of California.

BORROWER:

Mario F. Hernández, Chair
Redevelopment Agency of the City of San Fernando

Accepted By:
LENDER

Mario F. Hernández, Mayor
City of San Fernando

Attest:

Elena G. Chávez
City Clerk/Agency Secretary

Approved as to Form:

Michael Estrada
City Attorney/Agency Counsel

RESOLUTION NO. 7417

A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF SAN FERNANDO APPROVING A DISPOSITION AND DEVELOPMENT AGREEMENT AND LONG-TERM GROUND LEASE AND CONSENTING TO AND APPROVING THE TRANSFER BY THE REDEVELOPMENT AGENCY OF THE CITY OF SAN FERNANDO OF ITS RIGHT, TITLE AND INTEREST IN AND TO CERTAIN REAL PROPERTY TO THE CITY OF SAN FERNANDO

WHEREAS, Government Code Section 37364 provides that notwithstanding any provision of a city's charter, or any other provision of law, whenever a legislative body of a city determines that any real property or interest therein owned or to be purchased by the city can be used to provide housing affordable to persons and families of low or moderate income, and that this use is in the city's best interests, the city may sell, lease, exchange, quitclaim, convey, or otherwise dispose of the real property or interest therein at less than fair market value, or purchase an interest in the real property, to provide that affordable housing under whatever terms and conditions the city deems best suited to the provision of such housing;

WHEREAS, the City of San Fernando (the "City") purchased certain real property located at 1422 San Fernando Road, APN 2521-003-900 (the "Housing Site") using City funds from the Cash In-Lieu of Parking Fund ("parking in-lieu fund");

WHEREAS, the City proposes to enter into a Disposition and Development Agreement ("DDA") with Los Angeles Housing Partnership, Inc., a California non-profit public benefit corporation ("Developer") to cause the development of twenty units of housing affordable to very low- and low-income households (the "Affordable Housing Project") on the Housing Site;

WHEREAS, in accordance with Government Code Section 37364 and in order to assist with the financial feasibility of the Affordable Housing Project, the City proposes to enter into the long-term ground lease with Developer for a nominal rent;

WHEREAS, the proposed Affordable Housing Project would not be financially feasible if the Developer was required to pay more than a nominal rent for the lease;

WHEREAS, the City will be unable to cause the development of affordable housing on the Housing Site unless the City's parking in-lieu fund is reimbursed the City's cost to purchase the Housing Site;

WHEREAS, the City is experiencing numerous fiscal challenges, and has no monies available with which to repay the parking in-lieu fund;

WHEREAS, the Housing Site is located within Redevelopment Project Area No. 4;

WHEREAS, pursuant to City of San Fernando Ordinance No. 1600, adopted by the City Council on July 6, 2010, and in accordance with Community Redevelopment Law (Health and Safety Code Section 33000 et seq.), Redevelopment Project Area No. 4 was merged along with

Redevelopment Project Area Nos. 1, 2, 3, and 3A to comprise the San Fernando Merged Redevelopment Project Area (the "Merged Project Area");

WHEREAS, pursuant to Health and Safety Code Section 33334.2, the Redevelopment Agency of the City of San Fernando (the "Agency") must use twenty percent (20%) or more of all taxes that are allocated to the Agency pursuant to Health and Safety Code Section 33670 for the purposes of increasing, improving, and preserving the City's supply of low- and moderate-income housing available at affordable housing cost to persons and families of low- or moderate-income, lower-income households, very low-income households, and extremely low-income households, that is occupied by these persons and families;

WHEREAS, pursuant to Health and Safety Code Section 33334.3, the funds that are required by Health and Safety Code Section 33334.2 to be used for affordable housing are required to be held in a separate Low and Moderate Income Fund ("Housing Set Aside Fund") until used;

WHEREAS, in consideration of the City entering into the long-term ground lease with Developer to cause the development of housing affordable to very low- and low-income households on the Housing Site, the Agency desires to make a payment in the amount of Eight Hundred Forty Thousand Dollars ($840,000) to the City from the Housing Set Aside Fund in order to make feasible the development of affordable housing on the Housing Site and thereby increase the City's supply of low-income housing in accordance with Health and Safety Code Section 33334.2;

WHEREAS, the Agency desires to make the total payment of Eight Hundred Forty Thousand Dollars ($840,000) to the City by making an initial payment of One Hundred Fifty Thousand Dollars ($150,000) from the Housing Set Aside Fund upon the City's execution of the DDA and executing an unsecured promissory note in the amount of Six Hundred Ninety Thousand Dollars ($690,000) for the balance of the payment from the Housing Set Aside Fund;

WHEREAS, the Agency acquired a certain parcel of unimproved real property located at 551 S. Kalisher Street, APN 2521-011-900 (the "Park Site"), for affordable housing, using monies from the Housing Set Aside Fund;

WHEREAS, pursuant to Health and Safety Code Section 33334.16, if the Agency fails to use the Park Site for a purpose associated with the development of affordable housing, the Agency must sell the property independently and use the proceeds to reimburse the Housing Set Aside Fund;

WHEREAS, the proposed DDA, and related land use approvals, contemplate that the required open space for the Affordable Housing Project will be located on the Park Site, which will be improved by the Developer as passive open space;

WHEREAS, if the required open space for the Affordable Housing Project were to be located on the Housing Site, instead of as proposed on the Park Site, City staff estimate that only approximately ten (10) units of housing could be constructed on the Housing Site, instead of the contemplated twenty (20) units of affordable housing;

WHEREAS, the fair market value of the Housing Site and the Park Site were recently appraised at Nine Hundred Thousand Dollars ($900,000) and Sixty Thousand Dollars ($60,000), respectively; and

WHEREAS, the purpose of this Resolution is to (i) determine that the project is categorically exempt from the procedures otherwise required by the California Environmental Quality Act (CEQA) pursuant to Categorical Exemption Class 32 per CEQA Guidelines Section 15332 relating to "infill development" projects, (ii) approve the DDA and the long-term ground lease between the City and the Developer, (iii) accept a total payment of Eight Hundred Forty Thousand Dollars ($840,000) from the Agency in order to make feasible the development of affordable housing on the Housing Site, and (iv) consent to and approve the permanent transfer of the Agency's right, title and interest in the real property located at 551 S. Kalisher Street to the City for development as open space for the benefit of both the Affordable Housing Project and the community at large.

NOW, THEREFORE, THE CITY COUNCIL OF THE CITY OF SAN FERNANDO HEREBY FINDS AND RESOLVES AS FOLLOWS:

SECTION 1. The City Council hereby finds and determines the foregoing recitals to be true and correct.

SECTION 2. The City Council hereby finds and determines that the proposed infill development project that includes the construction of a 20-unit affordable housing project at the Housing Site located at 1422 San Fernando Road and a neighborhood park at the Park Site located at 551 Kalisher Street will not have a significant adverse impact on the environment. Therefore, the project is "categorically exempt" from compliance with the procedures of the California Environmental Quality Act (CEQA) pursuant to Categorical Exemption Class 32 per CEQA Guidelines Sec. 15332. Based on this determination, no further environmental assessment is necessary.

SECTION 3. The City Council hereby approves the DDA and long-term ground lease, substantially in the form presented to the City Council at the public hearing for this item, and directs the Mayor to execute, on behalf of the City, the DDA and long-term ground lease. The City Administrator, in consultation with the City Attorney, is hereby authorized to make any non-substantive changes to the DDA and ground lease that are not inconsistent with the fundamental terms presented to the City Council.

SECTION 4. The City Council hereby approves the total expenditure of Eight Hundred Forty Thousand Dollars ($840,000) of the Housing Set Aside Fund by the Agency as payment to the City and directs the City Administrator to accept payment of One Hundred Fifty Thousand Dollars ($150,000) from the Housing Set Aside Fund upon the City's execution of the DDA and obtain from the Agency an executed unsecured promissory note payable to the City in the amount of Six Hundred Ninety Thousand Dollars ($690,000), substantially in the form attached hereto as Exhibit "A," and incorporated herein by this reference.

SECTION 5. The City's officers, employees and counsel are hereby authorized to do all acts and things which may be required of them by this Resolution or which may be necessary or

desirable in carrying out the implementation of the DDA and ground lease and issuance of the Promissory Note as provided by this Resolution and all matters incidental thereto. All such acts and things heretofore done are hereby approved, ratified and confirmed.

SECTION 6. The transfer of title to 551 Kalisher Street to the City is authorized by and consistent with to Health and Safety Code Section 33334.2, in that the transfer for purposes of the Affordable Housing Project will increase the number of affordable units that can be constructed on 1422 San Fernando Road.

SECTION 7. In accordance with Health and Safety Code Section 33445, the City Council makes the following findings with respect to the Agency's transfer of all right, title and interest in and to the real property located at 551 S. Kalisher Street to the City of San Fernando:

(a) The transfer of title to the real property located at 551 S. Kalisher Street is of benefit to the Merged Project Area by helping to provide housing for low- or moderate-income persons.

(b) No other reasonable means of financing transfer of the real property located at 551 S. Kalisher Street from the Agency to the City are available to the community.

(c) The payment of funds for the transfer of the real property located at 551 S. Kalisher Street is consistent with the implementation plan adopted pursuant to Section 33490.

SECTION 8. The City Council hereby consents to, approves, and accepts the permanent transfer of the real property located at 551 S. Kalisher Street to the City of San Fernando and authorizes and directs its Mayor and the City Administrator to take any and all other actions, and execute any and all documents, necessary to effect the permanent transfer of all right, title and interest in and to the real property located at 551 S. Kalisher Street to the City of San Fernando.

SECTION 9. The City Council hereby directs the City Administrator to certify the City of San Fernando's acceptance of all right, title and interest in and to the real property located at 551 S. Kalisher Street by executing a Certificate of Acceptance.

SECTION 10. The City Clerk shall certify to the adoption of this Resolution.

PASSED, APPROVED AND ADOPTED this 9th day of March, 2011.

Mario F. Hernández, Mayor

ATTEST:

Elena G. Chávez, City Clerk

12011-0001\1335111v4.doc

STATE OF CALIFORNIA)
COUNTY OF LOS ANGELES) ss
CITY OF SAN FERNANDO)

I HEREBY CERTIFY that the foregoing Resolution was approved and adopted at a regular adjourned meeting of the City Council held on the 9th day of March, 2011, by the following vote to wit:

AYES: M. Hernández, Esqueda, E. Hernández, De La Torre - 4

NOES: None

ABSENT: Veres - 1

Elena G. Chávez

Elena G. Chávez, City Clerk

CALIFORNIA HOUSING FINANCE AGENCY

LOAN AGREEMENT

Housing Enabled by Local Partnership

CHFA Loan No. HELP-- 022202-09

This Loan Agreement (the "Agreement") is made and entered into on August 5, 2002, by and between the City of San Fernando, a municipal government, (the "Borrower"), and the California Housing Finance Agency, a public instrumentality and political subdivision of the State of California (the "Agency").

RECITALS

A. The Agency has authorized the making of a loan (the "HELP Loan") to the Borrower for the purpose of assisting the Borrower in operating a local housing program (the "Project") as more particularly described in the Borrower's loan application to the Agency and as further described in **Exhibits A** and **B** attached hereto and incorporated herein by this reference; and

B. The Agency and the Borrower intend, by this Agreement, to provide for the funding and repayment of the HELP Loan.

NOW, THEREFORE, in consideration of the mutual promises expressed herein, the parties hereto agree as follows:

1. HELP Loan. The Agency shall lend and the Borrower shall borrow and repay the HELP Loan in accordance with the provisions of this Agreement.

2. Disbursement of Loan. The Agency shall disburse the HELP Loan to the Borrower for the purposes described in **Exhibit A** and in accordance with the provisions of **Exhibit B**.

3. Repayment of Loan.

(a) For value received, the Borrower agrees to pay to the order of the Agency the principal amount of the HELP Loan, as described in **Exhibit B**, or so much thereof as may be disbursed by the Agency to the Borrower, or for its account, as provided herein. The Borrower also promises to pay to the order of the Agency interest and other charges in the amounts and at or before the times herein provided. Notwithstanding any provision to the contrary in the Borrower's application or other Project information submittals, this Agreement shall be a general obligation of the Borrower and the source of funds utilized for repayment shall not be limited to any particular asset(s) of the Borrower.

(b) The disbursements made pursuant to this Agreement shall accrue simple interest at the percentage rate per annum as specified in **Exhibit B** from the date that they are disbursed to the Borrower or for its account, until repaid.

(c) Any balance owed pursuant to this Agreement, whether principal, interest or otherwise, if not sooner due and payable as provided herein, shall be due and payable at the end of the HELP Loan term as specified in **Exhibit B**.

4. Interest Rate Adjustment. In addition to any other default remedies that the Agency may have as provided herein, the Agency may, upon thirty (30) days written notice to the Borrower, increase the rate of interest charged on any outstanding principal amount disbursed to the Borrower and not used in accordance with the terms of this Agreement, or not paid back when due, to a rate not to exceed ten percent (10%) per annum. Such rate adjustment shall occur commencing on the first (1st) day of the first (1st) month following expiration of such thirty (30) day notice. Such increased interest rate shall only be charged so long as the Borrower remains in default.

5. Place and Manner of Payment. All amounts due and payable under this Agreement are payable at the principal office of the Agency as set forth herein, or at such other place or places as the Agency may designate to the Borrower in writing from time to time, in any coin or currency of the United States of America which on the respective dates of payment thereof shall be legal tender for the payment of public and private debts and which on the respective dates on which such payments are due shall be immediately available funds.

6. Application of Payments. All payments received by the Agency from the Borrower on account of this Agreement shall be applied first to charges due under this Agreement other than interest and principal (i.e., attorneys fees and enforcement costs, if applicable), then to accrued interest and then to a reduction of the outstanding principal amount.

7. Timely Progress.

(a) The Borrower shall diligently commence and proceed with the implementation of the Project in a timely manner, and shall report such progress to the Agency, as specified in **Exhibit B**.

(b) In the event that the Borrower experiences any delay in the timely commencement of or progress in the implementation of the Project, the Borrower shall immediately notify the Agency of same. Failure of the Borrower to timely commence or proceed with the implementation of the Project shall (i) release the Agency from the obligation to make any further disbursements under this Agreement, and (ii) entitle the Agency to recapture from the Borrower all disbursed funds which have not been timely used, provided that the Agency shall have given the Borrower at least fifteen (15) days written notice of its intent to take such actions(s) and shall have given the Borrower a reasonable opportunity to correct such failure.

8. Default. The Borrower agrees that the unpaid balance of the then principal amount of this Agreement, together with all accrued interest thereon and charges owing, shall, at the option of the Agency, become immediately due and payable, upon the failure of the Borrower to make any payment hereunder as and when due, upon the Agency's discovery of any misrepresentation of material facts as stated in the Borrower's application or other Project information submittals, upon the use of HELP Loan funds for purposes not approved by the Agency, upon the Project's lack of compliance with the occupancy and rent requirements as stated in **Exhibit B**, upon the failure of the Borrower to perform or observe any other term or provision of this Agreement or upon the occurrence of any other event (whether termed default, event of default or otherwise) which under the terms of this Agreement shall entitle the Agency to exercise rights or remedies hereunder, provided that the Agency shall give written notice to the Borrower of any of the foregoing events and the Borrowers shall have thirty (30) days to cure before any

acceleration of the unpaid balance. In the event that the Borrower uses disbursed HELP Loan funds for a purpose which is not authorized or approved under this Agreement, or otherwise by the Agency in writing, the Agency may demand and the Borrower shall immediately repay such funds to the Agency.

9. Right to Inspect. The Borrower shall allow the Agency, on written request, to have reasonable access to and the right to inspect all records that pertain to the Project and this HELP Loan. The Borrower shall also permit the Agency to enter, at reasonable times, upon the Project to inspect the work progress. All records, accounts, documentation and other material relevant to a fiscal audit or examination, as specified by the Agency, shall be retained and made available to the Agency for a period of not less than three (3) years from the date of the termination of this Agreement.

10. Periodic Reports.

(a) Within fifteen (15) business days after the end of each reporting period as described in **Exhibit B**, the Borrower shall submit to the Agency a status report describing the Project's progress and detailing compliance with the requirements of the Agency. The format of the report shall be as provided or approved by the Agency.

(b) The Borrower agrees to establish and maintain fiscal control and accounting procedures which assure that funds loaned to it pursuant to this Agreement are properly disbursed, adequately controlled and reasonably accounted for. Adequate documentation of each transaction shall be maintained to permit the determination, through an audit if requested by the Agency, of the accuracy of the records and the allowability of expenditures payable with HELP Loan funds. If the allowability of any expenditure cannot be determined because records or documentation are inadequate, the questionable expenditure may be disallowed. Upon demand by the Agency, the Borrower shall immediately repay the Agency for any disallowed expenditures.

11. Fair Employment Practices. The Borrower shall provide, and require that any contractor or subcontractor engaged in work on the Project shall provide, equal opportunity for employment without discrimination as to race, sex, marital status, color, religion, sexual orientation, source of income, national origin or ancestry.

12. Use of Funds. The Borrower agrees that it shall hold, in trust, any funds received by it pursuant to this Agreement and apply them only for the purpose for which such funds were approved by the Agency. Approved use of funds may include the Borrower's reasonable administrative costs in administering the Project and HELP Loan to the extent, but only to the extent, provided for in **Exhibit B**.

13. Time. Time shall be of the essence in this Agreement.

14. Term. The term of this Agreement shall commence on the date of this Agreement, and shall continue until the full repayment of the HELP Loan.

15. Communications. All notices, and other communications made pursuant to this Agreement shall be effective upon personal delivery or, if mailed, on the date which is three (3) business days after deposit with the United States Postal Service, postage prepaid, and addressed to the applicable party as follows:

To the Borrower: At the Borrower's address as described on **Exhibit B**.
To the Agency: California Housing Finance Agency
1121 L Street, 7th Floor
Sacramento, California 95814
Attention: HELP Program

16. Successors and Assigns. The terms hereof shall be binding upon and inure to the benefit of the successors and assigns of the parties hereto; provided, however, that no assignment of the Borrower's rights hereunder shall be made, voluntarily or by operation of law, without the prior written consent of the Agency. The Borrower is the only entity which the Agency intends to benefit by this Agreement.

17. Partial Invalidity. If any provision of this Agreement shall be declared invalid, illegal or unenforceable, the validity, legality and enforceability of the remaining provisions hereof shall not in any way be affected or impaired.

18. Integration. This Agreement, together with the exhibits hereto, incorporating references herein, and enclosures herewith, sets forth all of the promises, agreements and understandings to date among the parties hereto with respect to the Project and HELP Loan, and there are no other promises, agreements or understandings, oral or written, express or implied.

19. Compliance with Laws. The Borrower shall comply with all applicable federal, state and local laws. Borrower hereby warrants such legal compliance and agrees to indemnify the Agency against any damages, costs or attorneys fees incurred by the Agency as a result of any such noncompliance.

20. Amendment. This Agreement shall not be amended except by a written agreement signed by the parties hereto.

21. Remedies, Waiver.

(a) If the Borrower fails to comply with the terms of this Agreement, the Agency may, at its election, terminate its obligation to make any further loan disbursements hereunder. No remedy herein contained or conferred upon the Agency is intended to be exclusive of any other remedy or remedies afforded by law, by equity or by the terms hereof to the Agency but each and every such remedy shall be cumulative and shall be in addition to every other remedy given hereunder or now or hereafter existing at law or in equity. No exercise of any right or remedy by the Agency hereunder shall constitute a waiver of any other right or remedy herein contained or provided by law, and no delay by the Agency in exercising any such right or remedy hereunder shall operate as a waiver thereof or preclude the exercise thereof during the continuance of any breach hereunder.

No waiver by the Agency of any breach of or default under this Agreement shall be deemed to be a waiver of any other or subsequent breach thereof or default hereunder.

22. Counterparts. This Agreement may be executed in several counterparts, each of which shall be an original and all of which shall constitute one and the same instrument.

23. Attorneys Fees, Costs. In any action to enforce or relating to this Agreement, the prevailing party shall be entitled to recover from the other party, its costs and expenses including attorney fees. The term "costs and expenses" as used herein shall include all costs and expenses actually and

reasonably incurred. Such costs and expenses shall be recoverable whether the services were rendered by a salaried employee of the party or by an independent contractor.

24. Representations and Warranties. The persons who are executing this Agreement on behalf of the Borrower and the Borrower represent and warrant to the Agency as follows:

(a) The Borrower is duly organized, validly existing and in good standing under the laws of the State of California and has the power and authority to own its property and carry on its business as now being conducted. The copies of the documents evidencing the organization of the Borrower delivered to the Agency are true and correct copies of the originals, as amended to the date of this Agreement.

(b) The Borrower has the full power and authority to execute and deliver this Agreement and to make and accept the borrowings contemplated hereunder, to execute and deliver this Agreement and all other documents or instruments executed and delivered, or to be executed and delivered, pursuant to this Agreement, and to perform and observe the terms and provisions of all of the above.

(c) This Agreement and all other documents or instruments executed and delivered, or to be executed and delivered, pursuant to this Agreement have been and will continue to be executed and delivered by persons who are duly authorized to execute and deliver the same for and on behalf of the Borrower and all actions required under the Borrower's organizational documents and applicable governing law for the authorization, execution, delivery and performance of this Agreement and all other documents or instruments executed and delivered or to be executed and delivered, pursuant to this Agreement, have been and will continue to be duly taken.

(d) This Agreement and all other documents or instruments which have been executed and delivered pursuant to this Agreement constitute or, if not yet executed or delivered, will when so executed and delivered constitute, legal, valid and binding obligations of Borrower enforceable against it in accordance with their respective terms.

IN WITNESS WHEREOF, the parties hereto have executed this Agreement as of the date and year first above written.

CALIFORNIA HOUSING FINANCE AGENCY

By: _____
Theresa A. Parker
Executive Director

CITY OF SAN FERNANDO

By: _____
Jose E. Pulido
City Administrator

EXHIBITS:

Exhibit A: Project Summary
Exhibit B: Project Specific Terms and Conditions

Exhibit A

Project Summary

City of San Fernando

Pursuant to the terms of the application submitted by the Borrower to the Agency and dated April 19, 2002, the Borrower shall use the HELP Loan as a revolving fund to assist in the development of affordable housing for senior citizens in the City of San Fernando (the "Project").

Project Specific Terms and Conditions

Borrower: City of San Fernando
117 Macneil Street
San Fernando, CA 91340-2993

Attn: City Administrator

CHFA Loan No.: HELP-022202-09

HELP Loan Terms:

Principal Amount:	$1,000,000
Interest Rate:	3% simple per annum Interest to be charged only on funds disbursed
Term:	10 years from date of this Agreement
Payment:	Deferred for term of HELP Loan

Loan is subject to the following conditions:

1. Authorizing Resolution. Prior to the disbursement of any HELP Loan funds, the Borrower shall issue a resolution that authorizes the signer, on behalf of the Borrower, to execute this Agreement, incur the HELP Loan indebtedness, commit specific resources to implement the Project, and take any other actions necessary to facilitate the Project.

2. Project Purposes. HELP Loan funds shall be used exclusively to provide for a revolving loan fund program for financing the development of affordable senior citizen rental projects in the City of San Fernando.

   Affordability covenants shall be recorded on the developments being financed which shall restrict occupancy and rents of the rental units, for a minimum of the term of the HELP Loan, to households at or below 60% of area median income as defined in California Health and Safety Code Section 50079.5 (the "AMI"). Notwithstanding the provisions of Section 14, this condition shall survive termination of this Agreement to the extent necessary to assure a full ten (10) years of affordability.

   HELP funds are to be loaned by the Borrower for the purposes of this Project at an interest rate which shall not exceed 3% compounded per annum.

The Borrower shall ensure that reasonable support services for the residents of this Project are provided, such as, but not necessarily limited to, health and fitness classes and counseling, health screening, transportation services, and organized social activities.

3. Timely Use of Funds (6 Month Requirement). Any HELP Loan funds which are not re-loaned by the Borrower within 180 days following their repayment to the Borrower (or utilized within 30 days of their disbursement by the Agency) shall be immediately repaid to the Agency.

4. Timely Use of Funds (2 Year Requirement). If the Borrower does not draw any funds within 2 years from the date of this Agreement, then the Agency shall have the option, in its sole discretion, to cancel the Borrower's right to receive future draws from the undisbursed HELP Loan funds.

5. Timely Use of Funds (4 Year Requirement). The Borrower shall draw and utilize its entire allocation of HELP Loan funds within 4 years from the date of this Agreement. Any disbursed HELP Loan funds which are not utilized within this period, at the Agency's option, shall be immediately repaid and the Borrower's right to receive future draws from the undisbursed HELP Loan funds shall terminate.

6. Draw Procedure. The Borrower shall request draws from the undisbursed HELP Loan proceeds by submitting a certification to the Agency which represents that the Borrower intends to use the funds within 30 days of the draw. The Borrower shall provide the following specific information in its certification: 1) the property location where the funds will be used; 2) the specific dollar amount of the draw requested; 3) the specific proposed use of the draw; 4) the date on which the Agency is requested to disburse the draw (allow at least 10 days); and 5) the name and title of the individual making the draw request (if the requestor is someone other than the individual identified in the resolution required by section 1 of this Exhibit B, the certification must be accompanied by a delegation letter or other evidence of authority to execute the certification).

7. Semiannual Report. The Borrower shall provide a semiannual report of the status of the Project, in accordance with the requirements of the Agency, commencing on the date which is 6 months from the date of this Agreement and continuing thereafter on 6 month intervals.

8. Due On Transfer. Borrower shall pay the outstanding balance of the HELP Loan in the event that the Project is sold or transferred. If no such event (or other prepayment event as provided in this Agreement) occurs prior thereto, all amounts

owing to the Agency shall be due and payable upon the 10th (tenth) anniversary of the date of this Agreement.

State of California

Cal HFA California Housing Finance Agency

Received
AUG 25 2011
Community Development

August 22, 2011

Jose E. Pulido
City Administrator
City of San Fernando
117 Macneil Street
San Fernando, CA 91340

Subject: Maturity Date for HELP Loan#022202-09
Original Loan Commitment Amount: $1,000,000.00

Dear Borrower:

This is a reminder to inform you that the principal balance in the amount of $912,691.92 at a 3% simple interest rate for the above-mentioned loan will become due and payable on or before August 5, 2012.

Should you have any questions about the repayment of your loan, please feel free to contact Denise Clark, Program Manager at (916) 326-8038 or myself (916) 326-8050.

Thank you.

Sincerely,

Maria Jimenez
HELP / RDLP Program

cc: Rina Lara

Sacramento Headquarters
P.O. Box 4034
Sacramento, CA 95812

Los Angeles Office
100 Corporate Pointe, Suite 250
Culver City, CA 90230

CALIFORNIA HOUSING FINANCE AGENCY
Multifamily Accounting
PO Box 4034
Sacramento CA 95812

RECEIVED

(916) 326-8400

JUL 29 2011

7/19/2011

ADMINISTRATIVE OFFICE OF
CITY OF SAN FERNANDO

Mortgagor Annual Statement of Selected Accounts

→ Sonia / Joe

CITY OF SAN FERNANDO
JOSE PULIDO, CITY ADMIN
117 MACNEIL STREET
SAN FERNANDO, CA 91340

CalHFA Project Number:	HELP02220209
CalHFA Loan Number:	1672
Project Tax ID #:	95-6000779

The following information provides a statement of your account for the period 07/01/2010 through 06/30/2011.

Current Principal Balance:	$912,691.92	Principal Paid:	$87,308.08
		Interest Paid:	$212,691.92
Tax Escrow Balance:	$0.00	Taxes Paid:	$0.00
Hazard/Liability Ins. Escrow Balance:	$0.00		
Earthquake Escrow Balance:	$0.00	Interest Paid to Project on Escrows:	$0.00
MIP Escrow Balance:	$0.00		

Late Charges Paid:	$0.00
Misc. Fees Paid:	$0.00

Mortgage Information:

Current Interest Rate:	3.0000 %
Original Loan Amount:	$1,000,000.00

CalHFA routinely furnishes one annual statement each year for audit purposes. Additional information may be obtained by written request. The cost will depend upon the complexity and time required. There is a minimum fee of $25. If you have any questions, please contact us at (916) 326-8400.

ADMINISTRATION DEPARTMENT

MEMORANDUM

TO: Mayor Steven Veres and City Council Members
Chair Steven Veres and Public Financing Authority Board Members
Chair Steven Veres and Redevelopment Agency Board Members

FROM: Mary Strenn, Redevelopment Agency Executive Director
Brian Haworth, Assistant to the City Administrator

DATE: February 16, 2010

SUBJECT: Investment Documents Related to the Redevelopment Agency's Adopted FY 2009-10 Budget Adjustments

---

RECOMMENDATION:

It is recommended that:

a. The **Redevelopment Agency** ("Agency") adopt Resolutions authorizing the issuance of notes to be repaid by tax increment revenues derived from Project Area 1 (two notes), Project Area 2 (one note) and Project Area 4 (one note) in substantially the forms on file with the Agency Secretary (collectively the "Notes") (Attachments "A", "B" and "C").

b. The **City Council** ("Council") adopts a Resolution authorizing the Agency to issue the Notes (Attachment "D").

c. The **Public Finance Authority** ("Authority") adopts a Resolution authorizing the execution of agreements for purchase of the Notes (Attachment "E").

d. The **Redevelopment Agency** adopts a Resolution authorizing the execution of agreements for the purchase of the note to be repaid with Project Area 1 tax increment revenues (Attachment "F").

e. The **City Council** adopts a Resolution authorizing the execution of agreements for the purchase of the notes to be repaid with tax increment revenues from Project Areas 2 and 4 (Attachment "G").

BACKGROUND:

On January 19, 2010, the Agency Board approved the recommended FY 2009-10 mid-year budget revisions to eliminate the Agency's cumulative budget deficit, including investments between the project areas and from the City's Sewer Enterprise Fund. The actions contained in

this report allow execution of the investment instruments with funds currently available and not required for immediate needs.[1]

ANALYSIS:

Below is a summary of actions for:

1. Investing surplus tax increment revenues from Project Areas 2 and 4 ($259,951 and $238,541 respectively) into Project Area 1.

   - The Agency issues a Series A Note for $259,951 and a Series B Note for $238,541.

   - The Agency sells the notes to the Authority (Attachment "H").

   - The Authority concurrently resells the notes to the Agency.[2] The Agency uses available tax increment revenues from Project Area 2 to purchase the Series A Note and available tax increment revenues from Project Area 4 to purchase the Series B Note.

   - Proceeds from the notes are deposited into the fund balance for Project Area 1.

   - The Agency repays the notes from future tax increment revenues derived from Project Area 1.

   - The notes shall mature on May 15, 2014, and shall bear interest at the rate of prior year average LAIF rate per annum, with interest payable semi-annually each year and principal payable beginning on May 15, 2012.[3]

2. Investing surplus Sewer Enterprise Fund revenues into Project Areas 2 ($231,500) and 4 ($231,500):

   - The Agency issues two notes at $231,500 each.

   - The Agency sells the notes to the Authority (Attachments "I" and "J").

   - The Authority concurrently resells the notes to the City.[2] The City uses available Sewer Enterprise Fund revenues to purchase the Notes.

   - Proceeds from the notes are deposited into the fund balance for Project Areas 2 and 4.

   - The Agency repays the notes from future tax increment revenues derived from Project Areas 2 and 4.

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[1] The investment from the City's Sewer Enterprise Fund will not affect its five-year capital expenses, however, repayment is needed for future system improvements.
[2] The Authority will purchase and concurrently resell the notes to the Agency or City because it allows the Agency to sell the notes without competitive bidding.
[3] Interest is based on the Agency/City's average rate earned on its funds deposited into the Local Agency Investment Fund (LAIF).

- The notes shall mature on May 15, 2014, and shall bear interest at the rate of prior year average LAIF rate per annum, with interest payable semi-annually each year and principal payable beginning on May 15, 2012.[3]

CONCLUSION:

Approval of the recommended actions will allow the Agency to implement the FY 2009-10 mid-year budget revisions.

BUDGET IMPACT:

The payment of principal and interest on the Notes will be included as part of the Agency's annual budget process starting FY 2010-11.

ATTACHMENTS:

A: Agency Resolution authorizing issuance of a Series A Note and a Series B Note payable from tax increment derived from Project Area 1.

B: Agency Resolution authorizing issuance of a note payable from tax increment derived from Project Area 2.

C: Agency Resolution authorizing issuance of a note payable from tax increment derived from Project Area 4.

D: City Council Resolution authorizing the Agency to issue the Notes.

E: Authority Resolution authorizing the execution of agreements for the purchase of the Notes.

F: Agency Resolution authorizing the execution of agreements for the purchase of the note to be repaid with Project Area 1 tax increment revenues.

G: City Council Resolution authorizing the City to enter into purchase agreements for notes payable from tax increment derived from Project Areas 2 and 4.

H: Form of note purchase agreement between Agency and Authority for purchase of notes payable from tax increment derived from Project Area 1.

I: Form of note purchase agreement between the Agency and Authority for purchase of the note payable from tax increment derived from Project Area 2.

J: Form of note purchase agreement between the Agency and the Authority for purchase of the note payable from tax increment derived from Project Area 4.

Attachment "A"

RESOLUTION NO. ____

A RESOLUTION OF THE SAN FERNANDO REDEVELOPMENT AGENCY AUTHORIZING THE ISSUANCE OF ITS REDEVELOPMENT PROJECT NO. 1 SUBORDINATE TAX ALLOCATION NOTE, SERIES 2010A AND ITS REDEVELOPMENT PROJECT NO. 1 SUBORDINATE TAX ALLOCATION NOTE, SERIES 2010B, TO FINANCE A PORTION OF THE COST OF A REDEVELOPMENT PROJECT AND PROVIDING FOR THE SALE OF SAID NOTE TO THE SAN FERNANDO PUBLIC FINANCING AUTHORITY

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RESOLUTION NO. ____

A RESOLUTION OF THE SAN FERNANDO REDEVELOPMENT AGENCY AUTHORIZING THE ISSUANCE OF ITS REDEVELOPMENT PROJECT NO. 1 SUBORDINATE TAX ALLOCATION NOTE, SERIES 2010A AND ITS REDEVELOPMENT PROJECT NO. 1 SUBORDINATE TAX ALLOCATION NOTE, SERIES 2010B, TO FINANCE A PORTION OF THE COST OF A REDEVELOPMENT PROJECT AND PROVIDING FOR THE SALE OF SAID NOTES TO THE SAN FERNANDO PUBLIC FINANCING AUTHORITY

RECITALS

A. The San Fernando Redevelopment Agency (the "Agency") is a redevelopment agency, a public body, corporate and politic, duly created, established and authorized to transact business and exercise its powers, all under and pursuant to the Redevelopment Law, and the powers of the Agency include the power to issue bonds, notes, interim certificates, debentures or other obligations, for any of its corporate purposes.

B. A redevelopment plan for a redevelopment project known and designated as Redevelopment Project No. 1 (the "Redevelopment Plan") has been duly approved and adopted by the City Council of the City of San Fernando (the "City").

C. The Redevelopment Plan contemplates that the Agency will issue bonds or notes to finance a portion of the cost of such redevelopment.

D. The Agency deems it necessary and desirable at this time to authorize the issuance and provide for the sale of subordinate tax allocation notes to finance a portion of such costs.

NOW, THEREFORE, THE SAN FERNANDO REDEVELOPMENT AGENCY HEREBY FINDS, DETERMINES, RESOLVES AND ORDERS AS FOLLOWS:

Section 1. Definitions. As used in this Resolution the following terms shall have the following meanings, unless the context requires otherwise:

"Agency" means the San Fernando Redevelopment Agency and any successor to its duties and functions.

"Annual Debt Service" means, for each Note Year, the sum of the interest and principal payable, in accordance with the terms of the Notes and any Parity Obligations, on all Outstanding Obligations in such Note Year.

"Authority" means the San Fernando Public Financing Authority.

"Business Day" means any day other than a Saturday, Sunday or any other day on which banking institutions in the state of California are authorized or required not to be open by law.

"City" means the City of San Fernando, California.

"Consultant's Report" means a report signed by an Independent Financial Consultant or an Independent Redevelopment Consultant, as may be appropriate to the subject of the report, and including:

(1) a statement that the person or firm making or giving such report has read the pertinent provisions of this Resolution to which such report relates;

(2) a brief statement as to the nature and scope of the examination or investigation upon which the report is based; and

(3) a statement that, in the opinion of such person or firm, sufficient examination or investigation was made as is necessary to enable said Independent Financial Consultant or Independent Redevelopment Consultant to express an informed opinion with respect to the subject matter referred to in the report.

"Federal Securities" means bills, certificates of indebtedness, notes, bonds, or similar securities which are direct obligations of, or the principal and interest of which securities are guaranteed by, the United States, whether issued in book entry form or otherwise.

"Fiscal Year" means the period commencing on July 1 of each year and terminating on the next succeeding June 30, or any other annual accounting period hereafter selected and designated by the Agency as its Fiscal Year.

"Housing Fund" means the Low and Moderate Income Housing Fund established pursuant to Section 33334.3 of the Redevelopment Law and held by the Agency.

"Independent Certified Public Accountant" means any certified public accountant or firm of such accountants duly licensed and entitled to practice and practicing as such under the laws of the State, appointed and paid by the Agency, and who, or each of whom:

(1) is in fact independent and not under the domination of the Agency;

(2) does not have any substantial interest, direct or indirect, with the Agency; and

(3) is not connected with the Agency as a member, officer or employee of the Agency, but who may be regularly retained to make annual or other audits of the books of or reports to the Agency.

"Independent Financial Consultant" means a financial consultant or firm of such consultants generally recognized to be well qualified in the financial consulting field, appointed and paid by the Agency and who, or each of whom:

(1) is in fact independent and not under the domination of the Agency;

(2) does not have any substantial interest, direct or indirect, with the Agency; and

(3) is not connected with the Agency as a member, officer or employee of the Agency, but who may be regularly retained to make annual or other reports to the Agency.

"Independent Redevelopment Consultant" means a consultant or firm of such consultants generally recognized to be well qualified in the field of consulting relating to tax allocation bond financing by redevelopment agencies in the State, appointed and paid by the Agency, and who, or each of whom:

(1) is in fact independent and not under the domination of the Agency;

(2) does not have any substantial interest, direct or indirect, with the Agency; and

(3) is not connected with the Agency as a member, officer or employee of the Agency, but who may be regularly retained to make annual or other reports to the Agency.

"Interest Payment Date" means May 15 or November 15 on which interest on the Notes is scheduled to be paid, commencing November 15, 2010.

"Notes" means the Series 2010A Note and the Series 2010B Note.

"Note Purchase Agreement" means the agreement by and between the Agency and the Authority relating to the purchase of the Notes by the Authority.

"Note Year" means (i) with respect to the initial Note Year, the period extending from the date the Notes are originally delivered to May 15, 2010, and (ii) thereafter, each successive 12 month period ending on May 15.

"Obligations" means, collectively, the Notes and all Parity Obligations.

"Outstanding" when used with reference to the Notes and any Parity Obligations, means, as of any particular date, the aggregate of all obligations, except:

A. Obligations theretofore cancelled by the Agency or surrendered to the Agency for cancellation at or prior to such date;

B. Obligations for the payment or redemption of which money in the necessary amount has been theretofore deposited with the Treasurer for the holders of the Obligations, provided that, if such Obligations are to be redeemed, notice of such redemption has been duly given pursuant to this Resolution;

C. Obligations paid or deemed to be paid as provided in Section 12 hereof; and

D. Obligations in lieu of or in substitution for which other obligations shall have been authenticated and delivered pursuant to this Resolution.

"Parity Obligations" means any additional tax allocation bonds, notes, interim certificates, debentures or other obligations, payable out of the Pledged Tax Revenues and ranking on a parity with the Notes, issued by the Agency pursuant to a separate resolution as permitted by Section 17 of this Resolution.

"Permitted Investments" means any investments permitted by law for Agency funds.

"Pledged Tax Revenues" means Tax Revenues excluding an amount, if any, equal to the sum of all transfers of and payments from Tax Revenues required by any Senior Debt Instrument.

"Principal Payment Date" means May 15, 2012, May 15, 2013 and May 15, 2014.

"Project Area" means the territory known and designated as Redevelopment Project No. 1, which is described and defined in the Redevelopment Plan.

"Owner" or "Registered Owner" means the registered owner or the duly authorized attorney, trustee, representative or assigns of any outstanding Note of such owner.

"Redevelopment Fund" means the Redevelopment Project No. 1 Redevelopment Fund created and held by the Agency pursuant to Sections 13 and 14 hereof.

"Redevelopment Law" means the Community Redevelopment Law, California Health and Safety Code Section 33000, et seq., and all future acts supplemental thereto or amendatory thereto.

"Redevelopment Plan" means the Redevelopment Plan for the Redevelopment Project No. 1, approved and adopted by ordinance of the City and includes any amendment of the Redevelopment Plan heretofore or hereafter made pursuant to law.

"Redevelopment Project" means the undertaking of the Agency pursuant to the Redevelopment Plan.

"Senior Debt" means any bond, note, loan, advance or other indebtedness which has, or purports to have, a lien upon the Tax Revenues prior or superior to the lien of the Note.

"Series 2010A Note" means the San Fernando Redevelopment Agency Redevelopment Project No. 1, Subordinate Tax Allocation Note, Series 2010A, to be issued pursuant to this Resolution.

"Series 2010B Note" means the San Fernando Redevelopment Agency Redevelopment Project No. 1, Subordinate Tax Allocation Note, Series 2010B, to be issued pursuant to this Resolution.

"Senior Debt Instrument" means any indenture, trust agreement, loan agreement, resolution or other instrument authorizing any Senior Debt.

"Special Fund" means the Redevelopment Project No. 1 Special Fund created and held by the Agency pursuant to Sections 13 and 15 of this Resolution.

"State" means the State of California.

"Subordinate Debt" means any bond, note, loan, advance or other indebtedness which has, or purports to have, a lien upon the Tax Revenues subordinate to the lien of the Note.

"Supplemental Resolution" means a resolution supplemental to or amendatory of this Resolution.

"Tax Revenues" means, for each Note Year, the taxes (including all payments, reimbursements and subventions, if any, specifically attributable to ad valorem taxes lost by reason of tax exemptions and tax rate limitations) eligible for allocation to the Agency pursuant to the Redevelopment Law in connection with the Project Area and excludes, to the extent there are any, (a) amounts, received by the Agency pursuant to Section 16111 of the Government Code; (b) amounts payable to taxing agencies under the Redevelopment Law or under any agreement between the Agency and such public agency; and (c) the taxes (including all payments, reimbursements and subventions, if any, specifically attributable to ad valorem taxes lost by reason of tax exemptions and tax rate limitations) eligible for allocation to the Agency pursuant to the Redevelopment Law in connection with the territory, referred to as "Project Area No. 1A" added to the Project Area by Ordinance No. 1316 on June 27, 1988 . "Tax Revenues" include amounts deposited in the Housing Fund by the Agency on and after the initial delivery date of the Notes pursuant to Section 33334.2 or Section 33334.3 of the Redevelopment Law, as provided in the Redevelopment Plan, but only to the extent such amounts are used to pay principal or interest or other financing charges with respect to bonds or other obligations issued to increase, improve or preserve the supply of low and moderate income housing within or of benefit to the Project Area.

"Treasurer" or "Treasurer of the Agency" means the officer who is then performing the functions of Treasurer of the Agency.

Section 2. Amount, Issuance and Purpose of Notes. Under and pursuant to the Redevelopment Law, and under and pursuant to this Resolution, the Series 2010A Note of the Agency in a principal amount not to exceed $259,951 and the Series 2010B Note of the Agency in a principal amount not to exceed $238,541 are hereby authorized to be issued by the Agency for the corporate purposes of the Agency to aid in the financing of redevelopment activities of the Agency in the Project Area, and for other purposes related thereto as hereinafter provided. It is hereby determined and declared that the issuance of the Notes is necessary for the purposes herein stated.

Section 3. Description of Notes; Disposition of Proceeds. The Notes shall be designated "San Fernando Redevelopment Agency, Redevelopment Project No. 1, Subordinate Tax Allocation Note, Series 2010A" and "San Fernando Redevelopment Agency, Redevelopment Project No. 1, Subordinate Tax Allocation Note, Series 2010B," respectively. The Series 2010A Note shall be issued in the form of a single, fully registered note, in a principal amount to be determined by the Treasurer or the Finance Officer of the Agency, not to exceed $259,951 and the Series 2010B Note shall be issued in the form of a single, fully registered note, in a principal amount to be determined by the Treasurer or the Finance Officer of the Agency, not to exceed $238,541. The Notes shall be dated as of the date of their original delivery. Interest on the Notes shall be calculated on the basis of a 360-day year of twelve 30-day months. The interest rate on the Notes shall be as set forth in Section 5 of this Resolution.

The Treasurer or the Finance Officer of the Agency shall receive the proceeds from the sale of the Notes and shall deposit such proceeds in the Redevelopment Fund.

Section 4. Security for the Notes. The Pledged Tax Revenues are hereby allocated and irrevocably pledged to the payment of the principal of and interest on the Notes and any Parity Obligations, and until the Notes and any Parity Obligations and all interest thereon have been paid, or until moneys for that purpose have been irrevocably set aside as provided in Section 12 hereof, the Pledged Tax Revenues shall be applied first to the payment of the Notes and any Parity Obligations and the interest thereon. Such allocation and pledge are for the exclusive benefit of the Registered Owners of the Notes and any Parity Obligations and shall be irrevocable. The Notes shall be subordinate to the Senior Debt.

The Notes shall be and are special obligations of the Agency payable as to principal and interest from Pledged Tax Revenues and other funds as herein provided. The Notes and the interest thereon are not a debt of the City, the State or any of its political subdivisions and neither the City, the State nor any of its political subdivisions is liable on the Notes, nor in any event shall the Notes and interest thereon be payable out of any funds or properties other than those of the Agency as set forth in this Resolution. The Notes do not constitute an indebtedness within the meaning of any constitutional or statutory debt limitation or restriction. Neither the members of the Agency nor any persons executing the Notes are liable personally thereon by reason of its issuance.

The validity of the Notes is not and shall not be dependent upon the completion of the redevelopment of the Project Area or upon the performance by any person of an obligation of that person relative to such redevelopment.

Section 5. Principal Maturity and Interest. Each Note shall mature on May 15, 2020, and shall bear interest at the rate of the prior year LAIF average rate percent per annum, with principal and interest payable to the Registered Owner on each Interest Payment Date and Principal Payment Date until the principal sum thereof has been paid; provided, however, that if at the maturity date of any Note or, if the same has been duly called for redemption, at the date fixed for redemption, funds are available for the payment or redemption thereof in full accordance with the terms of this Resolution, such Note shall then cease to bear interest.

Section 6. Place of Payment. The principal of and interest on the Notes shall be payable in lawful money of the United States of America at the office of the Treasurer, or such other location as may be designated from time to time by the Agency in writing.

Section 7. Form of Notes. The Series 2010A Note and Series 2010B shall be substantially in the forms attached hereto and made a part hereof, marked "Exhibit A-1" and "Exhibit A-2," respectively. Such forms are hereby approved and adopted as the forms of the Notes, and of the redemption, exchange, registration and assignment provisions pertaining thereto, with necessary or appropriate variations, omissions and insertions, as permitted or required by this Resolution or any Supplemental Resolution.

Section 8. Execution of Notes. The Notes shall be signed on behalf of the Agency by facsimile or manual signature of its Chairman and by facsimile or manual signature of its Secretary. The Chairman and the Secretary are hereby authorized and directed to sign the Notes in accordance with this Section. If any officer whose manual or facsimile signature appears on the Notes ceases to be such officer before delivery of the Notes, such signature is as effective as if such officer had remained in office, and the Notes shall be as binding upon the Agency as though the person who signed the Notes had been such officer on the date borne by the Notes. The Notes shall be authenticated by the Treasurer by manual signature.

Section 9. Registration; Transfer; Exchange. Each Note is issued as a fully registered note payable to the Registered Owner, negotiable only by proper transfer of registration. Transfer of ownership of any Note shall be made by exchanging the same for a new fully registered note. All of such exchanges shall be required to be made in such manner and upon such reasonable terms and conditions as may from time to time be determined and prescribed by law; provided, however, no such transfer or exchange shall result in any gain or loss of interest and no such transfer or exchange shall be made after such Note has been selected for redemption. Such exchanges may be subject to costs or charges to the person, firm or corporation requesting such exchange, and for any tax or governmental charge that may be imposed in connection with such exchange.

Neither this Resolution nor the Notes have been registered with any federal or state securities agency or commission. The Agency has not prepared any official statement or other disclosure document nor undertaken any continuing disclosure obligation in connection with the issuance of the Notes. Therefore, notwithstanding the foregoing provisions of this Section 9, the Notes shall be transferred only to a "qualified institutional buyer" as defined in Rule 144a of the Securities Act of 1933 ("QIB") or an "accredited investor" as defined in Rule 501(a) of Regulation D promulgated under the Securities Act of 1933.

Section 10. Note Register. The Treasurer shall keep sufficient books for the registration and transfer of the Notes; and upon presentation and surrender of the Notes for such purpose, the Treasurer shall register or transfer, on such register, the Notes as provided above.

Section 11. Redemption of Notes Prior to Maturity.

A. Optional Redemption. The Notes may be redeemed, in whole or in part, at the option of the Agency, from any source of funds, on any date prior to maturity, at a

redemption price equal to the principal amount of the portion of the Note to be redeemed plus accrued interest thereon to the redemption date.

B. Notice of Redemption. Notice of redemption prior to maturity shall be given by delivering such notice to the Registered Owner or by mailing such notice to the Registered Owner by first-class mail not less than 30 days before such redemption date. The notice of redemption shall specify (i) the redemption date, (ii) the principal amount to be redeemed, (iii) the redemption price, and (iv) the location at which the Registered Owner shall present the Note to the Treasurer on such redemption date. The notice of redemption shall also state that (1) on the redemption date there will become due and payable the principal amount of the portion of the Note to be redeemed and interest accrued thereon to such redemption date, and (2) interest on the redeemed portion of the Note shall cease to accrue from and after such redemption date. Following the delivery or mailing of the notice of redemption, the moneys to be used for such redemption may be invested only in Federal Securities maturing not later than the Business Day preceding the scheduled redemption date.

The actual receipt by the Registered Owner of notice of such redemption shall not be a condition precedent to redemption, and failure to receive such notice shall not affect the validity of the proceedings for the redemption of the Note or the cessation of interest on the redemption date.

A certificate by the Treasurer that notice of redemption has been given as herein provided shall be conclusive as against all parties, and no Registered Owner may object thereto or object to the cessation of interest on the redemption date fixed by any claim or showing that such Registered Owner failed actually to receive such notice of call and redemption.

C. Effect of Redemption. From and after the date fixed for redemption, if redemption notice shall have been duly given and funds available for the payment of the redemption price of the portion of the Note called for redemption shall have been duly provided, interest on such redeemed portion of the Note shall cease to accrue from and after the specified redemption date.

To receive the redemption price thereof, the Owner shall present and surrender the Note to the Treasurer at the place and date specified in the redemption notice. In the event of a partial redemption, the Agency shall execute, authenticate and deliver to the Registered Owner a new Note in the principal amount equal to the unredeemed portion of the Note and the new Note shall bear the same interest rate and maturity as the original Note. In the event of a full redemption of the Note, the Note shall be cancelled in its entirety and shall cease to be entitled to any lien, benefit or security under this Resolution. Thereafter, the Registered Owner shall have no rights in respect thereof except to receive payment of the redemption price thereof.

Upon the Owner's surrender of the Note in accordance with this Section, the Treasurer shall destroy the surrendered Note and, promptly thereafter, provide the Agency with a certificate of such destruction.

Section 12. Defeasance. Nothing in this Resolution shall preclude the prepayment of any Note from (a) the proceeds of refunding bonds or other obligations issued

pursuant to law, or (b) any legally available funds. Nothing in this Resolution shall prevent the Agency from making advances of its own funds howsoever derived to any of the uses and purposes mentioned in this Resolution.

If the Agency shall pay or cause to be paid, or shall have made provision to pay upon maturity or upon redemption prior to maturity to the Registered Owner of the Note, of the principal and interest to become due thereon, through setting aside in a special trust fund or account created pursuant to this Resolution or otherwise, moneys sufficient therefor or moneys invested in Federal Securities, the principal of and interest on which when due will be sufficient therefor without reinvestment, then, as to the Note, the lien of this Resolution, including, without limitation, the pledge of the Pledged Tax Revenues and other funds pledged hereunder shall thereupon cease, terminate and become void and be discharged and satisfied, and the Note and interest thereon shall no longer be deemed to be Outstanding.

In case any Note is to be redeemed on any date prior to its maturity in connection with such a defeasance, the Agency shall give to the Treasurer irrevocable instructions to provide notice of redemption as provided in Section 11.B of this Resolution. Neither the Federal Securities nor moneys deposited pursuant to this Section nor principal or interest payments on any such Federal Securities or moneys deposited pursuant to this Section shall be withdrawn or used for any purpose other than, and shall be held in trust, for the payment of the principal and interest to become due on the Note.

Section 13. Funds. There are hereby created a special trust fund held by the Treasurer called the "Redevelopment Project No. 1 Redevelopment Fund" (the "Redevelopment Fund") and a special trust fund held by the Treasurer called the "Redevelopment Project No. 1 Special Fund" (the "Special Fund"), within which there shall be created an Interest Account and a Principal Account.

So long as the Notes or any interest thereon remains unpaid, the moneys in the foregoing Funds and Accounts shall be used for no purpose other than those required or permitted by this Resolution, any Supplemental Resolution and the Redevelopment Law.

Section 14. Redevelopment Fund. The moneys set aside in the Redevelopment Fund shall remain therein until from time to time expended for the purpose of financing costs of the Redevelopment Project (or for making reimbursements to the Agency for such costs theretofore paid by it), including payment for all costs incidental to or connected with such financing. The Agency covenants that each withdrawal from the Redevelopment Fund shall be made in the manner provided by law for the purpose of aiding in financing the Redevelopment Project or for making reimbursements to the Agency for such costs theretofore paid by the Agency.

Section 15. Special Fund. All Pledged Tax Revenues shall be deposited into the Special Fund. Without limiting the generality of the foregoing and for the purpose of assuring that the payments referred to above will be made as scheduled, the Pledged Tax Revenues accumulated in the Special Fund shall be used in the following priority; provided, however, that to the extent that deposits have been made in either of the Accounts referred to below, the deposits below need not be made:

A. Interest Account. Deposits shall be made into the Interest Account so that the balance in such account five days prior to the date of a payment of any installment of interest on the Obligations shall be equal to six months interest on the then Outstanding Obligations. Moneys in the Interest Account shall be used for the payment of interest on the Obligations as the same become due.

B. Principal Account. After the deposits have been made pursuant to subparagraph A above, deposits shall next be made into the Principal Account so that the balance in such account five days prior to the date of payment of principal is due shall equal the next principal payment or payments, as the case may be, on the then Outstanding Obligations. Moneys in the Principal Account shall be used for the payment of the principal of such Obligations, as the same become due.

C. Surplus. After the above transfers have been made, any balance in the Special Fund may be withdrawn and used and applied by the Agency for any lawful purpose.

Section 16. Deposit and Investment of Moneys. Subject to the provisions of Covenant 9 of Section 18 hereof, all moneys held by the Agency in the Redevelopment Fund and the Special Fund (including the accounts thereof), except such moneys which are at the time invested, shall be held in trust accounts or time or demand deposits in any financial institution authorized to accept deposits of public funds, and shall be insured or secured at all times by bonds or other obligations which are authorized by law as security for public deposits and are of a market value at least equal to the amount required by law.

Moneys in the Redevelopment Fund and the Special Fund (including the accounts thereof) may be invested in Permitted Investments subject to the following restrictions:

A. Moneys in the Redevelopment Fund shall be invested only in obligations which will by their terms mature not later than the date the Agency estimates the moneys represented by the particular investment will be needed for withdrawal from such Fund.

B. Moneys in the Interest Account and the Principal Account shall be invested only in obligations which will by their terms mature on such dates as to insure that before each Interest Payment Date there will be in such Accounts from matured obligations and other moneys already in such Accounts, moneys equal to the interest and principal payable on such date.

Obligations purchased as an investment of moneys in any of said Funds or Accounts shall be deemed at all times to be a part of such Fund or Account and the interest accruing thereon and any gain realized from such investment shall be credited to said Fund or Account and any loss resulting from any such investment shall be charged to such Fund or Account without liability to the Agency or the members and officers thereof.

The Treasurer or the Finance Officer of the Agency shall sell at the best price obtainable or present for redemption any obligation so purchased whenever it shall be necessary to do so in order to provide moneys to meet any payment or transfer from such Fund or Account as required by this Resolution. For the purpose of determining at any given time the balance in any such Fund or Account any such investment constituting a part of such Fund or Account shall

be valued at the then estimated or appraised market value thereof; provided that any such investment constituting a part of the Interest Account shall be valued at the face amount thereof.

Section 17. Issuance of Parity Obligations. The Agency may provide for the issuance of, and sell, Parity Obligations in such principal amounts as it estimates will be needed for its corporate purposes. The issuance and sale of any Parity Obligations shall be subject to the following conditions precedent:

A. The Agency shall be in compliance with all covenants set forth in this Resolution.

B. The Agency shall obtain a Consultant's Report which concludes that Pledged Tax Revenues will be sufficient to pay the Annual Debt Service as the same becomes due.

C. Interest on the Parity Obligations shall be payable semiannually on the same dates as interest on the Note is payable.

Section 18. Covenants of the Agency. As long as the Note is Outstanding, the Agency shall, through its proper members, officers, agents or employees, faithfully perform and abide by all of the covenants, undertakings and provisions contained in this Resolution or in the Notes, including the following covenants and agreements for the benefit of the Registered Owner which are necessary, convenient and desirable to secure the Notes; provided, however, that such covenants shall not require the Agency to expend any funds other than the Pledged Tax Revenues and the investment earnings thereon:

Covenant 1. Complete Redevelopment Project; Amendments to Redevelopment Plan. The Agency covenants and agrees that it will diligently carry out and continue to completion, with all practicable dispatch, the redevelopment of the Project Area, in accordance with its duty to do so under and in accordance with the Redevelopment Law and the Redevelopment Plan and in a sound and economical manner. The Redevelopment Plan may be amended as provided in the Redevelopment Law, but no amendment shall be made unless accompanied by a Consultant's Report to the effect that such amendment would not materially impair the security or the rights of the Registered Owner.

Covenant 2. Use of Proceeds; Management and Operation of Properties. The Agency covenants and agrees that the proceeds from the sale of the Notes shall be deposited and used as provided in this Resolution and that it will cause all properties owned by it and comprising any part of the Project Area, to be managed and operated in a sound and businesslike manner consistent with the Redevelopment Plan. The proceeds shall be used only for a "redevelopment activity" or for costs associated with financing or refinancing a "redevelopment activity" as that term is defined in Section 33678 of the Redevelopment Law.

Covenant 3. Additional Debt. The Agency covenants and agrees that it will not issue or incur any Senior Debt, unless it first obtains a Consultant's Report which concludes that Pledged Tax Revenues following the issuance or incurring of such Senior Debt will be sufficient to pay the Annual Debt Service on all Outstanding Obligations as the same becomes due.

Except as permitted in Section 17 hereof, the Agency will not incur any additional debt payable as to principal or interest from the Pledged Tax Revenues, which has, or purports to have, any lien upon the Pledged Tax Revenues on a parity with the Notes.

Nothing in this Resolution shall prevent the Agency (i) from issuing and selling pursuant to law, refunding bonds or other refunding obligations payable from and having any lawful lien upon the Pledged Tax Revenues, if such refunding bonds or other refunding obligations are issued for the purpose of, and are sufficient for the purpose of, refunding any Note in accordance with Section 12 hereof, or (ii) from issuing and selling or assuming the liability for payment of, bonds or other obligations which have, or purport to have, any lien upon the Pledged Tax Revenues which is junior to the Notes, or (iii) from issuing and selling bonds or other obligations which are payable from sources other than the Pledged Tax Revenues.

Covenant 4. Punctual Payment. The Agency covenants and agrees that it will duly and punctually pay or cause to be paid the principal of and interest on the Notes on the dates and in the manner provided in the Notes and as provided herein.

Covenant 5. Payment of Taxes and Other Charges. The Agency covenants and agrees that it will from time to time pay and discharge, or cause to be paid and discharged, all payments in lieu of taxes, service charges, assessments or other governmental charges which may lawfully be imposed upon the Agency or any of the properties then owned by it in the Project Area, or upon the revenues and income therefrom; provided that nothing in this Covenant shall require the Agency to make any such payment so long as the Agency in good faith shall contest the validity thereof.

Covenant 6. Books and Accounts; Financial Statements. The Agency covenants and agrees that it shall at all times keep, or cause to be kept, proper and current books and accounts, separate from all other records and accounts, in which complete and accurate entries shall be made of all transactions relating to the redevelopment of the Project Area, and the Pledged Tax Revenues and other funds relating to such redevelopment, and will prepare within 270 days after the close of each of its Fiscal Years a complete financial statement or statements for such year in reasonable detail covering such redevelopment, the Pledged Tax Revenues and other funds, certified by an Independent Certified Public Accountant, and will furnish a copy of such statement or statements upon written request to the Registered Owner.

Covenant 7. Management and Operation of Properties. The Agency will manage and operate all properties owned by the Agency and comprising any part of the Redevelopment Project in a sound and business-like manner and in conformity with all valid requirements of any governmental authority relative to the Redevelopment Project or any part thereof, and will keep such properties insured at all times in conformity with sound business practice.

Covenant 8. Disposition of Property. The Agency covenants and agrees that it shall not dispose of more than ten percent of the land area in the Project Area, except property shown in the Redevelopment Plan in effect on the date this Resolution is adopted as planned for public use, or property to be used for public streets, public off street parking, sewage facilities, parking easements or rights-of-way for public utilities, flood control facilities, storm

drainage facilities, or other similar uses, to public bodies or other persons or entities whose property is tax exempt, unless accompanied by a Consultant's Report to the effect that such disposition would not impair in any material respect the security or the rights of the Registered Owner.

Covenant 9. Protection of Security and Rights of Registered Owner. The Agency covenants and agrees to preserve and protect the security of the Notes and the rights of the Registered Owners and defend the rights of such owners against all claims and demands of all persons. From and after the sale and delivery of the Notes by the Agency, the Notes shall be incontestable by the Agency.

Covenant 10. Tax Revenues. The Agency shall comply with all requirements of the Law to insure the allocation and payment to it of the Tax Revenues, including without limitation the timely filing of any necessary statements of indebtedness with appropriate officials of the County of Los Angeles.

Covenant 11. Taxation of Leased Property. Whenever any property in the Project Area has been redeveloped and thereafter is leased by the Agency to any person or persons, other than a public agency, or whenever the Agency leases real property in the Project Area to any person or persons, other than a public agency, for redevelopment, the property shall be assessed and taxed in the same manner as privately owned property, as required by Section 33673 of the Redevelopment Law, and the lease or contract shall provide (i) that the lessee shall pay taxes upon the assessed value of the entire property and not merely upon the assessed value of the lessee's leasehold interest, and (ii) that if for any reason the taxes levied on such property in any year during the term of the lease or contract are less than the taxes which would have been levied if the entire property had been assessed and taxed in the same manner as privately owned property, the lessee shall pay such difference to the Agency within 30 days after the taxes for such year become payable to the taxing agencies and in no event later than the delinquency date of such taxes established by law. All such payments shall be treated as Tax Revenues.

Section 19. Further Assurances . The Agency shall execute and deliver any and all such further instruments and assurances as may be reasonably necessary or proper to carry out the intention or to facilitate the performance of this Resolution, and for the better assuring and confirming unto the Owners of the Notes of the rights and benefits provided in this Resolution.

Section 20. Amendments. This Resolution, and the rights and obligations of the Agency and of the Owners of the Notes, may be modified or amended at any time by resolution supplementing this Resolution adopted by the Agency: (i) without the consent of the Registered Owners, if such modification or amendment is for the purpose of curing any ambiguities, defects or inconsistent provisions in this Resolution or to insert such provisions clarifying matters or questions arising under this Resolution as are necessary and desirable to accomplish the same; provided that such modifications or amendments do not adversely affect the rights of the Registered Owners and such modifications or amendments are accompanied by an opinion to that effect of bond counsel, or (ii) with the consent of the Registered Owners.

Any act done pursuant to a modification or amendment pursuant to this Section shall be binding upon the Registered Owner and shall not be deemed an infringement of any of

the provisions of this Resolution or of the Redevelopment Law, whatever the character of such act may be, and may be done and performed as fully and freely as if expressly permitted by the terms of this Resolution; and after such consent relating to such specified matters has been given, the Registered Owner shall have no right to object to such action or in any manner to question the propriety thereof or to enjoin or restrain the Agency or any officer thereof from taking any action pursuant thereto.

Section 21. Sale of Notes to Authority; Note Purchase Agreement. The Notes shall be sold to the Authority for immediate resale to an investor pursuant to Article 4, Chapter 5, Division 7, Title 1 of the California Government Code. The Note Purchase Agreement, in the form presented at this meeting and on file with the Secretary of the Agency, is hereby approved. Each of the Chairman, the Vice-Chairman and the Executive Director of the Agency, and any person designated by any of them, acting singly, is hereby authorized and directed to execute and deliver for and in the name of the Authority, the Note Purchase Agreement in substantially said form, with such changes therein as the officer executing the document may approve (such approval to be conclusively evidenced by such officer's execution and delivery thereof).

Section 22. Proceedings Constitute Contract. The provisions of this Resolution and of any other resolution supplementing or amending this Resolution shall constitute a contract between the Agency and the Registered Owner and the provisions thereof shall be enforceable by the Registered Owner by mandamus, accounting, mandatory injunction or any other suit, action or proceeding at law or in equity that is now or may hereafter be authorized under the laws of the State in any court of competent jurisdiction. This contract is made under and is to be construed in accordance with the laws of the State.

Section 23. Lost, Stolen, Destroyed or Mutilated Notes. In the event that any Note is lost, stolen, destroyed or mutilated, the Agency shall cause to be issued a new Note similar to the original to replace the same in such manner and upon such reasonable terms and conditions, including the payment of costs and the posting of a surety bond satisfactory to the Agency. The Agency may authorize such new Note to be signed and authenticated in such manner as it determines.

Section 24. Severability. If any covenant, agreement or provision, or any portion thereof contained in this Resolution, or the application thereof to any person or circumstance, is held to be unconstitutional, invalid or unenforceable, the remainder of this Resolution and the application of any such covenant, agreement or provision, or portion thereof, to other persons or circumstances, shall be deemed severable and shall not be affected, and this Resolution and the Notes shall remain valid and the Registered Owner shall retain all valid rights and benefits accorded to it under this Resolution and the Constitution and laws of the State.

Section 25. Benefits of Resolution Limited. Nothing in this Resolution, express or implied, is intended to give to any person other than the Agency and the Registered Owner, any right, remedy or claim under or by reason of this Resolution. Any covenants, stipulations, promises or agreements in this Resolution by and on behalf of the Agency shall be for the sole and exclusive benefit of the Registered Owner.

Section 26. General Authorization. The members of the Agency and its officers, employees and counsel are hereby authorized to do all acts and things which may be required of them by this Resolution or which may be necessary or desirable in carrying out the issuance of the Notes as provided by this Resolution and all matters incidental thereto. All such acts and things heretofore done are hereby approved, ratified and confirmed.

Section 27. Waivers. So long as the Agency is the sole Owner of the Notes, the Agency may waive any provisions of this Resolution, including but not limited to the provisions related to the redemption of the Notes or to the adoption of resolutions supplemental hereto.

[Remainder of Page Intentionally Left Blank]

Section 28. Effective Date. This Resolution shall become effective upon its adoption.

PASSED, APPROVED and ADOPTED this ____ day of ____, 2010.

AYES:

NOES:

ABSENT:

ABSTAIN:

_____
Chairman
San Fernando Redevelopment Agency

ATTEST:

_____
Secretary
San Fernando Redevelopment Agency

EXHIBIT A-1

FORM OF SERIES 2010A NOTE

[NO TRANSFER OF THIS NOTE SHALL BE MADE EXCEPT TO A "QUALIFIED INSTITUTIONAL BUYER" AS DEFINED IN RULE 144A OF THE SECURITES ACT OF 1933 (A "QIB") OR AN "ACCREDITED INVESTOR" AS THAT TERM IS DEFINED IN RULE 501(A) OF REGULATION D PROMULGATED UNDER THE SECURITES ACT OF 1933].

No. R-____ $259,951

UNITED STATES OF AMERICA
STATE OF CALIFORNIA
COUNTY OF LOS ANGELES
CITY OF SAN FERNANDO
SAN FERNANDO REDEVELOPMENT AGENCY

Redevelopment Project No. 1
Subordinate Tax Allocation Note, Series 2010A

Interest Rate:	Maturity Date:	Dated Date:
Prior year LAIF average rate	May 15, 2020	February 16, 2010

Registered Owner:

Principal Amount: TWO HUNDRED FIFTY-NINE THOUSAND, NINE HUNDRED FIFTY-ON DOLLARS

The San Fernando Redevelopment Agency (the "Agency"), a public body corporate and politic, acknowledges itself indebted to, and for value received hereby promises to pay to the registered owner named above, or registered assigns, at maturity or the earlier redemption hereof, but solely from the Pledged Tax Revenues (as such terms are defined in the Resolution hereinafter mentioned) and other funds pledged therefor, upon presentation and surrender of this Note at the office of the Treasurer of the Agency (the "Treasurer") in San Fernando, California (or such other location as the Agency may designate in writing) the principal amount stated above.

This Note of the Agency is designated as its "Redevelopment Project No. 1 Subordinate Tax Allocation Note, Series 2010A" (the "Note"), in the aggregate principal amount

of $259,951 issued pursuant to the provisions of the Constitution and laws of the State of California and particularly the Community Redevelopment Law, Part 1 of Division 24 of the Health and Safety Code of the State of California, as amended (the "Redevelopment Law"). The Note is issued under and secured and entitled to the protection given by Resolution No. ____, duly adopted by the Agency on February 16, 2010 (the "Resolution"). Copies of the Resolution are on file at the office of the Agency Secretary and reference is hereby made to the Resolution and the Redevelopment Law and to all amendments and supplements thereto for a description of the terms on which the Note is issued, for the provisions with regard to the nature and extent of the security provided for the Note and of the nature, extent and manner of enforcement of such security, and for a statement of the rights of the registered owner of the Note. All the terms of the Resolution and the Redevelopment Law are hereby incorporated herein and constitute a contract between the Agency and the registered owner from time to time of this Note, and to all the provisions thereof the registered owner of this Note, by acceptance hereof, assents and agrees. The Note ranks on a parity with the Agency's Redevelopment Project No. 1 Subordinate Tax Allocation Note, Series 2010B," in the aggregate principal amount of $238,541.

This Note shall bear the rate of interest set forth above. Principal and interest hereon is payable on the Interest Payment Date and Principal Payment Date (as those terms are defined in the Resolution), until the Agency's obligation with respect to the payment of such principal sum shall be discharged. Such interest shall be payable from the Dated Date shown above. Both principal of and interest on this Note shall be payable in the lawful money of the United States at the office of the Treasurer, or such other location as the Agency may designate in writing.

In the manner provided by the Resolution or any resolution amendatory thereof or supplement thereto, the Resolution and the rights and the obligations of the Agency and the registered owner of this Note may (with certain exceptions stated in the Resolution) be modified or amended by the Agency with the written consent of the registered owner of this Note.

This Note is redeemable, in whole or in part, without premium, in the manner and subject to the terms and provisions, and with the effect, set forth in the Resolution, at the option of the Agency, on any date prior to maturity, at a redemption price equal to the principal amount of the portion of the Note to be redeemed plus accrued interest thereon to the redemption date.

The Treasurer shall deliver or mail (by first class mail) notice of redemption to the registered owner of the Note, at its address appearing on the registration books maintained by the Treasurer at least 30 days prior to the redemption date; provided, however, that neither failure to receive any such notice so mailed nor any defect therein shall affect the validity of the proceedings for the redemption of the Note or the cessation of the accrual of interest on the redeemed portion of the Note. Such notice shall specify the redemption date, the redemption price and the location at which the registered owner shall present the Note to the Treasurer on such redemption date.

This Note and the interest thereon payable upon the redemption thereof are not a debt of the City of San Fernando, the State of California or any of its political subdivisions and neither said City, said State nor any of its political subdivisions is liable thereon, nor in any event shall this Note or said interest be payable out of any funds or properties other than the funds of

the Agency herein mentioned. This Note does not constitute an indebtedness within the meaning of any constitutional or statutory debt limitation or restriction. Neither the members of the Agency nor any persons executing this Note are liable personally on this Note by reason of its issuance.

This Note is transferable as provided in the Resolution, only upon the books of the Agency kept for that purpose at the above-mentioned office of the Treasurer, by the registered owner thereof in person, or by its duly authorized attorney, upon surrender of this Note together with a written instrument of transfer satisfactory to the Treasurer duly executed by the registered owner or its duly authorized attorney, and thereupon a new registered Note shall be issued to the transferee in exchange therefor as provided in the Resolution, and upon payment of the charges therein prescribed. The Agency and the Treasurer may deem and treat the person in whose name this Note is registered as the absolute owner thereof for the purpose of receiving payment of, or on account of, the principal and interest due thereon and for all other purposes.

Neither the Resolution nor the Note have been registered with any federal or state securities agency or commission. The Agency has not prepared any official statement or other disclosure document or undertaken any continuing disclosure obligation in connection with the issuance of the Note. Therefore, notwithstanding the foregoing provisions of this Section 9, the Note shall be transferred only to a "qualified institutional buyer" as defined in Rule 144a of the Securities Act of 1933 ("QIB") or an "accredited investor" as defined in Rule 501(a) of Regulation D promulgated under the Securities Act of 1933.

It is hereby certified and recited that all conditions, acts and things required by law and the Resolution to exist, to have happened and to have been performed precedent to and in the issuance of this Note exist, have happened and have been performed and that the Note complies in all respects with the applicable laws of the State of California, including, particularly, the Redevelopment Law.

This Note shall not be entitled to any benefit under the Resolution or be valid or become obligatory for any purpose until this Note shall have been authenticated by the execution by the Treasurer of the Certificate of Authentication hereto.

IN WITNESS WHEREOF, THE SAN FERNANDO REDEVELOPMENT AGENCY has caused this Note to be executed in its name and on its behalf by the manual or facsimile signature of its Chairman to be hereunto affixed, imprinted, engraved or otherwise reproduced and as attested by the manual or facsimile signature of its Secretary, as of the date first written above.

SAN FERNANDO REDEVELOPMENT AGENCY

By:_____
Chairman
San Fernando Redevelopment Agency

Attest: _____
Secretary
San Fernando Redevelopment Agency

TREASURER'S CERTIFICATE OF AUTHENTICATION

This Note is the Note described in the within mentioned Resolution, which has been registered on _____, 2010.

_____
Treasurer

==========

[FORM OF ASSIGNMENT]

For value received the undersigned do(es) hereby sell, assign, and transfer unto_____, whose tax identification number is _____, the within-mentioned registered Note and hereby irrevocably constitute(s) and appoint(s) _____ attorney to transfer the same on the books of the Agency with full power of substitution in the premises.

Dated:_____, 20__

_____

NOTE: The signature(s) on this Assignment must correspond with the name(s) as written on the face of the within bond in every particular without alteration or enlargement or any change whatsoever.

EXHIBIT A-2

FORM OF SERIES 2010B NOTE

[NO TRANSFER OF THIS NOTE SHALL BE MADE EXCEPT TO A "QUALIFIED INSTITUTIONAL BUYER" AS DEFINED IN RULE 144A OF THE SECURITIES ACT OF 1933 (A "QIB") OR AN "ACCREDITED INVESTOR" AS THAT TERM IS DEFINED IN RULE 501(A) OF REGULATION D PROMULGATED UNDER THE SECURITIES ACT OF 1933].

No. R-____ $238,541

UNITED STATES OF AMERICA
STATE OF CALIFORNIA
COUNTY OF LOS ANGELES
CITY OF SAN FERNANDO
SAN FERNANDO REDEVELOPMENT AGENCY

Redevelopment Project No. 1
Subordinate Tax Allocation Note, Series 2010B

Interest Rate:	Maturity Date:	Dated Date:
Prior year average LAIF rate	May 15, 2014	February 16, 2010

Registered Owner:

Principal Amount: TWO HUNDRED THIRTY-EIGHT THOUSAND, FIVE HUNDRED FORTY-ONE DOLLARS

The San Fernando Redevelopment Agency (the "Agency"), a public body corporate and politic, acknowledges itself indebted to, and for value received hereby promises to pay to the registered owner named above, or registered assigns, at maturity or the earlier redemption hereof, but solely from the Pledged Tax Revenues (as such terms are defined in the Resolution hereinafter mentioned) and other funds pledged therefor, upon presentation and surrender of this Note at the office of the Treasurer of the Agency (the "Treasurer") in San Fernando, California (or such other location as the Agency may designate in writing) the principal amount stated above. This Note shall bear the rate of interest set forth above. Interest hereon is payable on the first day of May 15 and November 15 in each year, commencing on November 15, 2010, until the Agency's obligation with respect to the payment of such principal sum shall be discharged. Such interest shall be payable from the Dated Date shown above. Both

principal of and interest on this Note shall be payable in the lawful money of the United States at the office of the Treasurer, or such other location as the Agency may designate in writing.

This Note of the Agency is designated as its "Redevelopment Project No. 1 Subordinate Tax Allocation Note, Series 2010B" (the "Note"), in the aggregate principal amount of $238,541 issued pursuant to the provisions of the Constitution and laws of the State of California and particularly the Community Redevelopment Law, Part 1 of Division 24 of the Health and Safety Code of the State of California, as amended (the "Redevelopment Law"). The Note is issued under and secured and entitled to the protection given by Resolution No. ____, duly adopted by the Agency on February 16, 2010 (the "Resolution"). Copies of the Resolution are on file at the office of the Agency Secretary and reference is hereby made to the Resolution and the Redevelopment Law and to all amendments and supplements thereto for a description of the terms on which the Note is issued, for the provisions with regard to the nature and extent of the security provided for the Note and of the nature, extent and manner of enforcement of such security, and for a statement of the rights of the registered owner of the Note. All the terms of the Resolution and the Redevelopment Law are hereby incorporated herein and constitute a contract between the Agency and the registered owner from time to time of this Note, and to all the provisions thereof the registered owner of this Note, by acceptance hereof, assents and agrees. The Note ranks on a parity with the Agency's Redevelopment Project No. 1 Subordinate Tax Allocation Note, Series 2010A," in the aggregate principal amount of $259,951.

In the manner provided by the Resolution or any resolution amendatory thereof or supplement thereto, the Resolution and the rights and the obligations of the Agency and the registered owner of this Note may (with certain exceptions stated in the Resolution) be modified or amended by the Agency with the written consent of the registered owner of this Note.

This Note is redeemable, in whole or in part, without premium, in the manner and subject to the terms and provisions, and with the effect, set forth in the Resolution, at the option of the Agency, on any date prior to maturity, at a redemption price equal to the principal amount of the portion of the Note to be redeemed plus accrued interest thereon to the redemption date.

The Treasurer shall deliver or mail (by first class mail) notice of redemption to the registered owner of the Note, at its address appearing on the registration books maintained by the Treasurer at least 30 days prior to the redemption date; provided, however, that neither failure to receive any such notice so mailed nor any defect therein shall affect the validity of the proceedings for the redemption of the Note or the cessation of the accrual of interest on the redeemed portion of the Note. Such notice shall specify the redemption date, the redemption price and the location at which the registered owner shall present the Note to the Treasurer on such redemption date.

This Note and the interest thereon payable upon the redemption thereof are not a debt of the City of San Fernando, the State of California or any of its political subdivisions and neither said City, said State nor any of its political subdivisions is liable thereon, nor in any event shall this Note or said interest be payable out of any funds or properties other than the funds of the Agency herein mentioned. This Note does not constitute an indebtedness within the meaning of any constitutional or statutory debt limitation or restriction. Neither the members of the

Agency nor any persons executing this Note are liable personally on this Note by reason of its issuance.

This Note is transferable as provided in the Resolution, only upon the books of the Agency kept for that purpose at the above-mentioned office of the Treasurer, by the registered owner thereof in person, or by its duly authorized attorney, upon surrender of this Note together with a written instrument of transfer satisfactory to the Treasurer duly executed by the registered owner or its duly authorized attorney, and thereupon a new registered Note shall be issued to the transferee in exchange therefor as provided in the Resolution, and upon payment of the charges therein prescribed. The Agency and the Treasurer may deem and treat the person in whose name this Note is registered as the absolute owner thereof for the purpose of receiving payment of, or on account of, the principal and interest due thereon and for all other purposes.

Neither the Resolution nor the Note have been registered with any federal or state securities agency or commission. The Agency has not prepared any official statement or other disclosure document or undertaken any continuing disclosure obligation in connection with the issuance of the Note. Therefore, notwithstanding the foregoing provisions of this Section 9, the Note shall be transferred only to a "qualified institutional buyer" as defined in Rule 144a of the Securities Act of 1933 ("QIB") or an "accredited investor" as defined in Rule 501(a) of Regulation D promulgated under the Securities Act of 1933.

It is hereby certified and recited that all conditions, acts and things required by law and the Resolution to exist, to have happened and to have been performed precedent to and in the issuance of this Note exist, have happened and have been performed and that the Note complies in all respects with the applicable laws of the State of California, including, particularly, the Redevelopment Law.

This Note shall not be entitled to any benefit under the Resolution or be valid or become obligatory for any purpose until this Note shall have been authenticated by the execution by the Treasurer of the Certificate of Authentication hereto.

IN WITNESS WHEREOF, THE SAN FERNANDO REDEVELOPMENT AGENCY has caused this Note to be executed in its name and on its behalf by the manual or facsimile signature of its Chairman to be hereunto affixed, imprinted, engraved or otherwise reproduced and as attested by the manual or facsimile signature of its Secretary, as of the date first written above.

SAN FERNANDO REDEVELOPMENT AGENCY

By:_____
Chairman
San Fernando Redevelopment Agency

Attest: _____
Secretary
San Fernando Redevelopment Agency

TREASURER'S CERTIFICATE OF AUTHENTICATION

This Note is the Note described in the within mentioned Resolution, which has been registered on _____, 2010.

_____
Treasurer

==========

[FORM OF ASSIGNMENT]

For value received the undersigned do(es) hereby sell, assign, and transfer unto_____, whose tax identification number is _____, the within-mentioned registered Note and hereby irrevocably constitute(s) and appoint(s) _____ attorney to transfer the same on the books of the Agency with full power of substitution in the premises.

Dated:_____, 20__

_____

NOTE: The signature(s) on this Assignment must correspond with the name(s) as written on the face of the within bond in every particular without alteration or enlargement or any change whatsoever.

Attachment "B"

RESOLUTION NO. ____

A RESOLUTION OF THE SAN FERNANDO REDEVELOPMENT AGENCY AUTHORIZING THE ISSUANCE OF ITS REDEVELOPMENT PROJECT NO. 2 SUBORDINATE TAX ALLOCATION NOTE, SERIES 2010, TO FINANCE A PORTION OF THE COST OF A REDEVELOPMENT PROJECT AND PROVIDING FOR THE SALE OF SAID NOTE TO THE SAN FERNANDO PUBLIC FINANCING AUTHORITY

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EXHIBIT A – FORM OF NOTE

RESOLUTION NO. ____

A RESOLUTION OF THE SAN FERNANDO REDEVELOPMENT AGENCY AUTHORIZING THE ISSUANCE OF ITS REDEVELOPMENT PROJECT NO. 2 SUBORDINATE TAX ALLOCATION NOTE, SERIES 2010, TO FINANCE A PORTION OF THE COST OF A REDEVELOPMENT PROJECT AND PROVIDING FOR THE SALE OF SAID NOTE TO THE SAN FERNANDO PUBLIC FINANCING AUTHORITY

RECITALS

A. The San Fernando Redevelopment Agency (the "Agency") is a redevelopment agency, a public body, corporate and politic, duly created, established and authorized to transact business and exercise its powers, all under and pursuant to the Redevelopment Law, and the powers of the Agency include the power to issue bonds, notes, interim certificates, debentures or other obligations, for any of its corporate purposes.

B. A redevelopment plan for a redevelopment project known and designated as the Redevelopment Project No. 2 (the "Redevelopment Plan") has been duly approved and adopted by the City of San Fernando (the "City").

C. The Redevelopment Plan contemplates that the Agency will issue bonds or notes to finance a portion of the cost of such redevelopment.

D. The Agency deems it necessary and desirable at this time to authorize the issuance and provide for the sale of a subordinate tax allocation note to finance a portion of such costs.

NOW, THEREFORE, THE AGENCY BOARD OF THE SAN FERNANDO REDEVELOPMENT AGENCY HEREBY FINDS, DETERMINES, RESOLVES AND ORDERS AS FOLLOWS:

Section 1. Definitions. As used in this Resolution the following terms shall have the following meanings, unless the context requires otherwise:

"Agency" means the San Fernando Redevelopment Agency and any successor to its duties and functions.

"Annual Debt Service" means, for each Note Year, the sum of the interest and principal payable, in accordance with the terms of the Note and any Parity Obligations, on all Outstanding Obligations in such Note Year.

"Authority" means the San Fernando Public Financing Authority.

"Business Day" means any day other than a Saturday, Sunday or any other day on which banking institutions in the state of California are authorized or required not to be open by law.

"City" means the City of San Fernando, California.

"Consultant's Report" means a report signed by an Independent Financial Consultant or an Independent Redevelopment Consultant, as may be appropriate to the subject of the report, and including:

(1) a statement that the person or firm making or giving such report has read the pertinent provisions of this Resolution to which such report relates;

(2) a brief statement as to the nature and scope of the examination or investigation upon which the report is based; and

(3) a statement that, in the opinion of such person or firm, sufficient examination or investigation was made as is necessary to enable said Independent Financial Consultant or Independent Redevelopment Consultant to express an informed opinion with respect to the subject matter referred to in the report.

"Federal Securities" means bills, certificates of indebtedness, notes, bonds, or similar securities which are direct obligations of, or the principal and interest of which securities are guaranteed by, the United States, whether issued in book entry form or otherwise.

"Fiscal Year" means the period commencing on July 1 of each year and terminating on the next succeeding June 30, or any other annual accounting period hereafter selected and designated by the Agency as its Fiscal Year.

"Housing Fund" means the Low and Moderate Income Housing Fund established pursuant to Section 33334.3 of the Redevelopment Law and held by the Agency.

"Independent Certified Public Accountant" means any certified public accountant or firm of such accountants duly licensed and entitled to practice and practicing as such under the laws of the State, appointed and paid by the Agency, and who, or each of whom:

(1) is in fact independent and not under the domination of the Agency;

(2) does not have any substantial interest, direct or indirect, with the Agency; and

(3) is not connected with the Agency as a member, officer or employee of the Agency, but who may be regularly retained to make annual or other audits of the books of or reports to the Agency.

"Independent Financial Consultant" means a financial consultant or firm of such consultants generally recognized to be well qualified in the financial consulting field, appointed and paid by the Agency and who, or each of whom:

(1) is in fact independent and not under the domination of the Agency;

(2) does not have any substantial interest, direct or indirect, with the Agency; and

(3) is not connected with the Agency as a member, officer or employee of the Agency, but who may be regularly retained to make annual or other reports to the Agency.

"Independent Redevelopment Consultant" means a consultant or firm of such consultants generally recognized to be well qualified in the field of consulting relating to tax allocation bond financing by redevelopment agencies in the State, appointed and paid by the Agency, and who, or each of whom:

(1) is in fact independent and not under the domination of the Agency;

(2) does not have any substantial interest, direct or indirect, with the Agency; and

(3) is not connected with the Agency as a member, officer or employee of the Agency, but who may be regularly retained to make annual or other reports to the Agency.

"Interest Payment Date" means each May 15 or November 15 on which interest on the Note is scheduled to be paid, commencing November 15, 2010.

"Note" means the San Fernando Redevelopment Agency Redevelopment Project No. 2 Subordinate Tax Allocation Note, Series 2010, to be issued pursuant to this Resolution.

"Note Purchase Agreement" means the agreement by and between the Agency and the Authority relating to the purchase of the Note by the Authority.

"Note Year" means (i) with respect to the initial Note Year, the period extending from the date the Note is originally delivered to May 15, 2010, and (ii) thereafter, each successive 12 month period ending on May 15.

"Obligations" means, collectively, the Note and all Parity Obligations.

"Outstanding" when used with reference to the Note and any Parity Obligations, means, as of any particular date, the aggregate of all obligations, except:

A. Obligations theretofore cancelled by the Agency or surrendered to the Agency for cancellation at or prior to such date;

B. Obligations for the payment or redemption of which money in the necessary amount has been theretofore deposited with the Treasurer for the holders of the Obligations, provided that, if such Obligations are to be redeemed, notice of such redemption has been duly given pursuant to this Resolution;

C. Obligations paid or deemed to be paid as provided in Section 12 hereof; and

D. Obligations in lieu of or in substitution for which other obligations shall have been authenticated and delivered pursuant to this Resolution.

"Parity Obligations" means any additional tax allocation bonds, notes, interim certificates, debentures or other obligations, payable out of the Pledged Tax Revenues and ranking on a parity with the Note, issued by the Agency pursuant to a separate resolution as permitted by Section 17 of this Resolution.

"Permitted Investments" means any investments permitted by law for Agency funds.

"Pledged Tax Revenues" means Tax Revenues excluding an amount, if any, equal to the sum of all transfers of and payments from Tax Revenues required by any Senior Debt Instrument.

"Principal Payment Date" means May 15, 2012, May 15, 2013 and May 15, 2014.

"Project Area" means the territory known and designated as Redevelopment Project No. 2, which is described and defined in the Redevelopment Plan.

"Owner" or "Registered Owner" means the registered owner or the duly authorized attorney, trustee, representative or assigns of any outstanding Note of such owner.

"Redevelopment Fund" means the Redevelopment Project No. 2 Redevelopment Fund created and held by the Agency pursuant to Sections 13 and 14 hereof.

"Redevelopment Law" means the Community Redevelopment Law, California Health and Safety Code Section 33000, et seq., and all future acts supplemental thereto or amendatory thereto.

"Redevelopment Plan" means the Redevelopment Plan for the Redevelopment Project No. 2, approved and adopted by ordinance of the City and includes any amendment of the Redevelopment Plan heretofore or hereafter made pursuant to law.

"Redevelopment Project" means the undertaking of the Agency pursuant to the Redevelopment Plan.

"Senior Debt" means the Agency's any bond, note, loan, advance or other indebtedness which has, or purports to have, a lien upon the Tax Revenues prior or superior to the lien of the Note.

"Senior Debt Instrument" means any indenture, trust agreement, loan agreement, resolution or other instrument authorizing any Senior Debt.

"Special Fund" means the Redevelopment Project No. 2 Special Fund created and held by the Agency pursuant to Sections 13 and 15 of this Resolution.

"State" means the State of California.

"Subordinate Debt" means any bond, note, loan, advance or other indebtedness which has, or purports to have, a lien upon the Tax Revenues subordinate to the lien of the Note.

"Supplemental Resolution" means a resolution supplemental to or amendatory of this Resolution.

"Tax Revenues" means, for each Note Year, the taxes (including all payments, reimbursements and subventions, if any, specifically attributable to ad valorem taxes lost by reason of tax exemptions and tax rate limitations) eligible for allocation to the Agency pursuant to the Redevelopment Law in connection with the Project Area (excluding, to the extent there are any, (a) amounts, if any, received by the Agency pursuant to Section 16111 of the Government Code; and (b) amounts payable to taxing agencies under the Redevelopment Law or under any agreement between the Agency and such public agency. "Tax Revenues" include amounts deposited in the Housing Fund by the Agency on and after the initial delivery date of the Note pursuant to Section 33334.2 or Section 33334.3 of the Redevelopment Law, as provided in the Redevelopment Plan, but only to the extent such amounts are used to pay principal or interest or other financing charges with respect to bonds or other obligations issued to increase, improve or preserve the supply of low and moderate income housing within or of benefit to the Project Area.

"Treasurer" or "Treasurer of the Agency" means the officer who is then performing the functions of Treasurer of the Agency.

Section 2. Amount, Issuance and Purpose of Note. Under and pursuant to the Redevelopment Law, and under and pursuant to this Resolution, a Note of the Agency in a principal amount not to exceed $231,500 is hereby authorized to be issued by the Agency for the corporate purposes of the Agency to aid in the financing of redevelopment activities of the Agency in the Project Area, and for other purposes related thereto as hereinafter provided. It is hereby determined and declared that the issuance of the Note is necessary for the purposes herein stated.

Section 3. Description of Note; Disposition of Proceeds. The Note shall be designated "San Fernando Redevelopment Agency, Redevelopment Project No. 2, Subordinate Tax Allocation Note, Series 2010." The Note shall be issued in the form of a single, fully registered note, in a principal amount to be determined by the Treasurer or the Finance Officer of the Agency, not to exceed $231,500. The Note shall be dated as of the date of its original delivery. Interest on the Note shall be calculated on the basis of a 360-day year of twelve 30-day months. The interest rate on the Note shall be as set forth in Section 5 of this Resolution.

The Treasurer or the Finance Officer of the Agency shall receive the proceeds from the sale of the Note and shall deposit such proceeds in the Redevelopment Fund.

Section 4. Security for the Note. The Pledged Tax Revenues are hereby allocated and irrevocably pledged to the payment of the principal of and interest on the Note and any

Parity Obligations, and until the Note and any Parity Obligations and all interest thereon have been paid, or until moneys for that purpose have been irrevocably set aside as provided in Section 12 hereof, the Pledged Tax Revenues shall be applied first to the payment of the Note and any Parity Obligations and the interest thereon. Such allocation and pledge are for the exclusive benefit of the Registered Owners of the Note and any Parity Obligations and shall be irrevocable. The Note shall be subordinate to the Senior Debt.

The Note shall be and is a special obligation of the Agency payable as to principal and interest from Pledged Tax Revenues and other funds as herein provided. The Note and the interest thereon are not a debt of the City, the State or any of its political subdivisions and neither the City, the State nor any of its political subdivisions is liable on the Note, nor in any event shall the Note and interest thereon be payable out of any funds or properties other than those of the Agency as set forth in this Resolution. The Note does not constitute an indebtedness within the meaning of any constitutional or statutory debt limitation or restriction. Neither the members of the Agency nor any persons executing the Note are liable personally thereon by reason of its issuance.

The validity of the Note is not and shall not be dependent upon the completion of the redevelopment of the Project Area or upon the performance by any person of an obligation of that person relative to such redevelopment.

Section 5. Principal Maturity and Interest. The Note shall mature on May 15, 2014, and shall bear interest at the rate of prior year average LAIF rate per annum, with principal and interest payable to the Registered Owner on each Interest Payment Date and Principal Payment Date until the principal sum thereof has been paid; provided, however, that if at the maturity date of the Note or, if the same has been duly called for redemption, at the date fixed for redemption, funds are available for the payment or redemption thereof in full accordance with the terms of this Resolution, the Note shall then cease to bear interest.

Section 6. Place of Payment. The principal of and interest on the Note shall be payable in lawful money of the United States of America at the office of the Treasurer, or such other location as may be designated from time to time by the Agency in writing.

Section 7. Form of Note. The Note shall be substantially in the form attached hereto and made a part hereof, marked "Exhibit A." Such form is hereby approved and adopted as the form of the Note, and of the redemption, exchange, registration and assignment provisions pertaining thereto, with necessary or appropriate variations, omissions and insertions, as permitted or required by this Resolution or any Supplemental Resolution.

Section 8. Execution of Note. The Note shall be signed on behalf of the Agency by facsimile or manual signature of its Chairman and by facsimile or manual signature of its Secretary. The Chairman and the Secretary are hereby authorized and directed to sign the Note in accordance with this Section. If any officer whose manual or facsimile signature appears on the Note ceases to be such officer before delivery of the Note, such signature is as effective as if such officer had remained in office, and the Note shall be as binding upon the Agency as though the person who signed the Note had been such officer on the date borne by the Note. The Note shall be authenticated by the Treasurer by manual signature.

Section 9. Registration; Transfer; Exchange. The Note is issued as a fully registered note payable to the Registered Owner, negotiable only by proper transfer of registration. Transfer of ownership of the Note shall be made by exchanging the same for a new fully registered note. All of such exchanges shall be required to be made in such manner and upon such reasonable terms and conditions as may from time to time be determined and prescribed by law; provided, however, no such transfer or exchange shall result in any gain or loss of interest and no such transfer or exchange shall be made after the Note has been selected for redemption. Such exchanges may be subject to costs or charges to the person, firm or corporation requesting such exchange, and for any tax or governmental charge that may be imposed in connection with such exchange.

Neither this Resolution nor the Note have been registered with any federal or state securities agency or commission. The Agency has not prepared any official statement or other disclosure document nor undertaken any continuing disclosure obligation in connection with the issuance of the Note. Therefore, notwithstanding the foregoing provisions of this Section 9, the Note shall be transferred only to a "qualified institutional buyer" as defined in Rule 144a of the Securities Act of 1933 ("QIB") or an "accredited investor" as defined in Rule 501(a) of Regulation D promulgated under the Securities Act of 1933.

Section 10. Note Register. The Treasurer shall keep sufficient books for the registration and transfer of the Note; and upon presentation and surrender of the Note for such purpose, the Treasurer shall register or transfer, on such register, the Note as provided above.

Section 11. Redemption of Note Prior to Maturity.

A. Optional Redemption. The Note may be redeemed, in whole or in part, at the option of the Agency, from any source of funds, on any date prior to maturity, at a redemption price equal to the principal amount of the portion of the Note to be redeemed plus accrued interest thereon to the redemption date.

B. Notice of Redemption. Notice of redemption prior to maturity shall be given by delivering such notice to the Registered Owner or by mailing such notice to the Registered Owner by first-class mail not less than 30 days before such redemption date. The notice of redemption shall specify (i) the redemption date, (ii) the principal amount to be redeemed, (iii) the redemption price, and (iv) the location at which the Registered Owner shall present the Note to the Treasurer on such redemption date. The notice of redemption shall also state that (1) on the redemption date there will become due and payable the principal amount of the portion of the Note to be redeemed and interest accrued thereon to such redemption date, and (2) interest on the redeemed portion of the Note shall cease to accrue from and after such redemption date. Following the delivery or mailing of the notice of redemption, the moneys to be used for such redemption may be invested only in Federal Securities maturing not later than the Business Day preceding the scheduled redemption date.

The actual receipt by the Registered Owner of notice of such redemption shall not be a condition precedent to redemption, and failure to receive such notice shall not affect the validity of the proceedings for the redemption of the Note or the cessation of interest on the redemption date.

A certificate by the Treasurer that notice of redemption has been given as herein provided shall be conclusive as against all parties, and no Registered Owner may object thereto or object to the cessation of interest on the redemption date fixed by any claim or showing that such Registered Owner failed actually to receive such notice of call and redemption.

C. Effect of Redemption. From and after the date fixed for redemption, if redemption notice shall have been duly given and funds available for the payment of the redemption price of the portion of the Note called for redemption shall have been duly provided, interest on such redeemed portion of the Note shall cease to accrue from and after the specified redemption date.

To receive the redemption price thereof, the Owner shall present and surrender the Note to the Treasurer at the place and date specified in the redemption notice. In the event of a partial redemption, the Agency shall execute, authenticate and deliver to the Registered Owner a new Note in the principal amount equal to the unredeemed portion of the Note and the new Note shall bear the same interest rate and maturity as the original Note. In the event of a full redemption of the Note, the Note shall be cancelled in its entirety and shall cease to be entitled to any lien, benefit or security under this Resolution. Thereafter, the Registered Owner shall have no rights in respect thereof except to receive payment of the redemption price thereof.

Upon the Owner's surrender of the Note in accordance with this Section, the Treasurer shall destroy the surrendered Note and, promptly thereafter, provide the Agency with a certificate of such destruction.

Section 12. Defeasance. Nothing in this Resolution shall preclude the prepayment of the Note from (a) the proceeds of refunding bonds or other obligations issued pursuant to law, or (b) any legally available funds. Nothing in this Resolution shall prevent the Agency from making advances of its own funds howsoever derived to any of the uses and purposes mentioned in this Resolution.

If the Agency shall pay or cause to be paid, or shall have made provision to pay upon maturity or upon redemption prior to maturity to the Registered Owner of the Note, of the principal and interest to become due thereon, through setting aside in a special trust fund or account created pursuant to this Resolution or otherwise, moneys sufficient therefor or moneys invested in Federal Securities, the principal of and interest on which when due will be sufficient therefor without reinvestment, then, as to the Note, the lien of this Resolution, including, without limitation, the pledge of the Pledged Tax Revenues and other funds pledged hereunder shall thereupon cease, terminate and become void and be discharged and satisfied, and the Note and interest thereon shall no longer be deemed to be Outstanding.

In case the Note is to be redeemed on any date prior to its maturity in connection with such a defeasance, the Agency shall give to the Treasurer irrevocable instructions to provide notice of redemption as provided in Section 11.B of this Resolution. Neither the Federal Securities nor moneys deposited pursuant to this Section nor principal or interest payments on any such Federal Securities or moneys deposited pursuant to this Section shall be withdrawn or used for any purpose other than, and shall be held in trust, for the payment of the principal and interest to become due on the Note.

Section 13. Funds. There are hereby created a special trust fund held by the Treasurer called the "Redevelopment Project No. 2 Redevelopment Fund" (the "Redevelopment Fund") and a special trust fund held by the Treasurer called the "Redevelopment Project No. 2 Special Fund" (the "Special Fund"), within which there shall be created an Interest Account and a Principal Account.

So long as the Note or any interest thereon remains unpaid, the moneys in the foregoing Funds and Accounts shall be used for no purpose other than those required or permitted by this Resolution, any Supplemental Resolution and the Redevelopment Law.

Section 14. Redevelopment Fund. The moneys set aside in the Redevelopment Fund shall remain therein until from time to time expended for the purpose of financing costs of the Redevelopment Project (or for making reimbursements to the Agency for such costs theretofore paid by it), including payment for all costs incidental to or connected with such financing. The Agency covenants that each withdrawal from the Redevelopment Fund shall be made in the manner provided by law for the purpose of aiding in financing the Redevelopment Project or for making reimbursements to the Agency for such costs theretofore paid by the Agency.

Section 15. Special Fund. All Pledged Tax Revenues shall be deposited into the Special Fund. Without limiting the generality of the foregoing and for the purpose of assuring that the payments referred to above will be made as scheduled, the Pledged Tax Revenues accumulated in the Special Fund shall be used in the following priority; provided, however, that to the extent that deposits have been made in either of the Accounts referred to below, the deposits below need not be made:

A. Interest Account. Deposits shall be made into the Interest Account so that the balance in such account five days prior to the date of a payment of any installment of interest on the Obligations shall be equal to six months interest on the then Outstanding Obligations. Moneys in the Interest Account shall be used for the payment of interest on the Obligations as the same become due.

B. Principal Account. After the deposits have been made pursuant to subparagraph A above, deposits shall next be made into the Principal Account so that the balance in such account five days prior to the date of payment of principal is due shall equal the next principal payment or payments, as the case may be, on the then Outstanding Obligations. Moneys in the Principal Account shall be used for the payment of the principal of such Obligations, as the same become due.

C. Surplus. After the above transfers have been made, any balance in the Special Fund may be withdrawn and used and applied by the Agency for any lawful purpose.

Section 16. Deposit and Investment of Moneys. Subject to the provisions of Covenant 9 of Section 18 hereof, all moneys held by the Agency in the Redevelopment Fund and the Special Fund (including the accounts thereof), except such moneys which are at the time invested, shall be held in trust accounts or time or demand deposits in any financial institution authorized to accept deposits of public funds, and shall be insured or secured at all times by

bonds or other obligations which are authorized by law as security for public deposits and are of a market value at least equal to the amount required by law.

Moneys in the Redevelopment Fund and the Special Fund (including the accounts thereof) may be invested in Permitted Investments subject to the following restrictions:

A. Moneys in the Redevelopment Fund shall be invested only in obligations which will by their terms mature not later than the date the Agency estimates the moneys represented by the particular investment will be needed for withdrawal from such Fund.

B. Moneys in the Interest Account and the Principal Account shall be invested only in obligations which will by their terms mature on such dates as to insure that before each Interest Payment Date there will be in such Accounts from matured obligations and other moneys already in such Accounts, moneys equal to the interest and principal payable on such date.

Obligations purchased as an investment of moneys in any of said Funds or Accounts shall be deemed at all times to be a part of such Fund or Account and the interest accruing thereon and any gain realized from such investment shall be credited to said Fund or Account and any loss resulting from any such investment shall be charged to such Fund or Account without liability to the Agency or the members and officers thereof.

The Treasurer or the Finance Officer of the Agency shall sell at the best price obtainable or present for redemption any obligation so purchased whenever it shall be necessary to do so in order to provide moneys to meet any payment or transfer from such Fund or Account as required by this Resolution. For the purpose of determining at any given time the balance in any such Fund or Account any such investment constituting a part of such Fund or Account shall be valued at the then estimated or appraised market value thereof; provided that any such investment constituting a part of the Interest Account shall be valued at the face amount thereof.

Section 17. Issuance of Parity Obligations. The Agency may provide for the issuance of, and sell, Parity Obligations in such principal amounts as it estimates will be needed for its corporate purposes. The issuance and sale of any Parity Obligations shall be subject to the following conditions precedent:

A. The Agency shall be in compliance with all covenants set forth in this Resolution.

B. The Agency shall obtain a Consultant's Report which concludes that Pledged Tax Revenues will be sufficient to pay the Annual Debt Service as the same becomes due.

C. Interest on the Parity Obligations shall be payable semiannually on the same dates as interest on the Note is payable.

Section 18. Covenants of the Agency. As long as the Note is Outstanding, the Agency shall, through its proper members, officers, agents or employees, faithfully perform and abide by all of the covenants, undertakings and provisions contained in this Resolution or in the

Note, including the following covenants and agreements for the benefit of the Registered Owner which are necessary, convenient and desirable to secure the Note; provided, however, that such covenants shall not require the Agency to expend any funds other than the Pledged Tax Revenues and the investment earnings thereon:

Covenant 1. Complete Redevelopment Project; Amendments to Redevelopment Plan. The Agency covenants and agrees that it will diligently carry out and continue to completion, with all practicable dispatch, the redevelopment of the Project Area, in accordance with its duty to do so under and in accordance with the Redevelopment Law and the Redevelopment Plan and in a sound and economical manner. The Redevelopment Plan may be amended as provided in the Redevelopment Law, but no amendment shall be made unless accompanied by a Consultant's Report to the effect that such amendment would not materially impair the security or the rights of the Registered Owner.

Covenant 2. Use of Proceeds; Management and Operation of Properties. The Agency covenants and agrees that the proceeds from the sale of the Note shall be deposited and used as provided in this Resolution and that it will cause all properties owned by it and comprising any part of the Project Area, to be managed and operated in a sound and businesslike manner consistent with the Redevelopment Plan. The proceeds shall be used only for a "redevelopment activity" or for costs associated with financing or refinancing a "redevelopment activity" as that term is defined in Section 33678 of the Redevelopment Law.

Covenant 3. Additional Debt. The Agency covenants and agrees that it will not issue or incur any Senior Debt, unless it first obtains a Consultant's Report which concludes that Pledged Tax Revenues following the issuance or incurring of such Senior Debt will be sufficient to pay the Annual Debt Service on all Outstanding Obligations as the same becomes due.

Except as permitted in Section 17 hereof, the Agency will not incur any additional debt payable as to principal or interest from the Pledged Tax Revenues, which has, or purports to have, any lien upon the Pledged Tax Revenues on a parity with the Note.

Nothing in this Resolution shall prevent the Agency (i) from issuing and selling pursuant to law, refunding bonds or other refunding obligations payable from and having any lawful lien upon the Pledged Tax Revenues, if such refunding bonds or other refunding obligations are issued for the purpose of, and are sufficient for the purpose of, refunding the Note in accordance with Section 12 hereof, or (ii) from issuing and selling or assuming the liability for payment of, bonds or other obligations which have, or purport to have, any lien upon the Pledged Tax Revenues which is junior to the Note, or (iii) from issuing and selling bonds or other obligations which are payable from sources other than the Pledged Tax Revenues.

Covenant 4. Punctual Payment. The Agency covenants and agrees that it will duly and punctually pay or cause to be paid the principal of and interest on the Note on the dates and in the manner provided in the Note and as provided herein.

Covenant 5. Payment of Taxes and Other Charges. The Agency covenants and agrees that it will from time to time pay and discharge, or cause to be paid and

discharged, all payments in lieu of taxes, service charges, assessments or other governmental charges which may lawfully be imposed upon the Agency or any of the properties then owned by it in the Project Area, or upon the revenues and income therefrom; provided that nothing in this Covenant shall require the Agency to make any such payment so long as the Agency in good faith shall contest the validity thereof.

Covenant 6. Books and Accounts; Financial Statements. The Agency covenants and agrees that it shall at all times keep, or cause to be kept, proper and current books and accounts, separate from all other records and accounts, in which complete and accurate entries shall be made of all transactions relating to the redevelopment of the Project Area, and the Pledged Tax Revenues and other funds relating to such redevelopment, and will prepare within 270 days after the close of each of its Fiscal Years a complete financial statement or statements for such year in reasonable detail covering such redevelopment, the Pledged Tax Revenues and other funds, certified by an Independent Certified Public Accountant, and will furnish a copy of such statement or statements upon written request to the Registered Owner.

Covenant 7. Management and Operation of Properties. The Agency will manage and operate all properties owned by the Agency and comprising any part of the Redevelopment Project in a sound and business-like manner and in conformity with all valid requirements of any governmental authority relative to the Redevelopment Project or any part thereof, and will keep such properties insured at all times in conformity with sound business practice.

Covenant 8. Disposition of Property. The Agency covenants and agrees that it shall not dispose of more than ten percent of the land area in the Project Area, except property shown in the Redevelopment Plan in effect on the date this Resolution is adopted as planned for public use, or property to be used for public streets, public off street parking, sewage facilities, parking easements or rights-of-way for public utilities, flood control facilities, storm drainage facilities, or other similar uses, to public bodies or other persons or entities whose property is tax exempt, unless accompanied by a Consultant's Report to the effect that such disposition would not impair in any material respect the security or the rights of the Registered Owner.

Covenant 9. Protection of Security and Rights of Registered Owner. The Agency covenants and agrees to preserve and protect the security of the Note and the rights of the Registered Owner and defend the rights of such owner against all claims and demands of all persons. From and after the sale and delivery of the Note by the Agency, the Note shall be incontestable by the Agency.

Covenant 10. Tax Revenues. The Agency shall comply with all requirements of the Law to insure the allocation and payment to it of the Tax Revenues, including without limitation the timely filing of any necessary statements of indebtedness with appropriate officials of the County of Los Angeles.

Covenant 11. Taxation of Leased Property. Whenever any property in the Project Area has been redeveloped and thereafter is leased by the Agency to any person or persons, other than a public agency, or whenever the Agency leases real property in the Project

Area to any person or persons, other than a public agency, for redevelopment, the property shall be assessed and taxed in the same manner as privately owned property, as required by Section 33673 of the Redevelopment Law, and the lease or contract shall provide (i) that the lessee shall pay taxes upon the assessed value of the entire property and not merely upon the assessed value of the lessee's leasehold interest, and (ii) that if for any reason the taxes levied on such property in any year during the term of the lease or contract are less than the taxes which would have been levied if the entire property had been assessed and taxed in the same manner as privately owned property, the lessee shall pay such difference to the Agency within 30 days after the taxes for such year become payable to the taxing agencies and in no event later than the delinquency date of such taxes established by law. All such payments shall be treated as Tax Revenues.

Section 19. Further Assurances . The Agency shall execute and deliver any and all such further instruments and assurances as may be reasonably necessary or proper to carry out the intention or to facilitate the performance of this Resolution, and for the better assuring and confirming unto the Owner of the Note of the rights and benefits provided in this Resolution.

Section 20. Amendments. This Resolution, and the rights and obligations of the Agency and of the Owner of the Note, may be modified or amended at any time by resolution supplementing this Resolution adopted by the Agency: (i) without the consent of the Registered Owner, if such modification or amendment is for the purpose of curing any ambiguities, defects or inconsistent provisions in this Resolution or to insert such provisions clarifying matters or questions arising under this Resolution as are necessary and desirable to accomplish the same; provided that such modifications or amendments do not adversely affect the rights of the Registered Owner and such modifications or amendments are accompanied by an opinion to that effect of bond counsel, or (ii) with the consent of the Registered Owner.

Any act done pursuant to a modification or amendment pursuant to this Section shall be binding upon the Registered Owner and shall not be deemed an infringement of any of the provisions of this Resolution or of the Redevelopment Law, whatever the character of such act may be, and may be done and performed as fully and freely as if expressly permitted by the terms of this Resolution; and after such consent relating to such specified matters has been given, the Registered Owner shall have no right to object to such action or in any manner to question the propriety thereof or to enjoin or restrain the Agency or any officer thereof from taking any action pursuant thereto.

Section 21. Sale of Note to Authority; Note Purchase Agreement. The Note shall be sold to the Authority for immediate resale to an investor pursuant to Article 4, Chapter 5, Division 7, Title 1 of the California Government Code. The Note Purchase Agreement, in the form presented at this meeting and on file with the Secretary of the Agency, is hereby approved. Each of the Chairman, the Vice-Chairman and the Executive Director of the Agency, and any person designated by any of them, acting singly, is hereby authorized and directed to execute and deliver for and in the name of the Authority, the Note Purchase Agreement in substantially said form, with such changes therein as the officer executing the document may approve (such approval to be conclusively evidenced by such officer's execution and delivery thereof).

Section 22. Proceedings Constitute Contract. The provisions of this Resolution and of any other resolution supplementing or amending this Resolution shall constitute a contract

between the Agency and the Registered Owner and the provisions thereof shall be enforceable by the Registered Owner by mandamus, accounting, mandatory injunction or any other suit, action or proceeding at law or in equity that is now or may hereafter be authorized under the laws of the State in any court of competent jurisdiction. This contract is made under and is to be construed in accordance with the laws of the State.

Section 23. Lost, Stolen, Destroyed or Mutilated Note. In the event that the Note is lost, stolen, destroyed or mutilated, the Agency shall cause to be issued a new Note similar to the original to replace the same in such manner and upon such reasonable terms and conditions, including the payment of costs and the posting of a surety bond satisfactory to the Agency. The Agency may authorize such new Note to be signed and authenticated in such manner as it determines.

Section 24. Severability. If any covenant, agreement or provision, or any portion thereof contained in this Resolution, or the application thereof to any person or circumstance, is held to be unconstitutional, invalid or unenforceable, the remainder of this Resolution and the application of any such covenant, agreement or provision, or portion thereof, to other persons or circumstances, shall be deemed severable and shall not be affected, and this Resolution and the Note shall remain valid and the Registered Owner shall retain all valid rights and benefits accorded to it under this Resolution and the Constitution and laws of the State.

Section 25. Benefits of Resolution Limited. Nothing in this Resolution, express or implied, is intended to give to any person other than the Agency and the Registered Owner, any right, remedy or claim under or by reason of this Resolution. Any covenants, stipulations, promises or agreements in this Resolution by and on behalf of the Agency shall be for the sole and exclusive benefit of the Registered Owner.

Section 26. General Authorization. The members of the Agency and its officers, employees and counsel are hereby authorized to do all acts and things which may be required of them by this Resolution or which may be necessary or desirable in carrying out the issuance of the Note as provided by this Resolution and all matters incidental thereto. All such acts and things heretofore done are hereby approved, ratified and confirmed.

Section 27. Waivers. So long as the Agency is the sole Owner of the Note, the Agency may waive any provisions of this Resolution, including but not limited to the provisions related to the redemption of the Note or to the adoption of resolutions supplemental hereto.

[Remainder of Page Intentionally Left Blank]

Section 28. Effective Date. This Resolution shall become effective upon its adoption.

PASSED, APPROVED and ADOPTED this ____ day of ____, 2010.

AYES:

NOES:

ABSENT:

ABSTAIN:

_____
Chairman
San Fernando Redevelopment Agency

ATTEST:

_____
Secretary
San Fernando Redevelopment Agency

EXHIBIT A

FORM OF NOTE

[NO TRANSFER OF THIS NOTE SHALL BE MADE EXCEPT TO A "QUALIFIED INSTITUTIONAL BUYER" AS DEFINED IN RULE 144A OF THE SECURITES ACT OF 1933 (A "QIB") OR AN "ACCREDITED INVESTOR" AS THAT TERM IS DEFINED IN RULE 501(A) OF REGULATION D PROMULGATED UNDER THE SECURITES ACT OF 1933].

No. R-____ $231,500

UNITED STATES OF AMERICA
STATE OF CALIFORNIA
COUNTY OF LOS ANGELES
CITY OF SAN FERNANDO
SAN FERNANDO REDEVELOPMENT AGENCY

Redevelopment Project No. 2
Subordinate Tax Allocation Note, Series 2010

Interest Rate:	Maturity Date:	Dated Date:
Prior year average LAIF rate	May 15, 2014	February 16, 2010

Registered Owner:

Principal Amount: TWO HUNDRED THIRTY-ONE THOUSAND, FIVE HUNDRED DOLLARS

The San Fernando Redevelopment Agency (the "Agency"), a public body corporate and politic, acknowledges itself indebted to, and for value received hereby promises to pay to the registered owner named above, or registered assigns, at maturity or the earlier redemption hereof, but solely from the Pledged Tax Revenues (as such terms are defined in the Resolution hereinafter mentioned) and other funds pledged therefor, upon presentation and surrender of this Note at the office of the Treasurer of the Agency (the "Treasurer") in San Fernando, California (or such other location as the Agency may designate in writing) the principal amount stated above.

This Note of the Agency is designated as its "Redevelopment Project No. 2 Subordinate Tax Allocation Note, Series 2010" (the "Note"), in the aggregate principal amount

of $231,500 issued pursuant to the provisions of the Constitution and laws of the State of California and particularly the Community Redevelopment Law, Part 1 of Division 24 of the Health and Safety Code of the State of California, as amended (the "Redevelopment Law"). The Note is issued under and secured and entitled to the protection given by Resolution No. ____, duly adopted by the Agency on February 16, 2010 (the "Resolution"). Copies of the Resolution are on file at the office of the Agency Secretary and reference is hereby made to the Resolution and the Redevelopment Law and to all amendments and supplements thereto for a description of the terms on which the Note is issued, for the provisions with regard to the nature and extent of the security provided for the Note and of the nature, extent and manner of enforcement of such security, and for a statement of the rights of the registered owner of the Note. All the terms of the Resolution and the Redevelopment Law are hereby incorporated herein and constitute a contract between the Agency and the registered owner from time to time of this Note, and to all the provisions thereof the registered owner of this Note, by acceptance hereof, assents and agrees.

This Note shall bear the rate of interest set forth above. Principal and interest hereon is payable on the Interest Payment Date and Principal Payment Date (as those terms are defined in the Resolution), until the Agency's obligation with respect to the payment of such principal sum shall be discharged. Such interest shall be payable from the Dated Date shown above. Both principal of and interest on this Note shall be payable in the lawful money of the United States at the office of the Treasurer, or such other location as the Agency may designate in writing.

In the manner provided by the Resolution or any resolution amendatory thereof or supplement thereto, the Resolution and the rights and the obligations of the Agency and the registered owner of this Note may (with certain exceptions stated in the Resolution) be modified or amended by the Agency with the written consent of the registered owner of this Note.

This Note is redeemable, in whole or in part, without premium, in the manner and subject to the terms and provisions, and with the effect, set forth in the Resolution, at the option of the Agency, on any date prior to maturity, at a redemption price equal to the principal amount of the portion of the Note to be redeemed plus accrued interest thereon to the redemption date.

The Treasurer shall deliver or mail (by first class mail) notice of redemption to the registered owner of the Note, at its address appearing on the registration books maintained by the Treasurer at least 30 days prior to the redemption date; provided, however, that neither failure to receive any such notice so mailed nor any defect therein shall affect the validity of the proceedings for the redemption of the Note or the cessation of the accrual of interest on the redeemed portion of the Note. Such notice shall specify the redemption date, the redemption price and the location at which the registered owner shall present the Note to the Treasurer on such redemption date.

This Note and the interest thereon payable upon the redemption thereof are not a debt of the City of San Fernando, the State of California or any of its political subdivisions and neither said City, said State nor any of its political subdivisions is liable thereon, nor in any event shall this Note or said interest be payable out of any funds or properties other than the funds of the Agency herein mentioned. This Note does not constitute an indebtedness within the meaning

of any constitutional or statutory debt limitation or restriction. Neither the members of the Agency nor any persons executing this Note are liable personally on this Note by reason of its issuance.

This Note is transferable as provided in the Resolution, only upon the books of the Agency kept for that purpose at the above-mentioned office of the Treasurer, by the registered owner thereof in person, or by its duly authorized attorney, upon surrender of this Note together with a written instrument of transfer satisfactory to the Treasurer duly executed by the registered owner or its duly authorized attorney, and thereupon a new registered Note shall be issued to the transferee in exchange therefor as provided in the Resolution, and upon payment of the charges therein prescribed. The Agency and the Treasurer may deem and treat the person in whose name this Note is registered as the absolute owner thereof for the purpose of receiving payment of, or on account of, the principal and interest due thereon and for all other purposes.

Neither the Resolution nor the Note have been registered with any federal or state securities agency or commission. The Agency has not prepared any official statement or other disclosure document or undertaken any continuing disclosure obligation in connection with the issuance of the Note. Therefore, notwithstanding the foregoing provisions of this Section 9, the Note shall be transferred only to a "qualified institutional buyer" as defined in Rule 144a of the Securities Act of 1933 ("QIB") or an "accredited investor" as defined in Rule 501(a) of Regulation D promulgated under the Securities Act of 1933.

It is hereby certified and recited that all conditions, acts and things required by law and the Resolution to exist, to have happened and to have been performed precedent to and in the issuance of this Note exist, have happened and have been performed and that the Note complies in all respects with the applicable laws of the State of California, including, particularly, the Redevelopment Law.

This Note shall not be entitled to any benefit under the Resolution or be valid or become obligatory for any purpose until this Note shall have been authenticated by the execution by the Treasurer of the Certificate of Authentication hereto.

IN WITNESS WHEREOF, THE SAN FERNANDO REDEVELOPMENT AGENCY has caused this Note to be executed in its name and on its behalf by the manual or facsimile signature of its Chairman to be hereunto affixed, imprinted, engraved or otherwise reproduced and as attested by the manual or facsimile signature of its Secretary, as of the date first written above.

SAN FERNANDO REDEVELOPMENT AGENCY

By:_____
Chairman
San Fernando Redevelopment Agency

Attest: _____
Secretary
San Fernando Redevelopment Agency

TREASURER'S CERTIFICATE OF AUTHENTICATION

This Note is the Note described in the within mentioned Resolution, which has been registered on _____, 2010.

_____
Treasurer

==========

[FORM OF ASSIGNMENT]

For value received the undersigned do(es) hereby sell, assign, and transfer unto_____, whose tax identification number is _____, the within-mentioned registered Note and hereby irrevocably constitute(s) and appoint(s) _____ attorney to transfer the same on the books of the Agency with full power of substitution in the premises.

Dated:_____, 20__

_____

NOTE: The signature(s) on this Assignment must correspond with the name(s) as written on the face of the within bond in every particular without alteration or enlargement or any change whatsoever.

Attachment "C"

RESOLUTION NO. ____

A RESOLUTION OF THE SAN FERNANDO REDEVELOPMENT AGENCY AUTHORIZING THE ISSUANCE OF ITS REDEVELOPMENT PROJECT AREA NO. 4 SUBORDINATE TAX ALLOCATION NOTE, SERIES 2010, TO FINANCE A PORTION OF THE COST OF A REDEVELOPMENT PROJECT AND PROVIDING FOR THE SALE OF SAID NOTE TO THE SAN FERNANDO PUBLIC FINANCING AUTHORITY

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EXHIBIT A – FORM OF NOTE

RESOLUTION NO. ____

A RESOLUTION OF THE SAN FERNANDO REDEVELOPMENT AGENCY AUTHORIZING THE ISSUANCE OF ITS REDEVELOPMENT PROJECT AREA NO. 4 SUBORDINATE TAX ALLOCATION NOTE, SERIES 2010, TO FINANCE A PORTION OF THE COST OF A REDEVELOPMENT PROJECT AND PROVIDING FOR THE SALE OF SAID NOTE TO THE SAN FERNANDO PUBLIC FINANCING AUTHORITY

RECITALS

A. The San Fernando Redevelopment Agency (the "Agency") is a redevelopment agency, a public body, corporate and politic, duly created, established and authorized to transact business and exercise its powers, all under and pursuant to the Redevelopment Law, and the powers of the Agency include the power to issue bonds, notes, interim certificates, debentures or other obligations, for any of its corporate purposes.

B. A redevelopment plan for a redevelopment project known and designated as the Redevelopment Project Area No. 4 (the "Redevelopment Plan") has been duly approved and adopted by the City of San Fernando (the "City").

C. The Redevelopment Plan contemplates that the Agency will issue bonds or notes to finance a portion of the cost of such redevelopment.

D. The Agency deems it necessary and desirable at this time to authorize the issuance and provide for the sale of a subordinate tax allocation note to finance a portion of such costs.

NOW, THEREFORE, THE AGENCY BOARD OF THE SAN FERNANDO REDEVELOPMENT AGENCY HEREBY FINDS, DETERMINES, RESOLVES AND ORDERS AS FOLLOWS:

Section 1. Definitions. As used in this Resolution the following terms shall have the following meanings, unless the context requires otherwise:

"Agency" means the San Fernando Redevelopment Agency and any successor to its duties and functions.

"Annual Debt Service" means, for each Note Year, the sum of the interest and principal payable, in accordance with the terms of the Note and any Parity Obligations, on all Outstanding Obligations in such Note Year.

"Authority" means the San Fernando Public Financing Authority.

"Business Day" means any day other than a Saturday, Sunday or any other day on which banking institutions in the state of California are authorized or required not to be open by law.

"City" means the City of San Fernando, California.

"Consultant's Report" means a report signed by an Independent Financial Consultant or an Independent Redevelopment Consultant, as may be appropriate to the subject of the report, and including:

(1) a statement that the person or firm making or giving such report has read the pertinent provisions of this Resolution to which such report relates;

(2) a brief statement as to the nature and scope of the examination or investigation upon which the report is based; and

(3) a statement that, in the opinion of such person or firm, sufficient examination or investigation was made as is necessary to enable said Independent Financial Consultant or Independent Redevelopment Consultant to express an informed opinion with respect to the subject matter referred to in the report.

"Federal Securities" means bills, certificates of indebtedness, notes, bonds, or similar securities which are direct obligations of, or the principal and interest of which securities are guaranteed by, the United States, whether issued in book entry form or otherwise.

"Fiscal Year" means the period commencing on July 1 of each year and terminating on the next succeeding June 30, or any other annual accounting period hereafter selected and designated by the Agency as its Fiscal Year.

"Housing Fund" means the Low and Moderate Income Housing Fund established pursuant to Section 33334.3 of the Redevelopment Law and held by the Agency.

"Independent Certified Public Accountant" means any certified public accountant or firm of such accountants duly licensed and entitled to practice and practicing as such under the laws of the State, appointed and paid by the Agency, and who, or each of whom:

(1) is in fact independent and not under the domination of the Agency;

(2) does not have any substantial interest, direct or indirect, with the Agency; and

(3) is not connected with the Agency as a member, officer or employee of the Agency, but who may be regularly retained to make annual or other audits of the books of or reports to the Agency.

"Independent Financial Consultant" means a financial consultant or firm of such consultants generally recognized to be well qualified in the financial consulting field, appointed and paid by the Agency and who, or each of whom:

(1) is in fact independent and not under the domination of the Agency;

(2) does not have any substantial interest, direct or indirect, with the Agency; and

(3) is not connected with the Agency as a member, officer or employee of the Agency, but who may be regularly retained to make annual or other reports to the Agency.

"Independent Redevelopment Consultant" means a consultant or firm of such consultants generally recognized to be well qualified in the field of consulting relating to tax allocation bond financing by redevelopment agencies in the State, appointed and paid by the Agency, and who, or each of whom:

(1) is in fact independent and not under the domination of the Agency;

(2) does not have any substantial interest, direct or indirect, with the Agency; and

(3) is not connected with the Agency as a member, officer or employee of the Agency, but who may be regularly retained to make annual or other reports to the Agency.

"Interest Payment Date" means each May 15 or November 15 on which interest on the Note is scheduled to be paid, commencing November 15, 2010.

"Note" means the San Fernando Redevelopment Agency Redevelopment Project Area No. 4 Subordinate Tax Allocation Note, Series 2010, to be issued pursuant to this Resolution.

"Note Purchase Agreement" means the agreement by and between the Agency and the Authority relating to the purchase of the Note by the Authority.

"Note Year" means (i) with respect to the initial Note Year, the period extending from the date the Note is originally delivered to May 15, 2010, and (ii) thereafter, each successive 12 month period ending on May 15.

"Obligations" means, collectively, the Note and all Parity Obligations.

"Outstanding" when used with reference to the Note and any Parity Obligations, means, as of any particular date, the aggregate of all obligations, except:

A. Obligations theretofore cancelled by the Agency or surrendered to the Agency for cancellation at or prior to such date;

B. Obligations for the payment or redemption of which money in the necessary amount has been theretofore deposited with the Treasurer for the holders of the

Obligations, provided that, if such Obligations are to be redeemed, notice of such redemption has been duly given pursuant to this Resolution;

C. Obligations paid or deemed to be paid as provided in Section 12 hereof; and

D. Obligations in lieu of or in substitution for which other obligations shall have been authenticated and delivered pursuant to this Resolution.

"Parity Obligations" means any additional tax allocation bonds, notes, interim certificates, debentures or other obligations, payable out of the Pledged Tax Revenues and ranking on a parity with the Note, issued by the Agency pursuant to a separate resolution as permitted by Section 17 of this Resolution.

"Permitted Investments" means any investments permitted by law for Agency funds.

"Pledged Tax Revenues" means Tax Revenues excluding an amount, if any, equal to the sum of all transfers of and payments from Tax Revenues required by any Senior Debt Instrument.

"Principal Payment Date" means May 15, 2012, May 15, 2013 and May 15, 2014.

"Project Area" means the territory known and designated as Redevelopment Project Area No. 4, which is described and defined in the Redevelopment Plan.

"Owner" or "Registered Owner" means the registered owner or the duly authorized attorney, trustee, representative or assigns of any outstanding Note of such owner.

"Redevelopment Fund" means the Redevelopment Project Area No.4 Redevelopment Fund created and held by the Agency pursuant to Sections 13 and 14 hereof.

"Redevelopment Law" means the Community Redevelopment Law, California Health and Safety Code Section 33000, et seq., and all future acts supplemental thereto or amendatory thereto.

"Redevelopment Plan" means the Redevelopment Plan for the Redevelopment Project Area No. 4, approved and adopted by ordinance of the City and includes any amendment of the Redevelopment Plan heretofore or hereafter made pursuant to law.

"Redevelopment Project" means the undertaking of the Agency pursuant to the Redevelopment Plan.

"Senior Debt" means any bond, note, loan, advance or other indebtedness which has, or purports to have, a lien upon the Tax Revenues prior or superior to the lien of the Note.

"Senior Debt Instrument" means any indenture, trust agreement, loan agreement, resolution or other instrument authorizing any Senior Debt.

"Special Fund" means the Redevelopment Project Area No. 4 Special Fund created and held by the Agency pursuant to Sections 13 and 15 of this Resolution.

"State" means the State of California.

"Subordinate Debt" means any bond, note, loan, advance or other indebtedness which has, or purports to have, a lien upon the Tax Revenues subordinate to the lien of the Note.

"Supplemental Resolution" means a resolution supplemental to or amendatory of this Resolution.

"Tax Revenues" means, for each Note Year, the taxes (including all payments, reimbursements and subventions, if any, specifically attributable to ad valorem taxes lost by reason of tax exemptions and tax rate limitations) eligible for allocation to the Agency pursuant to the Redevelopment Law in connection with the Project Area (excluding, to the extent there are any, (a) amounts, if any, received by the Agency pursuant to Section 16111 of the Government Code; and (b) amounts payable to taxing agencies under the Redevelopment Law or under any agreement between the Agency and such public agency. "Tax Revenues" include amounts deposited in the Housing Fund by the Agency on and after the initial delivery date of the Note pursuant to Section 33334.2 or Section 33334.3 of the Redevelopment Law, as provided in the Redevelopment Plan, but only to the extent such amounts are used to pay principal or interest or other financing charges with respect to bonds or other obligations issued to increase, improve or preserve the supply of low and moderate income housing within or of benefit to the Project Area.

"Treasurer" or "Treasurer of the Agency" means the officer who is then performing the functions of Treasurer of the Agency.

Section 2. Amount, Issuance and Purpose of Note. Under and pursuant to the Redevelopment Law, and under and pursuant to this Resolution, a Note of the Agency in a principal amount not to exceed $231,500 is hereby authorized to be issued by the Agency for the corporate purposes of the Agency to aid in the financing of redevelopment activities of the Agency in the Project Area, and for other purposes related thereto as hereinafter provided. It is hereby determined and declared that the issuance of the Note is necessary for the purposes herein stated.

Section 3. Description of Note; Disposition of Proceeds. The Note shall be designated "San Fernando Redevelopment Agency, Redevelopment Project Area No. 4, Subordinate Tax Allocation Note, Series 2010." The Note shall be issued in the form of a single, fully registered note, in a principal amount to be determined by the Treasurer or the Finance Officer of the Agency, not to exceed $231,500. The Note shall be dated as of the date of its original delivery. Interest on the Note shall be calculated on the basis of a 360-day year of twelve 30-day months. The interest rate on the Note shall be as set forth in Section 5 of this Resolution.

The Treasurer or the Finance Officer of the Agency shall receive the proceeds from the sale of the Note and shall deposit such proceeds in the Redevelopment Fund.

Section 4. Security for the Note. The Pledged Tax Revenues are hereby allocated and irrevocably pledged to the payment of the principal of and interest on the Note and any Parity Obligations, and until the Note and any Parity Obligations and all interest thereon have been paid, or until moneys for that purpose have been irrevocably set aside as provided in Section 12 hereof, the Pledged Tax Revenues shall be applied first to the payment of the Note and any Parity Obligations and the interest thereon. Such allocation and pledge are for the exclusive benefit of the Registered Owners of the Note and any Parity Obligations and shall be irrevocable. The Note shall be subordinate to the Senior Debt.

The Note shall be and is a special obligation of the Agency payable as to principal and interest from Pledged Tax Revenues and other funds as herein provided. The Note and the interest thereon are not a debt of the City, the State or any of its political subdivisions and neither the City, the State nor any of its political subdivisions is liable on the Note, nor in any event shall the Note and interest thereon be payable out of any funds or properties other than those of the Agency as set forth in this Resolution. The Note does not constitute an indebtedness within the meaning of any constitutional or statutory debt limitation or restriction. Neither the members of the Agency nor any persons executing the Note are liable personally thereon by reason of its issuance.

The validity of the Note is not and shall not be dependent upon the completion of the redevelopment of the Project Area or upon the performance by any person of an obligation of that person relative to such redevelopment.

Section 5. Principal Maturity and Interest. The Note shall mature on May 15, 2014, and shall bear interest at the rate of the prior year average LAIF rate, with interest and principal payable to the Registered Owner on each Interest Payment Date and Principal Payment Date until the principal sum thereof has been paid; provided, however, that if at the maturity date of the Note or, if the same has been duly called for redemption, at the date fixed for redemption, funds are available for the payment or redemption thereof in full accordance with the terms of this Resolution, the Note shall then cease to bear interest.

Section 6. Place of Payment. The principal of and interest on the Note shall be payable in lawful money of the United States of America at the office of the Treasurer, or such other location as may be designated from time to time by the Agency in writing.

Section 7. Form of Note. The Note shall be substantially in the form attached hereto and made a part hereof, marked "Exhibit A." Such form is hereby approved and adopted as the form of the Note, and of the redemption, exchange, registration and assignment provisions pertaining thereto, with necessary or appropriate variations, omissions and insertions, as permitted or required by this Resolution or any Supplemental Resolution.

Section 8. Execution of Note. The Note shall be signed on behalf of the Agency by facsimile or manual signature of its Chairman and by facsimile or manual signature of its Secretary. The Chairman and the Secretary are hereby authorized and directed to sign the Note in accordance with this Section. If any officer whose manual or facsimile signature appears on the Note ceases to be such officer before delivery of the Note, such signature is as effective as if such officer had remained in office, and the Note shall be as binding upon the Agency as though

the person who signed the Note had been such officer on the date borne by the Note. The Note shall be authenticated by the Treasurer by manual signature.

Section 9. Registration; Transfer; Exchange. The Note is issued as a fully registered note payable to the Registered Owner, negotiable only by proper transfer of registration. Transfer of ownership of the Note shall be made by exchanging the same for a new fully registered note. All of such exchanges shall be required to be made in such manner and upon such reasonable terms and conditions as may from time to time be determined and prescribed by law; provided, however, no such transfer or exchange shall result in any gain or loss of interest and no such transfer or exchange shall be made after the Note has been selected for redemption. Such exchanges may be subject to costs or charges to the person, firm or corporation requesting such exchange, and for any tax or governmental charge that may be imposed in connection with such exchange.

Neither this Resolution nor the Note have been registered with any federal or state securities agency or commission. The Agency has not prepared any official statement or other disclosure document nor undertaken any continuing disclosure obligation in connection with the issuance of the Note. Therefore, notwithstanding the foregoing provisions of this Section 9, the Note shall be transferred only to a "qualified institutional buyer" as defined in Rule 144a of the Securities Act of 1933 ("QIB") or an "accredited investor" as defined in Rule 501(a) of Regulation D promulgated under the Securities Act of 1933.

Section 10. Note Register. The Treasurer shall keep sufficient books for the registration and transfer of the Note; and upon presentation and surrender of the Note for such purpose, the Treasurer shall register or transfer, on such register, the Note as provided above.

Section 11. Redemption of Note Prior to Maturity.

A. Optional Redemption. The Note may be redeemed, in whole or in part, at the option of the Agency, from any source of funds, on any date prior to maturity, at a redemption price equal to the principal amount of the portion of the Note to be redeemed plus accrued interest thereon to the redemption date.

B. Notice of Redemption. Notice of redemption prior to maturity shall be given by delivering such notice to the Registered Owner or by mailing such notice to the Registered Owner by first-class mail not less than 30 days before such redemption date. The notice of redemption shall specify (i) the redemption date, (ii) the principal amount to be redeemed, (iii) the redemption price, and (iv) the location at which the Registered Owner shall present the Note to the Treasurer on such redemption date. The notice of redemption shall also state that (1) on the redemption date there will become due and payable the principal amount of the portion of the Note to be redeemed and interest accrued thereon to such redemption date, and (2) interest on the redeemed portion of the Note shall cease to accrue from and after such redemption date. Following the delivery or mailing of the notice of redemption, the moneys to be used for such redemption may be invested only in Federal Securities maturing not later than the Business Day preceding the scheduled redemption date.

The actual receipt by the Registered Owner of notice of such redemption shall not be a condition precedent to redemption, and failure to receive such notice shall not affect the validity of the proceedings for the redemption of the Note or the cessation of interest on the redemption date.

A certificate by the Treasurer that notice of redemption has been given as herein provided shall be conclusive as against all parties, and no Registered Owner may object thereto or object to the cessation of interest on the redemption date fixed by any claim or showing that such Registered Owner failed actually to receive such notice of call and redemption.

C. Effect of Redemption. From and after the date fixed for redemption, if redemption notice shall have been duly given and funds available for the payment of the redemption price of the portion of the Note called for redemption shall have been duly provided, interest on such redeemed portion of the Note shall cease to accrue from and after the specified redemption date.

To receive the redemption price thereof, the Owner shall present and surrender the Note to the Treasurer at the place and date specified in the redemption notice. In the event of a partial redemption, the Agency shall execute, authenticate and deliver to the Registered Owner a new Note in the principal amount equal to the unredeemed portion of the Note and the new Note shall bear the same interest rate and maturity as the original Note. In the event of a full redemption of the Note, the Note shall be cancelled in its entirety and shall cease to be entitled to any lien, benefit or security under this Resolution. Thereafter, the Registered Owner shall have no rights in respect thereof except to receive payment of the redemption price thereof.

Upon the Owner's surrender of the Note in accordance with this Section, the Treasurer shall destroy the surrendered Note and, promptly thereafter, provide the Agency with a certificate of such destruction.

Section 12. Defeasance. Nothing in this Resolution shall preclude the prepayment of the Note from (a) the proceeds of refunding bonds or other obligations issued pursuant to law, or (b) any legally available funds. Nothing in this Resolution shall prevent the Agency from making advances of its own funds howsoever derived to any of the uses and purposes mentioned in this Resolution.

If the Agency shall pay or cause to be paid, or shall have made provision to pay upon maturity or upon redemption prior to maturity to the Registered Owner of the Note, of the principal and interest to become due thereon, through setting aside in a special trust fund or account created pursuant to this Resolution or otherwise, moneys sufficient therefor or moneys invested in Federal Securities, the principal of and interest on which when due will be sufficient therefor without reinvestment, then, as to the Note, the lien of this Resolution, including, without limitation, the pledge of the Pledged Tax Revenues and other funds pledged hereunder shall thereupon cease, terminate and become void and be discharged and satisfied, and the Note and interest thereon shall no longer be deemed to be Outstanding.

In case the Note is to be redeemed on any date prior to its maturity in connection with such a defeasance, the Agency shall give to the Treasurer irrevocable instructions to provide

notice of redemption as provided in Section 11.B of this Resolution. Neither the Federal Securities nor moneys deposited pursuant to this Section nor principal or interest payments on any such Federal Securities or moneys deposited pursuant to this Section shall be withdrawn or used for any purpose other than, and shall be held in trust, for the payment of the principal and interest to become due on the Note.

Section 13. Funds. There are hereby created a special trust fund held by the Treasurer called the "Redevelopment Project Area No. 4 Redevelopment Fund" (the "Redevelopment Fund") and a special trust fund held by the Treasurer called the "Redevelopment Project Area No. 4 Special Fund" (the "Special Fund"), within which there shall be created an Interest Account and a Principal Account.

So long as the Note or any interest thereon remains unpaid, the moneys in the foregoing Funds and Accounts shall be used for no purpose other than those required or permitted by this Resolution, any Supplemental Resolution and the Redevelopment Law.

Section 14. Redevelopment Fund. The moneys set aside in the Redevelopment Fund shall remain therein until from time to time expended for the purpose of financing costs of the Redevelopment Project (or for making reimbursements to the Agency for such costs theretofore paid by it), including payment for all costs incidental to or connected with such financing. The Agency covenants that each withdrawal from the Redevelopment Fund shall be made in the manner provided by law for the purpose of aiding in financing the Redevelopment Project or for making reimbursements to the Agency for such costs theretofore paid by the Agency.

Section 15. Special Fund. All Pledged Tax Revenues shall be deposited into the Special Fund. Without limiting the generality of the foregoing and for the purpose of assuring that the payments referred to above will be made as scheduled, the Pledged Tax Revenues accumulated in the Special Fund shall be used in the following priority; provided, however, that to the extent that deposits have been made in either of the Accounts referred to below, the deposits below need not be made:

A. Interest Account. Deposits shall be made into the Interest Account so that the balance in such account five days prior to the date of a payment of any installment of interest on the Obligations shall be equal to six months interest on the then Outstanding Obligations. Moneys in the Interest Account shall be used for the payment of interest on the Obligations as the same become due.

B. Principal Account. After the deposits have been made pursuant to subparagraph A above, deposits shall next be made into the Principal Account so that the balance in such account five days prior to the date of payment of principal is due shall equal the next principal payment or payments, as the case may be, on the then Outstanding Obligations. Moneys in the Principal Account shall be used for the payment of the principal of such Obligations, as the same become due.

C. Surplus. After the above transfers have been made, any balance in the Special Fund may be withdrawn and used and applied by the Agency for any lawful purpose.

Section 16. Deposit and Investment of Moneys. Subject to the provisions of Covenant 9 of Section 18 hereof, all moneys held by the Agency in the Redevelopment Fund and the Special Fund (including the accounts thereof), except such moneys which are at the time invested, shall be held in trust accounts or time or demand deposits in any financial institution authorized to accept deposits of public funds, and shall be insured or secured at all times by bonds or other obligations which are authorized by law as security for public deposits and are of a market value at least equal to the amount required by law.

Moneys in the Redevelopment Fund and the Special Fund (including the accounts thereof) may be invested in Permitted Investments subject to the following restrictions:

A. Moneys in the Redevelopment Fund shall be invested only in obligations which will by their terms mature not later than the date the Agency estimates the moneys represented by the particular investment will be needed for withdrawal from such Fund.

B. Moneys in the Interest Account and the Principal Account shall be invested only in obligations which will by their terms mature on such dates as to insure that before each Interest Payment Date there will be in such Accounts from matured obligations and other moneys already in such Accounts, moneys equal to the interest and principal payable on such date.

Obligations purchased as an investment of moneys in any of said Funds or Accounts shall be deemed at all times to be a part of such Fund or Account and the interest accruing thereon and any gain realized from such investment shall be credited to said Fund or Account and any loss resulting from any such investment shall be charged to such Fund or Account without liability to the Agency or the members and officers thereof.

The Treasurer or the Finance Officer of the Agency shall sell at the best price obtainable or present for redemption any obligation so purchased whenever it shall be necessary to do so in order to provide moneys to meet any payment or transfer from such Fund or Account as required by this Resolution. For the purpose of determining at any given time the balance in any such Fund or Account any such investment constituting a part of such Fund or Account shall be valued at the then estimated or appraised market value thereof; provided that any such investment constituting a part of the Interest Account shall be valued at the face amount thereof.

Section 17. Issuance of Parity Obligations. The Agency may provide for the issuance of, and sell, Parity Obligations in such principal amounts as it estimates will be needed for its corporate purposes. The issuance and sale of any Parity Obligations shall be subject to the following conditions precedent:

A. The Agency shall be in compliance with all covenants set forth in this Resolution.

B. The Agency shall obtain a Consultant's Report which concludes that Pledged Tax Revenues will be sufficient to pay the Annual Debt Service as the same becomes due.

C. Interest on the Parity Obligations shall be payable semiannually on the same dates as interest on the Note is payable.

Section 18. Covenants of the Agency. As long as the Note is Outstanding, the Agency shall, through its proper members, officers, agents or employees, faithfully perform and abide by all of the covenants, undertakings and provisions contained in this Resolution or in the Note, including the following covenants and agreements for the benefit of the Registered Owner which are necessary, convenient and desirable to secure the Note; provided, however, that such covenants shall not require the Agency to expend any funds other than the Pledged Tax Revenues and the investment earnings thereon:

Covenant 1. Complete Redevelopment Project; Amendments to Redevelopment Plan. The Agency covenants and agrees that it will diligently carry out and continue to completion, with all practicable dispatch, the redevelopment of the Project Area, in accordance with its duty to do so under and in accordance with the Redevelopment Law and the Redevelopment Plan and in a sound and economical manner. The Redevelopment Plan may be amended as provided in the Redevelopment Law, but no amendment shall be made unless accompanied by a Consultant's Report to the effect that such amendment would not materially impair the security or the rights of the Registered Owner.

Covenant 2. Use of Proceeds; Management and Operation of Properties. The Agency covenants and agrees that the proceeds from the sale of the Note shall be deposited and used as provided in this Resolution and that it will cause all properties owned by it and comprising any part of the Project Area, to be managed and operated in a sound and businesslike manner consistent with the Redevelopment Plan. The proceeds shall be used only for a "redevelopment activity" or for costs associated with financing or refinancing a "redevelopment activity" as that term is defined in Section 33678 of the Redevelopment Law.

Covenant 3. Additional Debt. The Agency covenants and agrees that it will not issue or incur any Senior Debt, unless it first obtains a Consultant's Report which concludes that Pledged Tax Revenues following the issuance or incurring of such Senior Debt will be sufficient to pay the Annual Debt Service on all Outstanding Obligations as the same becomes due.

Except as permitted in Section 17 hereof, the Agency will not incur any additional debt payable as to principal or interest from the Pledged Tax Revenues, which has, or purports to have, any lien upon the Pledged Tax Revenues on a parity with the Note.

Nothing in this Resolution shall prevent the Agency (i) from issuing and selling pursuant to law, refunding bonds or other refunding obligations payable from and having any lawful lien upon the Pledged Tax Revenues, if such refunding bonds or other refunding obligations are issued for the purpose of, and are sufficient for the purpose of, refunding the Note in accordance with Section 12 hereof, or (ii) from issuing and selling or assuming the liability for payment of, bonds or other obligations which have, or purport to have, any lien upon the Pledged Tax Revenues which is junior to the Note, or (iii) from issuing and selling bonds or other obligations which are payable from sources other than the Pledged Tax Revenues.

Covenant 4. Punctual Payment. The Agency covenants and agrees that it will duly and punctually pay or cause to be paid the principal of and interest on the Note on the dates and in the manner provided in the Note and as provided herein.

Covenant 5. Payment of Taxes and Other Charges. The Agency covenants and agrees that it will from time to time pay and discharge, or cause to be paid and discharged, all payments in lieu of taxes, service charges, assessments or other governmental charges which may lawfully be imposed upon the Agency or any of the properties then owned by it in the Project Area, or upon the revenues and income therefrom; provided that nothing in this Covenant shall require the Agency to make any such payment so long as the Agency in good faith shall contest the validity thereof.

Covenant 6. Books and Accounts; Financial Statements. The Agency covenants and agrees that it shall at all times keep, or cause to be kept, proper and current books and accounts, separate from all other records and accounts, in which complete and accurate entries shall be made of all transactions relating to the redevelopment of the Project Area, and the Pledged Tax Revenues and other funds relating to such redevelopment, and will prepare within 270 days after the close of each of its Fiscal Years a complete financial statement or statements for such year in reasonable detail covering such redevelopment, the Pledged Tax Revenues and other funds, certified by an Independent Certified Public Accountant, and will furnish a copy of such statement or statements upon written request to the Registered Owner.

Covenant 7. Management and Operation of Properties. The Agency will manage and operate all properties owned by the Agency and comprising any part of the Redevelopment Project in a sound and business-like manner and in conformity with all valid requirements of any governmental authority relative to the Redevelopment Project or any part thereof, and will keep such properties insured at all times in conformity with sound business practice.

Covenant 8. Disposition of Property. The Agency covenants and agrees that it shall not dispose of more than ten percent of the land area in the Project Area, except property shown in the Redevelopment Plan in effect on the date this Resolution is adopted as planned for public use, or property to be used for public streets, public off street parking, sewage facilities, parking easements or rights-of-way for public utilities, flood control facilities, storm drainage facilities, or other similar uses, to public bodies or other persons or entities whose property is tax exempt, unless accompanied by a Consultant's Report to the effect that such disposition would not impair in any material respect the security or the rights of the Registered Owner.

Covenant 9. Protection of Security and Rights of Registered Owner. The Agency covenants and agrees to preserve and protect the security of the Note and the rights of the Registered Owner and defend the rights of such owner against all claims and demands of all persons. From and after the sale and delivery of the Note by the Agency, the Note shall be incontestable by the Agency.

Covenant 10. Tax Revenues. The Agency shall comply with all requirements of the Law to insure the allocation and payment to it of the Tax Revenues,

including without limitation the timely filing of any necessary statements of indebtedness with appropriate officials of the County of Los Angeles.

Covenant 11. Taxation of Leased Property. Whenever any property in the Project Area has been redeveloped and thereafter is leased by the Agency to any person or persons, other than a public agency, or whenever the Agency leases real property in the Project Area to any person or persons, other than a public agency, for redevelopment, the property shall be assessed and taxed in the same manner as privately owned property, as required by Section 33673 of the Redevelopment Law, and the lease or contract shall provide (i) that the lessee shall pay taxes upon the assessed value of the entire property and not merely upon the assessed value of the lessee's leasehold interest, and (ii) that if for any reason the taxes levied on such property in any year during the term of the lease or contract are less than the taxes which would have been levied if the entire property had been assessed and taxed in the same manner as privately owned property, the lessee shall pay such difference to the Agency within 30 days after the taxes for such year become payable to the taxing agencies and in no event later than the delinquency date of such taxes established by law. All such payments shall be treated as Tax Revenues.

Section 19. Further Assurances . The Agency shall execute and deliver any and all such further instruments and assurances as may be reasonably necessary or proper to carry out the intention or to facilitate the performance of this Resolution, and for the better assuring and confirming unto the Owner of the Note of the rights and benefits provided in this Resolution.

Section 20. Amendments. This Resolution, and the rights and obligations of the Agency and of the Owner of the Note, may be modified or amended at any time by resolution supplementing this Resolution adopted by the Agency: (i) without the consent of the Registered Owner, if such modification or amendment is for the purpose of curing any ambiguities, defects or inconsistent provisions in this Resolution or to insert such provisions clarifying matters or questions arising under this Resolution as are necessary and desirable to accomplish the same; provided that such modifications or amendments do not adversely affect the rights of the Registered Owner and such modifications or amendments are accompanied by an opinion to that effect of bond counsel, or (ii) with the consent of the Registered Owner.

Any act done pursuant to a modification or amendment pursuant to this Section shall be binding upon the Registered Owner and shall not be deemed an infringement of any of the provisions of this Resolution or of the Redevelopment Law, whatever the character of such act may be, and may be done and performed as fully and freely as if expressly permitted by the terms of this Resolution; and after such consent relating to such specified matters has been given, the Registered Owner shall have no right to object to such action or in any manner to question the propriety thereof or to enjoin or restrain the Agency or any officer thereof from taking any action pursuant thereto.

Section 21. Sale of Note to Authority; Note Purchase Agreement. The Note shall be sold to the Authority for immediate resale to an investor pursuant to Article 4, Chapter 5, Division 7, Title 1 of the California Government Code. The Note Purchase Agreement, in the form presented at this meeting and on file with the Secretary of the Agency, is hereby approved. Each of the Chairman, the Vice-Chairman and the Executive Director of the Agency, and any person designated by any of them, acting singly, is hereby authorized and directed to execute and

deliver for and in the name of the Authority, the Note Purchase Agreement in substantially said form, with such changes therein as the officer executing the document may approve (such approval to be conclusively evidenced by such officer's execution and delivery thereof).

Section 22. Proceedings Constitute Contract. The provisions of this Resolution and of any other resolution supplementing or amending this Resolution shall constitute a contract between the Agency and the Registered Owner and the provisions thereof shall be enforceable by the Registered Owner by mandamus, accounting, mandatory injunction or any other suit, action or proceeding at law or in equity that is now or may hereafter be authorized under the laws of the State in any court of competent jurisdiction. This contract is made under and is to be construed in accordance with the laws of the State.

Section 23. Lost, Stolen, Destroyed or Mutilated Note. In the event that the Note is lost, stolen, destroyed or mutilated, the Agency shall cause to be issued a new Note similar to the original to replace the same in such manner and upon such reasonable terms and conditions, including the payment of costs and the posting of a surety bond satisfactory to the Agency. The Agency may authorize such new Note to be signed and authenticated in such manner as it determines.

Section 24. Severability. If any covenant, agreement or provision, or any portion thereof contained in this Resolution, or the application thereof to any person or circumstance, is held to be unconstitutional, invalid or unenforceable, the remainder of this Resolution and the application of any such covenant, agreement or provision, or portion thereof, to other persons or circumstances, shall be deemed severable and shall not be affected, and this Resolution and the Note shall remain valid and the Registered Owner shall retain all valid rights and benefits accorded to it under this Resolution and the Constitution and laws of the State.

Section 25. Benefits of Resolution Limited. Nothing in this Resolution, express or implied, is intended to give to any person other than the Agency and the Registered Owner, any right, remedy or claim under or by reason of this Resolution. Any covenants, stipulations, promises or agreements in this Resolution by and on behalf of the Agency shall be for the sole and exclusive benefit of the Registered Owner.

Section 26. General Authorization. The members of the Agency and its officers, employees and counsel are hereby authorized to do all acts and things which may be required of them by this Resolution or which may be necessary or desirable in carrying out the issuance of the Note as provided by this Resolution and all matters incidental thereto. All such acts and things heretofore done are hereby approved, ratified and confirmed.

Section 27. Waivers. So long as the Agency is the sole Owner of the Note, the Agency may waive any provisions of this Resolution, including but not limited to the provisions related to the redemption of Note or to the adoption of resolutions supplemental hereto.

[Remainder of Page Intentionally Left Blank]

Section 28. Effective Date. This Resolution shall become effective upon its adoption.

PASSED, APPROVED and ADOPTED this ____ day of ____, 2010.

AYES:

NOES:

ABSENT:

ABSTAIN:

_____
Chairman
San Fernando Redevelopment Agency

ATTEST:

_____
Secretary
San Fernando Redevelopment Agency

EXHIBIT A

FORM OF NOTE

[NO TRANSFER OF THIS NOTE SHALL BE MADE EXCEPT TO A "QUALIFIED INSTITUTIONAL BUYER" AS DEFINED IN RULE 144A OF THE SECURITES ACT OF 1933 (A "QIB") OR AN "ACCREDITED INVESTOR" AS THAT TERM IS DEFINED IN RULE 501(A) OF REGULATION D PROMULGATED UNDER THE SECURITES ACT OF 1933].

No. R-____ $231,500

UNITED STATES OF AMERICA
STATE OF CALIFORNIA
COUNTY OF LOS ANGELES
CITY OF SAN FERNANDO
SAN FERNANDO REDEVELOPMENT AGENCY

Redevelopment Project Area No. 4
Subordinate Tax Allocation Note, Series 2010

Interest Rate:	Maturity Date:	Dated Date:
Prior year average LAIF rate	May 15, 2014	February 16, 2010

Registered Owner:

Principal Amount: TWO HUNDRED THIRTY-ONE THOUSAND, FIVE HUNDRED DOLLARS

The San Fernando Redevelopment Agency (the "Agency"), a public body corporate and politic, acknowledges itself indebted to, and for value received hereby promises to pay to the registered owner named above, or registered assigns, at maturity or the earlier redemption hereof, but solely from the Pledged Tax Revenues (as such terms are defined in the Resolution hereinafter mentioned) and other funds pledged therefor, upon presentation and surrender of this Note at the office of the Treasurer of the Agency (the "Treasurer") in San Fernando, California (or such other location as the Agency may designate in writing) the principal amount stated above.

This Note of the Agency is designated as its "Redevelopment Project Area No. 4 Subordinate Tax Allocation Note, Series 2010" (the "Note"), in the aggregate principal amount

of $231,500 issued pursuant to the provisions of the Constitution and laws of the State of California and particularly the Community Redevelopment Law, Part 1 of Division 24 of the Health and Safety Code of the State of California, as amended (the "Redevelopment Law"). The Note is issued under and secured and entitled to the protection given by Resolution No. ____, duly adopted by the Agency on February 16, 2010 (the "Resolution"). Copies of the Resolution are on file at the office of the Agency Secretary and reference is hereby made to the Resolution and the Redevelopment Law and to all amendments and supplements thereto for a description of the terms on which the Note is issued, for the provisions with regard to the nature and extent of the security provided for the Note and of the nature, extent and manner of enforcement of such security, and for a statement of the rights of the registered owner of the Note. All the terms of the Resolution and the Redevelopment Law are hereby incorporated herein and constitute a contract between the Agency and the registered owner from time to time of this Note, and to all the provisions thereof the registered owner of this Note, by acceptance hereof, assents and agrees.

This Note shall bear the rate of interest set forth above. Principal and interest hereon is payable on the Interest Payment Date and Principal Payment Date (as those terms are defined in the Resolution), until the Agency's obligation with respect to the payment of such principal sum shall be discharged. Such interest shall be payable from the Dated Date shown above. Both principal of and interest on this Note shall be payable in the lawful money of the United States at the office of the Treasurer, or such other location as the Agency may designate in writing.

In the manner provided by the Resolution or any resolution amendatory thereof or supplement thereto, the Resolution and the rights and the obligations of the Agency and the registered owner of this Note may (with certain exceptions stated in the Resolution) be modified or amended by the Agency with the written consent of the registered owner of this Note.

This Note is redeemable, in whole or in part, without premium, in the manner and subject to the terms and provisions, and with the effect, set forth in the Resolution, at the option of the Agency, on any date prior to maturity, at a redemption price equal to the principal amount of the portion of the Note to be redeemed plus accrued interest thereon to the redemption date.

The Treasurer shall deliver or mail (by first class mail) notice of redemption to the registered owner of the Note, at its address appearing on the registration books maintained by the Treasurer at least 30 days prior to the redemption date; provided, however, that neither failure to receive any such notice so mailed nor any defect therein shall affect the validity of the proceedings for the redemption of the Note or the cessation of the accrual of interest on the redeemed portion of the Note. Such notice shall specify the redemption date, the redemption price and the location at which the registered owner shall present the Note to the Treasurer on such redemption date.

This Note and the interest thereon payable upon the redemption thereof are not a debt of the City of San Fernando, the State of California or any of its political subdivisions and neither said City, said State nor any of its political subdivisions is liable thereon, nor in any event shall this Note or said interest be payable out of any funds or properties other than the funds of the Agency herein mentioned. This Note does not constitute an indebtedness within the meaning

of any constitutional or statutory debt limitation or restriction. Neither the members of the Agency nor any persons executing this Note are liable personally on this Note by reason of its issuance.

This Note is transferable as provided in the Resolution, only upon the books of the Agency kept for that purpose at the above-mentioned office of the Treasurer, by the registered owner thereof in person, or by its duly authorized attorney, upon surrender of this Note together with a written instrument of transfer satisfactory to the Treasurer duly executed by the registered owner or its duly authorized attorney, and thereupon a new registered Note shall be issued to the transferee in exchange therefor as provided in the Resolution, and upon payment of the charges therein prescribed. The Agency and the Treasurer may deem and treat the person in whose name this Note is registered as the absolute owner thereof for the purpose of receiving payment of, or on account of, the principal and interest due thereon and for all other purposes.

Neither the Resolution nor the Note have been registered with any federal or state securities agency or commission. The Agency has not prepared any official statement or other disclosure document or undertaken any continuing disclosure obligation in connection with the issuance of the Note. Therefore, notwithstanding the foregoing provisions of this Section 9, the Note shall be transferred only to a "qualified institutional buyer" as defined in Rule 144a of the Securities Act of 1933 ("QIB") or an "accredited investor" as defined in Rule 501(a) of Regulation D promulgated under the Securities Act of 1933.

It is hereby certified and recited that all conditions, acts and things required by law and the Resolution to exist, to have happened and to have been performed precedent to and in the issuance of this Note exist, have happened and have been performed and that the Note complies in all respects with the applicable laws of the State of California, including, particularly, the Redevelopment Law.

This Note shall not be entitled to any benefit under the Resolution or be valid or become obligatory for any purpose until this Note shall have been authenticated by the execution by the Treasurer of the Certificate of Authentication hereto.

IN WITNESS WHEREOF, THE SAN FERNANDO REDEVELOPMENT AGENCY has caused this Note to be executed in its name and on its behalf by the manual or facsimile signature of its Chairman to be hereunto affixed, imprinted, engraved or otherwise reproduced and as attested by the manual or facsimile signature of its Secretary, as of the date first written above.

SAN FERNANDO REDEVELOPMENT AGENCY

By:_____
Chairman
San Fernando Redevelopment Agency

Attest: _____
Secretary
San Fernando Redevelopment Agency

TREASURER'S CERTIFICATE OF AUTHENTICATION

This Note is the Note described in the within mentioned Resolution, which has been registered on _____, 2010.

_____
Treasurer

==========

[FORM OF ASSIGNMENT]

For value received the undersigned do(es) hereby sell, assign, and transfer unto_____, whose tax identification number is _____, the within-mentioned registered Note and hereby irrevocably constitute(s) and appoint(s) _____ attorney to transfer the same on the books of the Agency with full power of substitution in the premises.

Dated:_____, 20__

_____

NOTE: The signature(s) on this Assignment must correspond with the name(s) as written on the face of the within bond in every particular without alteration or enlargement or any change whatsoever.

Attachment "D"

RESOLUTION NO. __

A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF SAN FERNANDO APPROVING THE ISSUANCE AND SALE OF SAN FERNANDO REDEVELOPMENT AGENCY REDEVELOPMENT PROJECT NO. 1, SUBORDINATE TAX ALLOCATION NOTE, SERIES 2010A, SAN FERNANDO REDEVELOPMENT AGENCY REDEVELOPMENT PROJECT NO. 1, SUBORDINATE TAX ALLOCATION NOTE, SERIES 2010B, SAN FERNANDO REDEVELOPMENT AGENCY REDEVELOPMENT PROJECT NO. 2, SUBORDINATE TAX ALLOCATION NOTE, SERIES 2010, AND SAN FERNANDO REDEVELOPMENT AGENCY REDEVELOPMENT PROJECT AREA NO. 4, SUBORDINATE TAX ALLOCATION NOTE, SERIES 2010

RECITALS:

WHEREAS, the San Fernando Redevelopment Agency (the "Agency") is a redevelopment agency authorized pursuant to the Community Redevelopment Law of the State of California, being Part 1 of Division 24 (commencing with Section 33000) of the California Health and Safety Code, as amended, to incur indebtedness for the purpose of financing and refinancing certain redevelopment activities within and for the benefit of its redevelopment project areas; and

WHEREAS, a Redevelopment Plan for a redevelopment project known and designated as Redevelopment Project No. 1, a Redevelopment Plan for a redevelopment project known and designated as Redevelopment Project No. 2, and a Redevelopment Plan for a redevelopment project known and designated as Redevelopment Project Area No. 4 (collectively, the "Redevelopment Plans"), have been duly approved and adopted by the City Council of the City of San Fernando (the "City Council"); and

WHEREAS, the Redevelopment Plans contemplate that the Agency will issue bonds or notes to finance a portion of the cost of such redevelopment; and

WHEREAS, the Agency has proposed to issue its Redevelopment Project No. 1 Subordinate Tax Allocation Note, Series 2010A and its Redevelopment Project No. 1 Subordinate Tax Allocation Note, Series 2010B (together, the "Project Area No. 1 Notes") pursuant to its Resolution entitled "A Resolution of the San Fernando Redevelopment Agency Authorizing the Issuance of Its Redevelopment Project No.1 Subordinate Tax Allocation Note, Series 2010A and Its Redevelopment Project No.1 Subordinate Tax Allocation Note, Series 2010B to Finance a Portion of the Cost of a Redevelopment Project and Providing for the Sale of Said Note to the San Fernando Public Financing Authority" (the "Agency Project Area No. 1 Resolution"), a copy of which has been presented to the City Council at this meeting and a copy of which is now on file in the office of the Secretary of the Agency; and

WHEREAS, the Agency has proposed to issue its Redevelopment Project No. 2 Subordinate Tax Allocation Note, Series 2010 (the "Project Area No. 2 Note") pursuant to its Resolution entitled "A Resolution of the San Fernando Redevelopment Agency Authorizing the Issuance of Its Redevelopment Project No. 2 Subordinate Tax Allocation Note, Series 2010 to Finance a Portion of the Cost of a Redevelopment Project and Providing for the Sale of Said Note to the San Fernando Public Financing Authority" (the "Agency Project Area No. 2 Resolution"), a copy of which has been presented to the City Council at this meeting and a copy of which is now on file in the office of the Secretary of the Agency; and

WHEREAS, the Agency has proposed to issue its Redevelopment Project No. 4 Subordinate Tax Allocation Note, Series 2010 (the "Project Area No. 4 Note") pursuant to its Resolution entitled "A Resolution of the San Fernando Redevelopment Agency Authorizing the Issuance of Its Redevelopment Project No. 4 Subordinate Tax Allocation Note, Series 2010 to Finance a Portion of the Cost of a Redevelopment Project and Providing for the Sale of Said Note to the San Fernando Public Financing Authority" (the "Agency Project Area No. 4 Resolution"), a copy of which has been presented to the City Council at this meeting and a copy of which is now on file in the office of the Secretary of the Agency; and

WHEREAS, the City Council, with the aid of its staff, has reviewed the documentation relating to the issuance of the Project Area No. 1 Notes, the Project Area No. 2 Note and the Project Area No. 4 Note (collectively, the "Notes") and wishes to approve the issuance, sale and delivery of such Notes by the Agency;

NOW THEREFORE, THE CITY COUNCIL OF THE CITY OF SAN FERNANDO HEREBY FINDS, DETERMINES, RESOLVES AND ORDERS AS FOLLOWS:

Section 1. The foregoing recitals, and each of them, are true and correct.

Section 2. The issuance, sale and delivery of (i) the Project Area No. 1 Notes by the Agency, in accordance with the terms and conditions set forth in the Agency Project Are No. 1 Resolution described in the recitals hereof, (ii) the Project Area No. 2 Note by the Agency, in accordance with the terms and conditions set forth in the Agency Project Area No. 2 Resolution described in the recitals hereof, and (iii) the Project Area No. 4 Note by the Agency, in accordance with the terms and conditions set forth in the Agency Project Area No. 4 Resolution described in the recitals hereof, are hereby approved.

Section 3. Each of the Mayor, the City Manager, the City Clerk of the City and any person designated by any of them, is hereby authorized and directed, jointly and severally, to execute and deliver any and all documents and instruments and to do all things which they may deem necessary or proper for carrying out the transactions contemplated by this Resolution, the Agency Project Area No. 1 Resolution, the Project Area No. 2 Resolution and the Project Area No. 4 Resolution, and in connection with the issuance and sale of the Notes.

Section 4. This resolution shall take effect immediately upon adoption.

PASSED, APPROVED and ADOPTED this _____ day of _____, 2010.

AYES:

NOES:

ABSENT:

ABSTAIN:

_____
Steven Veres, Mayor
City of San Fernando

ATTEST:

_____
Elena Chávez, City Clerk
City of San Fernando

Attachment "E"

RESOLUTION NO. _____

A RESOLUTION OF THE SAN FERNANDO PUBLIC FINANCING AUTHORITY AUTHORIZING THE EXECUTION AND DELIVERY OF NOTE PURCHASE AGREEMENTS AND ACTIONS RELATED THERETO

RECITALS:

WHEREAS, the San Fernando Redevelopment Agency (the "Agency") has determined to issue its (i) Redevelopment Project No. 1, Subordinate Tax Allocation Note, Series 2010A, in a principal amount not to exceed $259,951, (ii) Redevelopment Project No. 1, Subordinate Tax Allocation Note, Series 2010B, in a principal amount not to exceed $238,541, (iii) Redevelopment Project No. 2, Subordinate Tax Allocation Note, Series 2010, in a principal amount not to exceed $231,500, and (iv) Redevelopment Project Area No. 4, Subordinate Tax Allocation Note, Series 2010, in a principal amount not to exceed $231,500 (each, a "Note" and collectively, the "Notes"); and

WHEREAS, the San Fernando Public Financing Authority (the "Authority"), pursuant to Article 4, Chapter 5, Division 7, Title 1 of the California Government Code has the authority to purchase and resell the Notes; and

WHEREAS, the purchase by the Authority of the Notes will result in significant public benefits in the form of demonstrable savings in effective interest rates, and the more efficient delivery of local agency services;

NOW, THEREFORE, THE AUTHORITY BOARD OF THE SAN FERNANDO PUBLIC FINANCING AUTHORITY HEREBY FINDS, DETERMINES, RESOLVES AND ORDERS AS FOLLOWS:

Section 1. The foregoing recitals are true and correct and the Authority hereby so finds and determines.

Section 2. Each Note Purchase Agreement relating to the purchase of each Note (collectively, the "Note Purchase Agreements"), proposed to be entered into by the Agency and the Authority, in the forms presented at this meeting and on file with the Secretary of the Authority, is hereby approved. Each of the Chairman, the Vice-Chairman, or the Executive Director (each, an "Authorized Officer"), acting singly, is hereby authorized and directed to execute and deliver in the name of the Authority, the Note Purchase Agreements in substantially said forms, with such changes therein as the Authorized Officer executing the document may approve (such approval to be conclusively evidenced by such Authorized Officer's execution and delivery thereof).

Section 3. The Authorized Officers and all other officers of the Authority are hereby authorized and directed, jointly and severally, to execute and deliver any and all necessary documents and instruments and to do all things which they may deem necessary or

proper in order to consummate the purchase and resale of the Notes, or otherwise to effectuate the purposes of this Resolution and the Note Purchase Agreements and the transactions contemplated hereby and thereby; and any such actions previously taken by such officers are hereby ratified, confirmed and approved.

Section 4. This Resolution shall take effect immediately upon adoption.

PASSED, APPROVED AND ADOPTED this ___ day of _____, 2010.

AYES:

NOES:

ABSENT:

ABSTAIN:

_____
Chairman
San Fernando Public Financing Authority

ATTEST:

_____
Secretary
San Fernando Public Financing Authority

RESOLUTION NO. 7362

A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF SAN FERNANDO AUTHORIZING AND DIRECTING THE AGENCY TREASURER TO INVEST CERTAIN SEWER ENTERPRISE FUNDS

RECITALS:

WHEREAS, pursuant to its Resolution No. , the San Fernando Public Financing Authority (the "Authority") has determined to purchase that certain note of the San Fernando Redevelopment Agency (the "Agency") designated the San Fernando Redevelopment Agency, Redevelopment Project No. 2, Tax Allocation Note, Series 2010, in a principal amount of $231,500 (the "Project Area No. 2 Note"); and

WHEREAS, pursuant to its Resolution No. 8, the Authority has determined to purchase that certain note of the Agency designated the San Fernando Redevelopment Agency, Redevelopment Project No. 4, Tax Allocation Note, Series 2010, in a principal amount of $231,500 (the "Project Area No. 4 Note" and together with the Project Area No. 2 Note, the "Notes") ; and

WHEREAS, the Notes are permitted investments for City Sewer Enterprise funds not required for immediate disbursement; and

WHEREAS, the City Council desires to authorize and direct the investment of certain Sewer Enterprise funds by purchasing the Project Area No. 2 Note and the Project Area No. 4 Note from the Authority, subject to the condition set forth in Section 3 hereof;

NOW, THEREFORE, THE CITY COUNCIL OF THE CITY OF SAN FERNANDO HEREBY FINDS, DETERMINES, RESOLVES AND ORDERS AS FOLLOWS:

Section 1. The foregoing recitals are true and correct and the City Council hereby so finds and determines.

Section 2. Subject to the condition set forth in Section 3 hereof, the Treasurer of the City is hereby authorized and directed to invest available moneys held by the Treasurer in the Sewer Enterprise Fund (other than moneys constituting proceeds of the sale of any tax exempt bonds of the City or the investment earnings thereon) which are not required for immediate disbursement, by purchasing the Notes from the Authority at a price not to exceed the par value thereof. The Treasurer shall accept delivery of the Notes from the Authority on behalf of the Agency and shall provide for its safekeeping.

Section 3. The investments described in Section 2 hereof shall not be made until there shall have been delivered to the Agency (i) a Consultant's Report (as defined in Resolution No. 1063 of the Agency) which concludes that Pledged Tax Revenues (as defined in said Resolution No. 1063) will be sufficient to pay the principal of and interest on the Project Area No. 2 Note as the same become due and (ii) a Consultant's Report (as defined in Resolution No. 1064 of the Agency) which concludes that Pledged Tax Revenues (as defined in said Resolution No. 1064) will be sufficient to pay the principal of and interest on the Project Area No. 4 Note as the same become due.

Section 4. If and to the extent that any provision of this resolution limits, qualifies or conflicts with any provision of the current investment policy of the Agency, the provisions of this resolution shall control.

Section 5. This resolution shall take effect immediately upon adoption.

PASSED, APPROVED AND ADOPTED this 16th day of February, 2010.

AYES:	Veres, M. Hernández, E. Hernández, Esqueda, De La Torre – 5
NOES:	None
ABSENT:	None
ABSTAIN:	None

Steven Veres, Mayor
City of San Fernando

ATTEST:

Elena G. Chávez , City Clerk
City of San Fernando

$231,500 Each Loan Repayment Schedule for PA2 and PA4				
Payment Date	Principal Payment	Assumed LAIF Interest Rate	Interest Payment	Principal and Interest Payment
3/1/2010	-	0.00%	-	-
5/14/2010	-	0.00%	469	469
11/14/2010	-	0.00%	1,158	1,158
5/14/2011	-	0.00%	1,158	1,158
11/14/2011	-	0.00%	1,158	1,158
5/14/2012	76,400	1.00%	1,158	77,558
11/14/2012	-	0.00%	776	776
5/14/2013	77,164	1.00%	776	77,940
11/14/2013	-	0.00%	390	390
5/14/2014	77,936	1.00%	390	78,325
Total	**231,500**		**7,430**	**238,930**

Attachment "F"

RESOLUTION NO. ____

A RESOLUTION OF THE SAN FERNANDO REDEVELOPMENT AGENCY AUTHORIZING THE ISSUANCE OF ITS REDEVELOPMENT PROJECT NO. 1 SUBORDINATE TAX ALLOCATION NOTE, SERIES 2010A AND ITS REDEVELOPMENT PROJECT NO. 1 SUBORDINATE TAX ALLOCATION NOTE, SERIES 2010B, TO FINANCE A PORTION OF THE COST OF A REDEVELOPMENT PROJECT AND PROVIDING FOR THE SALE OF SAID NOTE TO THE SAN FERNANDO PUBLIC FINANCING AUTHORITY

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RESOLUTION NO. ____

A RESOLUTION OF THE SAN FERNANDO REDEVELOPMENT AGENCY AUTHORIZING THE ISSUANCE OF ITS REDEVELOPMENT PROJECT NO. 1 SUBORDINATE TAX ALLOCATION NOTE, SERIES 2010A AND ITS REDEVELOPMENT PROJECT NO. 1 SUBORDINATE TAX ALLOCATION NOTE, SERIES 2010B, TO FINANCE A PORTION OF THE COST OF A REDEVELOPMENT PROJECT AND PROVIDING FOR THE SALE OF SAID NOTES TO THE SAN FERNANDO PUBLIC FINANCING AUTHORITY

RECITALS

A. The San Fernando Redevelopment Agency (the "Agency") is a redevelopment agency, a public body, corporate and politic, duly created, established and authorized to transact business and exercise its powers, all under and pursuant to the Redevelopment Law, and the powers of the Agency include the power to issue bonds, notes, interim certificates, debentures or other obligations, for any of its corporate purposes.

B. A redevelopment plan for a redevelopment project known and designated as Redevelopment Project No. 1 (the "Redevelopment Plan") has been duly approved and adopted by the City Council of the City of San Fernando (the "City").

C. The Redevelopment Plan contemplates that the Agency will issue bonds or notes to finance a portion of the cost of such redevelopment.

D. The Agency deems it necessary and desirable at this time to authorize the issuance and provide for the sale of subordinate tax allocation notes to finance a portion of such costs.

NOW, THEREFORE, THE SAN FERNANDO REDEVELOPMENT AGENCY HEREBY FINDS, DETERMINES, RESOLVES AND ORDERS AS FOLLOWS:

Section 1. Definitions. As used in this Resolution the following terms shall have the following meanings, unless the context requires otherwise:

"Agency" means the San Fernando Redevelopment Agency and any successor to its duties and functions.

"Annual Debt Service" means, for each Note Year, the sum of the interest and principal payable, in accordance with the terms of the Notes and any Parity Obligations, on all Outstanding Obligations in such Note Year.

"Authority" means the San Fernando Public Financing Authority.

"Business Day" means any day other than a Saturday, Sunday or any other day on which banking institutions in the state of California are authorized or required not to be open by law.

"City" means the City of San Fernando, California.

"Consultant's Report" means a report signed by an Independent Financial Consultant or an Independent Redevelopment Consultant, as may be appropriate to the subject of the report, and including:

(1) a statement that the person or firm making or giving such report has read the pertinent provisions of this Resolution to which such report relates;

(2) a brief statement as to the nature and scope of the examination or investigation upon which the report is based; and

(3) a statement that, in the opinion of such person or firm, sufficient examination or investigation was made as is necessary to enable said Independent Financial Consultant or Independent Redevelopment Consultant to express an informed opinion with respect to the subject matter referred to in the report.

"Federal Securities" means bills, certificates of indebtedness, notes, bonds, or similar securities which are direct obligations of, or the principal and interest of which securities are guaranteed by, the United States, whether issued in book entry form or otherwise.

"Fiscal Year" means the period commencing on July 1 of each year and terminating on the next succeeding June 30, or any other annual accounting period hereafter selected and designated by the Agency as its Fiscal Year.

"Housing Fund" means the Low and Moderate Income Housing Fund established pursuant to Section 33334.3 of the Redevelopment Law and held by the Agency.

"Independent Certified Public Accountant" means any certified public accountant or firm of such accountants duly licensed and entitled to practice and practicing as such under the laws of the State, appointed and paid by the Agency, and who, or each of whom:

(1) is in fact independent and not under the domination of the Agency;

(2) does not have any substantial interest, direct or indirect, with the Agency; and

(3) is not connected with the Agency as a member, officer or employee of the Agency, but who may be regularly retained to make annual or other audits of the books of or reports to the Agency.

"Independent Financial Consultant" means a financial consultant or firm of such consultants generally recognized to be well qualified in the financial consulting field, appointed and paid by the Agency and who, or each of whom:

(1) is in fact independent and not under the domination of the Agency;

(2) does not have any substantial interest, direct or indirect, with the Agency; and

(3) is not connected with the Agency as a member, officer or employee of the Agency, but who may be regularly retained to make annual or other reports to the Agency.

"Independent Redevelopment Consultant" means a consultant or firm of such consultants generally recognized to be well qualified in the field of consulting relating to tax allocation bond financing by redevelopment agencies in the State, appointed and paid by the Agency, and who, or each of whom:

(1) is in fact independent and not under the domination of the Agency;

(2) does not have any substantial interest, direct or indirect, with the Agency; and

(3) is not connected with the Agency as a member, officer or employee of the Agency, but who may be regularly retained to make annual or other reports to the Agency.

"Interest Payment Date" means May 15 or November 15 on which interest on the Notes is scheduled to be paid, commencing November 15, 2010.

"Notes" means the Series 2010A Note and the Series 2010B Note.

"Note Purchase Agreement" means the agreement by and between the Agency and the Authority relating to the purchase of the Notes by the Authority.

"Note Year" means (i) with respect to the initial Note Year, the period extending from the date the Notes are originally delivered to May 15, 2010, and (ii) thereafter, each successive 12 month period ending on May 15.

"Obligations" means, collectively, the Notes and all Parity Obligations.

"Outstanding" when used with reference to the Notes and any Parity Obligations, means, as of any particular date, the aggregate of all obligations, except:

A. Obligations theretofore cancelled by the Agency or surrendered to the Agency for cancellation at or prior to such date;

B. Obligations for the payment or redemption of which money in the necessary amount has been theretofore deposited with the Treasurer for the holders of the Obligations, provided that, if such Obligations are to be redeemed, notice of such redemption has been duly given pursuant to this Resolution;

C. Obligations paid or deemed to be paid as provided in Section 12 hereof; and

D. Obligations in lieu of or in substitution for which other obligations shall have been authenticated and delivered pursuant to this Resolution.

"Parity Obligations" means any additional tax allocation bonds, notes, interim certificates, debentures or other obligations, payable out of the Pledged Tax Revenues and ranking on a parity with the Notes, issued by the Agency pursuant to a separate resolution as permitted by Section 17 of this Resolution.

"Permitted Investments" means any investments permitted by law for Agency funds.

"Pledged Tax Revenues" means Tax Revenues excluding an amount, if any, equal to the sum of all transfers of and payments from Tax Revenues required by any Senior Debt Instrument.

"Principal Payment Date" means May 15, 2012, May 15, 2013 and May 15, 2014.

"Project Area" means the territory known and designated as Redevelopment Project No. 1, which is described and defined in the Redevelopment Plan.

"Owner" or "Registered Owner" means the registered owner or the duly authorized attorney, trustee, representative or assigns of any outstanding Note of such owner.

"Redevelopment Fund" means the Redevelopment Project No. 1 Redevelopment Fund created and held by the Agency pursuant to Sections 13 and 14 hereof.

"Redevelopment Law" means the Community Redevelopment Law, California Health and Safety Code Section 33000, et seq., and all future acts supplemental thereto or amendatory thereto.

"Redevelopment Plan" means the Redevelopment Plan for the Redevelopment Project No. 1, approved and adopted by ordinance of the City and includes any amendment of the Redevelopment Plan heretofore or hereafter made pursuant to law.

"Redevelopment Project" means the undertaking of the Agency pursuant to the Redevelopment Plan.

"Senior Debt" means any bond, note, loan, advance or other indebtedness which has, or purports to have, a lien upon the Tax Revenues prior or superior to the lien of the Note.

"Series 2010A Note" means the San Fernando Redevelopment Agency Redevelopment Project No. 1, Subordinate Tax Allocation Note, Series 2010A, to be issued pursuant to this Resolution.

"Series 2010B Note" means the San Fernando Redevelopment Agency Redevelopment Project No. 1, Subordinate Tax Allocation Note, Series 2010B, to be issued pursuant to this Resolution.

"Senior Debt Instrument" means any indenture, trust agreement, loan agreement, resolution or other instrument authorizing any Senior Debt.

"Special Fund" means the Redevelopment Project No. 1 Special Fund created and held by the Agency pursuant to Sections 13 and 15 of this Resolution.

"State" means the State of California.

"Subordinate Debt" means any bond, note, loan, advance or other indebtedness which has, or purports to have, a lien upon the Tax Revenues subordinate to the lien of the Note.

"Supplemental Resolution" means a resolution supplemental to or amendatory of this Resolution.

"Tax Revenues" means, for each Note Year, the taxes (including all payments, reimbursements and subventions, if any, specifically attributable to ad valorem taxes lost by reason of tax exemptions and tax rate limitations) eligible for allocation to the Agency pursuant to the Redevelopment Law in connection with the Project Area and excludes, to the extent there are any, (a) amounts, received by the Agency pursuant to Section 16111 of the Government Code; (b) amounts payable to taxing agencies under the Redevelopment Law or under any agreement between the Agency and such public agency; and (c) the taxes (including all payments, reimbursements and subventions, if any, specifically attributable to ad valorem taxes lost by reason of tax exemptions and tax rate limitations) eligible for allocation to the Agency pursuant to the Redevelopment Law in connection with the territory, referred to as "Project Area No. 1A" added to the Project Area by Ordinance No. 1316 on June 27, 1988 . "Tax Revenues" include amounts deposited in the Housing Fund by the Agency on and after the initial delivery date of the Notes pursuant to Section 33334.2 or Section 33334.3 of the Redevelopment Law, as provided in the Redevelopment Plan, but only to the extent such amounts are used to pay principal or interest or other financing charges with respect to bonds or other obligations issued to increase, improve or preserve the supply of low and moderate income housing within or of benefit to the Project Area.

"Treasurer" or "Treasurer of the Agency" means the officer who is then performing the functions of Treasurer of the Agency.

Section 2. Amount, Issuance and Purpose of Notes. Under and pursuant to the Redevelopment Law, and under and pursuant to this Resolution, the Series 2010A Note of the Agency in a principal amount not to exceed $259,951 and the Series 2010B Note of the Agency in a principal amount not to exceed $238,541 are hereby authorized to be issued by the Agency for the corporate purposes of the Agency to aid in the financing of redevelopment activities of the Agency in the Project Area, and for other purposes related thereto as hereinafter provided. It is hereby determined and declared that the issuance of the Notes is necessary for the purposes herein stated.

Section 3. Description of Notes; Disposition of Proceeds. The Notes shall be designated "San Fernando Redevelopment Agency, Redevelopment Project No. 1, Subordinate Tax Allocation Note, Series 2010A" and "San Fernando Redevelopment Agency, Redevelopment Project No. 1, Subordinate Tax Allocation Note, Series 2010B," respectively. The Series 2010A Note shall be issued in the form of a single, fully registered note, in a principal amount to be determined by the Treasurer or the Finance Officer of the Agency, not to exceed $259,951 and the Series 2010B Note shall be issued in the form of a single, fully registered note, in a principal amount to be determined by the Treasurer or the Finance Officer of the Agency, not to exceed $238,541. The Notes shall be dated as of the date of their original delivery. Interest on the Notes shall be calculated on the basis of a 360-day year of twelve 30-day months. The interest rate on the Notes shall be as set forth in Section 5 of this Resolution.

The Treasurer or the Finance Officer of the Agency shall receive the proceeds from the sale of the Notes and shall deposit such proceeds in the Redevelopment Fund.

Section 4. Security for the Notes. The Pledged Tax Revenues are hereby allocated and irrevocably pledged to the payment of the principal of and interest on the Notes and any Parity Obligations, and until the Notes and any Parity Obligations and all interest thereon have been paid, or until moneys for that purpose have been irrevocably set aside as provided in Section 12 hereof, the Pledged Tax Revenues shall be applied first to the payment of the Notes and any Parity Obligations and the interest thereon. Such allocation and pledge are for the exclusive benefit of the Registered Owners of the Notes and any Parity Obligations and shall be irrevocable. The Notes shall be subordinate to the Senior Debt.

The Notes shall be and are special obligations of the Agency payable as to principal and interest from Pledged Tax Revenues and other funds as herein provided. The Notes and the interest thereon are not a debt of the City, the State or any of its political subdivisions and neither the City, the State nor any of its political subdivisions is liable on the Notes, nor in any event shall the Notes and interest thereon be payable out of any funds or properties other than those of the Agency as set forth in this Resolution. The Notes do not constitute an indebtedness within the meaning of any constitutional or statutory debt limitation or restriction. Neither the members of the Agency nor any persons executing the Notes are liable personally thereon by reason of its issuance.

The validity of the Notes is not and shall not be dependent upon the completion of the redevelopment of the Project Area or upon the performance by any person of an obligation of that person relative to such redevelopment.

Section 5. Principal Maturity and Interest. Each Note shall mature on May 15, 2020, and shall bear interest at the rate of the prior year LAIF average rate percent per annum, with principal and interest payable to the Registered Owner on each Interest Payment Date and Principal Payment Date until the principal sum thereof has been paid; provided, however, that if at the maturity date of any Note or, if the same has been duly called for redemption, at the date fixed for redemption, funds are available for the payment or redemption thereof in full accordance with the terms of this Resolution, such Note shall then cease to bear interest.

Section 6. Place of Payment. The principal of and interest on the Notes shall be payable in lawful money of the United States of America at the office of the Treasurer, or such other location as may be designated from time to time by the Agency in writing.

Section 7. Form of Notes. The Series 2010A Note and Series 2010B shall be substantially in the forms attached hereto and made a part hereof, marked "Exhibit A-1" and "Exhibit A-2," respectively. Such forms are hereby approved and adopted as the forms of the Notes, and of the redemption, exchange, registration and assignment provisions pertaining thereto, with necessary or appropriate variations, omissions and insertions, as permitted or required by this Resolution or any Supplemental Resolution.

Section 8. Execution of Notes. The Notes shall be signed on behalf of the Agency by facsimile or manual signature of its Chairman and by facsimile or manual signature of its Secretary. The Chairman and the Secretary are hereby authorized and directed to sign the Notes in accordance with this Section. If any officer whose manual or facsimile signature appears on the Notes ceases to be such officer before delivery of the Notes, such signature is as effective as if such officer had remained in office, and the Notes shall be as binding upon the Agency as though the person who signed the Notes had been such officer on the date borne by the Notes. The Notes shall be authenticated by the Treasurer by manual signature.

Section 9. Registration; Transfer; Exchange. Each Note is issued as a fully registered note payable to the Registered Owner, negotiable only by proper transfer of registration. Transfer of ownership of any Note shall be made by exchanging the same for a new fully registered note. All of such exchanges shall be required to be made in such manner and upon such reasonable terms and conditions as may from time to time be determined and prescribed by law; provided, however, no such transfer or exchange shall result in any gain or loss of interest and no such transfer or exchange shall be made after such Note has been selected for redemption. Such exchanges may be subject to costs or charges to the person, firm or corporation requesting such exchange, and for any tax or governmental charge that may be imposed in connection with such exchange.

Neither this Resolution nor the Notes have been registered with any federal or state securities agency or commission. The Agency has not prepared any official statement or other disclosure document nor undertaken any continuing disclosure obligation in connection with the issuance of the Notes. Therefore, notwithstanding the foregoing provisions of this Section 9, the Notes shall be transferred only to a "qualified institutional buyer" as defined in Rule 144a of the Securities Act of 1933 ("QIB") or an "accredited investor" as defined in Rule 501(a) of Regulation D promulgated under the Securities Act of 1933.

Section 10. Note Register. The Treasurer shall keep sufficient books for the registration and transfer of the Notes; and upon presentation and surrender of the Notes for such purpose, the Treasurer shall register or transfer, on such register, the Notes as provided above.

Section 11. Redemption of Notes Prior to Maturity.

A. Optional Redemption. The Notes may be redeemed, in whole or in part, at the option of the Agency, from any source of funds, on any date prior to maturity, at a

redemption price equal to the principal amount of the portion of the Note to be redeemed plus accrued interest thereon to the redemption date.

B. Notice of Redemption. Notice of redemption prior to maturity shall be given by delivering such notice to the Registered Owner or by mailing such notice to the Registered Owner by first-class mail not less than 30 days before such redemption date. The notice of redemption shall specify (i) the redemption date, (ii) the principal amount to be redeemed, (iii) the redemption price, and (iv) the location at which the Registered Owner shall present the Note to the Treasurer on such redemption date. The notice of redemption shall also state that (1) on the redemption date there will become due and payable the principal amount of the portion of the Note to be redeemed and interest accrued thereon to such redemption date, and (2) interest on the redeemed portion of the Note shall cease to accrue from and after such redemption date. Following the delivery or mailing of the notice of redemption, the moneys to be used for such redemption may be invested only in Federal Securities maturing not later than the Business Day preceding the scheduled redemption date.

The actual receipt by the Registered Owner of notice of such redemption shall not be a condition precedent to redemption, and failure to receive such notice shall not affect the validity of the proceedings for the redemption of the Note or the cessation of interest on the redemption date.

A certificate by the Treasurer that notice of redemption has been given as herein provided shall be conclusive as against all parties, and no Registered Owner may object thereto or object to the cessation of interest on the redemption date fixed by any claim or showing that such Registered Owner failed actually to receive such notice of call and redemption.

C. Effect of Redemption. From and after the date fixed for redemption, if redemption notice shall have been duly given and funds available for the payment of the redemption price of the portion of the Note called for redemption shall have been duly provided, interest on such redeemed portion of the Note shall cease to accrue from and after the specified redemption date.

To receive the redemption price thereof, the Owner shall present and surrender the Note to the Treasurer at the place and date specified in the redemption notice. In the event of a partial redemption, the Agency shall execute, authenticate and deliver to the Registered Owner a new Note in the principal amount equal to the unredeemed portion of the Note and the new Note shall bear the same interest rate and maturity as the original Note. In the event of a full redemption of the Note, the Note shall be cancelled in its entirety and shall cease to be entitled to any lien, benefit or security under this Resolution. Thereafter, the Registered Owner shall have no rights in respect thereof except to receive payment of the redemption price thereof.

Upon the Owner's surrender of the Note in accordance with this Section, the Treasurer shall destroy the surrendered Note and, promptly thereafter, provide the Agency with a certificate of such destruction.

Section 12. Defeasance. Nothing in this Resolution shall preclude the prepayment of any Note from (a) the proceeds of refunding bonds or other obligations issued

pursuant to law, or (b) any legally available funds. Nothing in this Resolution shall prevent the Agency from making advances of its own funds howsoever derived to any of the uses and purposes mentioned in this Resolution.

If the Agency shall pay or cause to be paid, or shall have made provision to pay upon maturity or upon redemption prior to maturity to the Registered Owner of the Note, of the principal and interest to become due thereon, through setting aside in a special trust fund or account created pursuant to this Resolution or otherwise, moneys sufficient therefor or moneys invested in Federal Securities, the principal of and interest on which when due will be sufficient therefor without reinvestment, then, as to the Note, the lien of this Resolution, including, without limitation, the pledge of the Pledged Tax Revenues and other funds pledged hereunder shall thereupon cease, terminate and become void and be discharged and satisfied, and the Note and interest thereon shall no longer be deemed to be Outstanding.

In case any Note is to be redeemed on any date prior to its maturity in connection with such a defeasance, the Agency shall give to the Treasurer irrevocable instructions to provide notice of redemption as provided in Section 11.B of this Resolution. Neither the Federal Securities nor moneys deposited pursuant to this Section nor principal or interest payments on any such Federal Securities or moneys deposited pursuant to this Section shall be withdrawn or used for any purpose other than, and shall be held in trust, for the payment of the principal and interest to become due on the Note.

Section 13. Funds. There are hereby created a special trust fund held by the Treasurer called the "Redevelopment Project No. 1 Redevelopment Fund" (the "Redevelopment Fund") and a special trust fund held by the Treasurer called the "Redevelopment Project No. 1 Special Fund" (the "Special Fund"), within which there shall be created an Interest Account and a Principal Account.

So long as the Notes or any interest thereon remains unpaid, the moneys in the foregoing Funds and Accounts shall be used for no purpose other than those required or permitted by this Resolution, any Supplemental Resolution and the Redevelopment Law.

Section 14. Redevelopment Fund. The moneys set aside in the Redevelopment Fund shall remain therein until from time to time expended for the purpose of financing costs of the Redevelopment Project (or for making reimbursements to the Agency for such costs theretofore paid by it), including payment for all costs incidental to or connected with such financing. The Agency covenants that each withdrawal from the Redevelopment Fund shall be made in the manner provided by law for the purpose of aiding in financing the Redevelopment Project or for making reimbursements to the Agency for such costs theretofore paid by the Agency.

Section 15. Special Fund. All Pledged Tax Revenues shall be deposited into the Special Fund. Without limiting the generality of the foregoing and for the purpose of assuring that the payments referred to above will be made as scheduled, the Pledged Tax Revenues accumulated in the Special Fund shall be used in the following priority; provided, however, that to the extent that deposits have been made in either of the Accounts referred to below, the deposits below need not be made:

A. Interest Account. Deposits shall be made into the Interest Account so that the balance in such account five days prior to the date of a payment of any installment of interest on the Obligations shall be equal to six months interest on the then Outstanding Obligations. Moneys in the Interest Account shall be used for the payment of interest on the Obligations as the same become due.

B. Principal Account. After the deposits have been made pursuant to subparagraph A above, deposits shall next be made into the Principal Account so that the balance in such account five days prior to the date of payment of principal is due shall equal the next principal payment or payments, as the case may be, on the then Outstanding Obligations. Moneys in the Principal Account shall be used for the payment of the principal of such Obligations, as the same become due.

C. Surplus. After the above transfers have been made, any balance in the Special Fund may be withdrawn and used and applied by the Agency for any lawful purpose.

Section 16. Deposit and Investment of Moneys. Subject to the provisions of Covenant 9 of Section 18 hereof, all moneys held by the Agency in the Redevelopment Fund and the Special Fund (including the accounts thereof), except such moneys which are at the time invested, shall be held in trust accounts or time or demand deposits in any financial institution authorized to accept deposits of public funds, and shall be insured or secured at all times by bonds or other obligations which are authorized by law as security for public deposits and are of a market value at least equal to the amount required by law.

Moneys in the Redevelopment Fund and the Special Fund (including the accounts thereof) may be invested in Permitted Investments subject to the following restrictions:

A. Moneys in the Redevelopment Fund shall be invested only in obligations which will by their terms mature not later than the date the Agency estimates the moneys represented by the particular investment will be needed for withdrawal from such Fund.

B. Moneys in the Interest Account and the Principal Account shall be invested only in obligations which will by their terms mature on such dates as to insure that before each Interest Payment Date there will be in such Accounts from matured obligations and other moneys already in such Accounts, moneys equal to the interest and principal payable on such date.

Obligations purchased as an investment of moneys in any of said Funds or Accounts shall be deemed at all times to be a part of such Fund or Account and the interest accruing thereon and any gain realized from such investment shall be credited to said Fund or Account and any loss resulting from any such investment shall be charged to such Fund or Account without liability to the Agency or the members and officers thereof.

The Treasurer or the Finance Officer of the Agency shall sell at the best price obtainable or present for redemption any obligation so purchased whenever it shall be necessary to do so in order to provide moneys to meet any payment or transfer from such Fund or Account as required by this Resolution. For the purpose of determining at any given time the balance in any such Fund or Account any such investment constituting a part of such Fund or Account shall

be valued at the then estimated or appraised market value thereof; provided that any such investment constituting a part of the Interest Account shall be valued at the face amount thereof.

Section 17. Issuance of Parity Obligations. The Agency may provide for the issuance of, and sell, Parity Obligations in such principal amounts as it estimates will be needed for its corporate purposes. The issuance and sale of any Parity Obligations shall be subject to the following conditions precedent:

A. The Agency shall be in compliance with all covenants set forth in this Resolution.

B. The Agency shall obtain a Consultant's Report which concludes that Pledged Tax Revenues will be sufficient to pay the Annual Debt Service as the same becomes due.

C. Interest on the Parity Obligations shall be payable semiannually on the same dates as interest on the Note is payable.

Section 18. Covenants of the Agency. As long as the Note is Outstanding, the Agency shall, through its proper members, officers, agents or employees, faithfully perform and abide by all of the covenants, undertakings and provisions contained in this Resolution or in the Notes, including the following covenants and agreements for the benefit of the Registered Owner which are necessary, convenient and desirable to secure the Notes; provided, however, that such covenants shall not require the Agency to expend any funds other than the Pledged Tax Revenues and the investment earnings thereon:

Covenant 1. Complete Redevelopment Project; Amendments to Redevelopment Plan. The Agency covenants and agrees that it will diligently carry out and continue to completion, with all practicable dispatch, the redevelopment of the Project Area, in accordance with its duty to do so under and in accordance with the Redevelopment Law and the Redevelopment Plan and in a sound and economical manner. The Redevelopment Plan may be amended as provided in the Redevelopment Law, but no amendment shall be made unless accompanied by a Consultant's Report to the effect that such amendment would not materially impair the security or the rights of the Registered Owner.

Covenant 2. Use of Proceeds; Management and Operation of Properties. The Agency covenants and agrees that the proceeds from the sale of the Notes shall be deposited and used as provided in this Resolution and that it will cause all properties owned by it and comprising any part of the Project Area, to be managed and operated in a sound and businesslike manner consistent with the Redevelopment Plan. The proceeds shall be used only for a "redevelopment activity" or for costs associated with financing or refinancing a "redevelopment activity" as that term is defined in Section 33678 of the Redevelopment Law.

Covenant 3. Additional Debt. The Agency covenants and agrees that it will not issue or incur any Senior Debt, unless it first obtains a Consultant's Report which concludes that Pledged Tax Revenues following the issuance or incurring of such Senior Debt will be sufficient to pay the Annual Debt Service on all Outstanding Obligations as the same becomes due.

Except as permitted in Section 17 hereof, the Agency will not incur any additional debt payable as to principal or interest from the Pledged Tax Revenues, which has, or purports to have, any lien upon the Pledged Tax Revenues on a parity with the Notes.

Nothing in this Resolution shall prevent the Agency (i) from issuing and selling pursuant to law, refunding bonds or other refunding obligations payable from and having any lawful lien upon the Pledged Tax Revenues, if such refunding bonds or other refunding obligations are issued for the purpose of, and are sufficient for the purpose of, refunding any Note in accordance with Section 12 hereof, or (ii) from issuing and selling or assuming the liability for payment of, bonds or other obligations which have, or purport to have, any lien upon the Pledged Tax Revenues which is junior to the Notes, or (iii) from issuing and selling bonds or other obligations which are payable from sources other than the Pledged Tax Revenues.

Covenant 4. Punctual Payment. The Agency covenants and agrees that it will duly and punctually pay or cause to be paid the principal of and interest on the Notes on the dates and in the manner provided in the Notes and as provided herein.

Covenant 5. Payment of Taxes and Other Charges. The Agency covenants and agrees that it will from time to time pay and discharge, or cause to be paid and discharged, all payments in lieu of taxes, service charges, assessments or other governmental charges which may lawfully be imposed upon the Agency or any of the properties then owned by it in the Project Area, or upon the revenues and income therefrom; provided that nothing in this Covenant shall require the Agency to make any such payment so long as the Agency in good faith shall contest the validity thereof.

Covenant 6. Books and Accounts; Financial Statements. The Agency covenants and agrees that it shall at all times keep, or cause to be kept, proper and current books and accounts, separate from all other records and accounts, in which complete and accurate entries shall be made of all transactions relating to the redevelopment of the Project Area, and the Pledged Tax Revenues and other funds relating to such redevelopment, and will prepare within 270 days after the close of each of its Fiscal Years a complete financial statement or statements for such year in reasonable detail covering such redevelopment, the Pledged Tax Revenues and other funds, certified by an Independent Certified Public Accountant, and will furnish a copy of such statement or statements upon written request to the Registered Owner.

Covenant 7. Management and Operation of Properties. The Agency will manage and operate all properties owned by the Agency and comprising any part of the Redevelopment Project in a sound and business-like manner and in conformity with all valid requirements of any governmental authority relative to the Redevelopment Project or any part thereof, and will keep such properties insured at all times in conformity with sound business practice.

Covenant 8. Disposition of Property. The Agency covenants and agrees that it shall not dispose of more than ten percent of the land area in the Project Area, except property shown in the Redevelopment Plan in effect on the date this Resolution is adopted as planned for public use, or property to be used for public streets, public off street parking, sewage facilities, parking easements or rights-of-way for public utilities, flood control facilities, storm

drainage facilities, or other similar uses, to public bodies or other persons or entities whose property is tax exempt, unless accompanied by a Consultant's Report to the effect that such disposition would not impair in any material respect the security or the rights of the Registered Owner.

Covenant 9. Protection of Security and Rights of Registered Owner. The Agency covenants and agrees to preserve and protect the security of the Notes and the rights of the Registered Owners and defend the rights of such owners against all claims and demands of all persons. From and after the sale and delivery of the Notes by the Agency, the Notes shall be incontestable by the Agency.

Covenant 10. Tax Revenues. The Agency shall comply with all requirements of the Law to insure the allocation and payment to it of the Tax Revenues, including without limitation the timely filing of any necessary statements of indebtedness with appropriate officials of the County of Los Angeles.

Covenant 11. Taxation of Leased Property. Whenever any property in the Project Area has been redeveloped and thereafter is leased by the Agency to any person or persons, other than a public agency, or whenever the Agency leases real property in the Project Area to any person or persons, other than a public agency, for redevelopment, the property shall be assessed and taxed in the same manner as privately owned property, as required by Section 33673 of the Redevelopment Law, and the lease or contract shall provide (i) that the lessee shall pay taxes upon the assessed value of the entire property and not merely upon the assessed value of the lessee's leasehold interest, and (ii) that if for any reason the taxes levied on such property in any year during the term of the lease or contract are less than the taxes which would have been levied if the entire property had been assessed and taxed in the same manner as privately owned property, the lessee shall pay such difference to the Agency within 30 days after the taxes for such year become payable to the taxing agencies and in no event later than the delinquency date of such taxes established by law. All such payments shall be treated as Tax Revenues.

Section 19. Further Assurances . The Agency shall execute and deliver any and all such further instruments and assurances as may be reasonably necessary or proper to carry out the intention or to facilitate the performance of this Resolution, and for the better assuring and confirming unto the Owners of the Notes of the rights and benefits provided in this Resolution.

Section 20. Amendments. This Resolution, and the rights and obligations of the Agency and of the Owners of the Notes, may be modified or amended at any time by resolution supplementing this Resolution adopted by the Agency: (i) without the consent of the Registered Owners, if such modification or amendment is for the purpose of curing any ambiguities, defects or inconsistent provisions in this Resolution or to insert such provisions clarifying matters or questions arising under this Resolution as are necessary and desirable to accomplish the same; provided that such modifications or amendments do not adversely affect the rights of the Registered Owners and such modifications or amendments are accompanied by an opinion to that effect of bond counsel, or (ii) with the consent of the Registered Owners.

Any act done pursuant to a modification or amendment pursuant to this Section shall be binding upon the Registered Owner and shall not be deemed an infringement of any of

the provisions of this Resolution or of the Redevelopment Law, whatever the character of such act may be, and may be done and performed as fully and freely as if expressly permitted by the terms of this Resolution; and after such consent relating to such specified matters has been given, the Registered Owner shall have no right to object to such action or in any manner to question the propriety thereof or to enjoin or restrain the Agency or any officer thereof from taking any action pursuant thereto.

Section 21. Sale of Notes to Authority; Note Purchase Agreement. The Notes shall be sold to the Authority for immediate resale to an investor pursuant to Article 4, Chapter 5, Division 7, Title 1 of the California Government Code. The Note Purchase Agreement, in the form presented at this meeting and on file with the Secretary of the Agency, is hereby approved. Each of the Chairman, the Vice-Chairman and the Executive Director of the Agency, and any person designated by any of them, acting singly, is hereby authorized and directed to execute and deliver for and in the name of the Authority, the Note Purchase Agreement in substantially said form, with such changes therein as the officer executing the document may approve (such approval to be conclusively evidenced by such officer's execution and delivery thereof).

Section 22. Proceedings Constitute Contract. The provisions of this Resolution and of any other resolution supplementing or amending this Resolution shall constitute a contract between the Agency and the Registered Owner and the provisions thereof shall be enforceable by the Registered Owner by mandamus, accounting, mandatory injunction or any other suit, action or proceeding at law or in equity that is now or may hereafter be authorized under the laws of the State in any court of competent jurisdiction. This contract is made under and is to be construed in accordance with the laws of the State.

Section 23. Lost, Stolen, Destroyed or Mutilated Notes. In the event that any Note is lost, stolen, destroyed or mutilated, the Agency shall cause to be issued a new Note similar to the original to replace the same in such manner and upon such reasonable terms and conditions, including the payment of costs and the posting of a surety bond satisfactory to the Agency. The Agency may authorize such new Note to be signed and authenticated in such manner as it determines.

Section 24. Severability. If any covenant, agreement or provision, or any portion thereof contained in this Resolution, or the application thereof to any person or circumstance, is held to be unconstitutional, invalid or unenforceable, the remainder of this Resolution and the application of any such covenant, agreement or provision, or portion thereof, to other persons or circumstances, shall be deemed severable and shall not be affected, and this Resolution and the Notes shall remain valid and the Registered Owner shall retain all valid rights and benefits accorded to it under this Resolution and the Constitution and laws of the State.

Section 25. Benefits of Resolution Limited. Nothing in this Resolution, express or implied, is intended to give to any person other than the Agency and the Registered Owner, any right, remedy or claim under or by reason of this Resolution. Any covenants, stipulations, promises or agreements in this Resolution by and on behalf of the Agency shall be for the sole and exclusive benefit of the Registered Owner.

Section 26. General Authorization. The members of the Agency and its officers, employees and counsel are hereby authorized to do all acts and things which may be required of them by this Resolution or which may be necessary or desirable in carrying out the issuance of the Notes as provided by this Resolution and all matters incidental thereto. All such acts and things heretofore done are hereby approved, ratified and confirmed.

Section 27. Waivers. So long as the Agency is the sole Owner of the Notes, the Agency may waive any provisions of this Resolution, including but not limited to the provisions related to the redemption of the Notes or to the adoption of resolutions supplemental hereto.

[Remainder of Page Intentionally Left Blank]

Section 28. Effective Date. This Resolution shall become effective upon its adoption.

PASSED, APPROVED and ADOPTED this ____ day of ____, 2010.

AYES:

NOES:

ABSENT:

ABSTAIN:

_____
Chairman
San Fernando Redevelopment Agency

ATTEST:

_____
Secretary
San Fernando Redevelopment Agency

EXHIBIT A-1

FORM OF SERIES 2010A NOTE

[NO TRANSFER OF THIS NOTE SHALL BE MADE EXCEPT TO A "QUALIFIED INSTITUTIONAL BUYER" AS DEFINED IN RULE 144A OF THE SECURITES ACT OF 1933 (A "QIB") OR AN "ACCREDITED INVESTOR" AS THAT TERM IS DEFINED IN RULE 501(A) OF REGULATION D PROMULGATED UNDER THE SECURITES ACT OF 1933].

No. R-____ $259,951

UNITED STATES OF AMERICA
STATE OF CALIFORNIA
COUNTY OF LOS ANGELES
CITY OF SAN FERNANDO
SAN FERNANDO REDEVELOPMENT AGENCY

Redevelopment Project No. 1
Subordinate Tax Allocation Note, Series 2010A

Interest Rate:	Maturity Date:	Dated Date:
Prior year LAIF average rate	May 15, 2020	February 16, 2010

Registered Owner:

Principal Amount: TWO HUNDRED FIFTY-NINE THOUSAND, NINE HUNDRED FIFTY-ON DOLLARS

The San Fernando Redevelopment Agency (the "Agency"), a public body corporate and politic, acknowledges itself indebted to, and for value received hereby promises to pay to the registered owner named above, or registered assigns, at maturity or the earlier redemption hereof, but solely from the Pledged Tax Revenues (as such terms are defined in the Resolution hereinafter mentioned) and other funds pledged therefor, upon presentation and surrender of this Note at the office of the Treasurer of the Agency (the "Treasurer") in San Fernando, California (or such other location as the Agency may designate in writing) the principal amount stated above.

This Note of the Agency is designated as its "Redevelopment Project No. 1 Subordinate Tax Allocation Note, Series 2010A" (the "Note"), in the aggregate principal amount

of $259,951 issued pursuant to the provisions of the Constitution and laws of the State of California and particularly the Community Redevelopment Law, Part 1 of Division 24 of the Health and Safety Code of the State of California, as amended (the "Redevelopment Law"). The Note is issued under and secured and entitled to the protection given by Resolution No. ____, duly adopted by the Agency on February 16, 2010 (the "Resolution"). Copies of the Resolution are on file at the office of the Agency Secretary and reference is hereby made to the Resolution and the Redevelopment Law and to all amendments and supplements thereto for a description of the terms on which the Note is issued, for the provisions with regard to the nature and extent of the security provided for the Note and of the nature, extent and manner of enforcement of such security, and for a statement of the rights of the registered owner of the Note. All the terms of the Resolution and the Redevelopment Law are hereby incorporated herein and constitute a contract between the Agency and the registered owner from time to time of this Note, and to all the provisions thereof the registered owner of this Note, by acceptance hereof, assents and agrees. The Note ranks on a parity with the Agency's Redevelopment Project No. 1 Subordinate Tax Allocation Note, Series 2010B," in the aggregate principal amount of $238,541.

This Note shall bear the rate of interest set forth above. Principal and interest hereon is payable on the Interest Payment Date and Principal Payment Date (as those terms are defined in the Resolution), until the Agency's obligation with respect to the payment of such principal sum shall be discharged. Such interest shall be payable from the Dated Date shown above. Both principal of and interest on this Note shall be payable in the lawful money of the United States at the office of the Treasurer, or such other location as the Agency may designate in writing.

In the manner provided by the Resolution or any resolution amendatory thereof or supplement thereto, the Resolution and the rights and the obligations of the Agency and the registered owner of this Note may (with certain exceptions stated in the Resolution) be modified or amended by the Agency with the written consent of the registered owner of this Note.

This Note is redeemable, in whole or in part, without premium, in the manner and subject to the terms and provisions, and with the effect, set forth in the Resolution, at the option of the Agency, on any date prior to maturity, at a redemption price equal to the principal amount of the portion of the Note to be redeemed plus accrued interest thereon to the redemption date.

The Treasurer shall deliver or mail (by first class mail) notice of redemption to the registered owner of the Note, at its address appearing on the registration books maintained by the Treasurer at least 30 days prior to the redemption date; provided, however, that neither failure to receive any such notice so mailed nor any defect therein shall affect the validity of the proceedings for the redemption of the Note or the cessation of the accrual of interest on the redeemed portion of the Note. Such notice shall specify the redemption date, the redemption price and the location at which the registered owner shall present the Note to the Treasurer on such redemption date.

This Note and the interest thereon payable upon the redemption thereof are not a debt of the City of San Fernando, the State of California or any of its political subdivisions and neither said City, said State nor any of its political subdivisions is liable thereon, nor in any event shall this Note or said interest be payable out of any funds or properties other than the funds of

the Agency herein mentioned. This Note does not constitute an indebtedness within the meaning of any constitutional or statutory debt limitation or restriction. Neither the members of the Agency nor any persons executing this Note are liable personally on this Note by reason of its issuance.

This Note is transferable as provided in the Resolution, only upon the books of the Agency kept for that purpose at the above-mentioned office of the Treasurer, by the registered owner thereof in person, or by its duly authorized attorney, upon surrender of this Note together with a written instrument of transfer satisfactory to the Treasurer duly executed by the registered owner or its duly authorized attorney, and thereupon a new registered Note shall be issued to the transferee in exchange therefor as provided in the Resolution, and upon payment of the charges therein prescribed. The Agency and the Treasurer may deem and treat the person in whose name this Note is registered as the absolute owner thereof for the purpose of receiving payment of, or on account of, the principal and interest due thereon and for all other purposes.

Neither the Resolution nor the Note have been registered with any federal or state securities agency or commission. The Agency has not prepared any official statement or other disclosure document or undertaken any continuing disclosure obligation in connection with the issuance of the Note. Therefore, notwithstanding the foregoing provisions of this Section 9, the Note shall be transferred only to a "qualified institutional buyer" as defined in Rule 144a of the Securities Act of 1933 ("QIB") or an "accredited investor" as defined in Rule 501(a) of Regulation D promulgated under the Securities Act of 1933.

It is hereby certified and recited that all conditions, acts and things required by law and the Resolution to exist, to have happened and to have been performed precedent to and in the issuance of this Note exist, have happened and have been performed and that the Note complies in all respects with the applicable laws of the State of California, including, particularly, the Redevelopment Law.

This Note shall not be entitled to any benefit under the Resolution or be valid or become obligatory for any purpose until this Note shall have been authenticated by the execution by the Treasurer of the Certificate of Authentication hereto.

IN WITNESS WHEREOF, THE SAN FERNANDO REDEVELOPMENT AGENCY has caused this Note to be executed in its name and on its behalf by the manual or facsimile signature of its Chairman to be hereunto affixed, imprinted, engraved or otherwise reproduced and as attested by the manual or facsimile signature of its Secretary, as of the date first written above.

SAN FERNANDO REDEVELOPMENT AGENCY

By:_____
Chairman
San Fernando Redevelopment Agency

Attest: _____
Secretary
San Fernando Redevelopment Agency

TREASURER'S CERTIFICATE OF AUTHENTICATION

This Note is the Note described in the within mentioned Resolution, which has been registered on _____, 2010.

_____
Treasurer

==========

[FORM OF ASSIGNMENT]

For value received the undersigned do(es) hereby sell, assign, and transfer unto_____, whose tax identification number is _____, the within-mentioned registered Note and hereby irrevocably constitute(s) and appoint(s) _____ attorney to transfer the same on the books of the Agency with full power of substitution in the premises.

Dated:_____, 20__

_____

NOTE: The signature(s) on this Assignment must correspond with the name(s) as written on the face of the within bond in every particular without alteration or enlargement or any change whatsoever.

EXHIBIT A-2

FORM OF SERIES 2010B NOTE

[NO TRANSFER OF THIS NOTE SHALL BE MADE EXCEPT TO A "QUALIFIED INSTITUTIONAL BUYER" AS DEFINED IN RULE 144A OF THE SECURITIES ACT OF 1933 (A "QIB") OR AN "ACCREDITED INVESTOR" AS THAT TERM IS DEFINED IN RULE 501(A) OF REGULATION D PROMULGATED UNDER THE SECURITIES ACT OF 1933].

No. R-____ $238,541

UNITED STATES OF AMERICA
STATE OF CALIFORNIA
COUNTY OF LOS ANGELES
CITY OF SAN FERNANDO
SAN FERNANDO REDEVELOPMENT AGENCY

Redevelopment Project No. 1
Subordinate Tax Allocation Note, Series 2010B

Interest Rate:	Maturity Date:	Dated Date:
Prior year average LAIF rate	May 15, 2014	February 16, 2010

Registered Owner:

Principal Amount: TWO HUNDRED THIRTY-EIGHT THOUSAND, FIVE HUNDRED FORTY-ONE DOLLARS

The San Fernando Redevelopment Agency (the "Agency"), a public body corporate and politic, acknowledges itself indebted to, and for value received hereby promises to pay to the registered owner named above, or registered assigns, at maturity or the earlier redemption hereof, but solely from the Pledged Tax Revenues (as such terms are defined in the Resolution hereinafter mentioned) and other funds pledged therefor, upon presentation and surrender of this Note at the office of the Treasurer of the Agency (the "Treasurer") in San Fernando, California (or such other location as the Agency may designate in writing) the principal amount stated above. This Note shall bear the rate of interest set forth above. Interest hereon is payable on the first day of May 15 and November 15 in each year, commencing on November 15, 2010, until the Agency's obligation with respect to the payment of such principal sum shall be discharged. Such interest shall be payable from the Dated Date shown above. Both

principal of and interest on this Note shall be payable in the lawful money of the United States at the office of the Treasurer, or such other location as the Agency may designate in writing.

This Note of the Agency is designated as its "Redevelopment Project No. 1 Subordinate Tax Allocation Note, Series 2010B" (the "Note"), in the aggregate principal amount of $238,541 issued pursuant to the provisions of the Constitution and laws of the State of California and particularly the Community Redevelopment Law, Part 1 of Division 24 of the Health and Safety Code of the State of California, as amended (the "Redevelopment Law"). The Note is issued under and secured and entitled to the protection given by Resolution No. ____, duly adopted by the Agency on February 16, 2010 (the "Resolution"). Copies of the Resolution are on file at the office of the Agency Secretary and reference is hereby made to the Resolution and the Redevelopment Law and to all amendments and supplements thereto for a description of the terms on which the Note is issued, for the provisions with regard to the nature and extent of the security provided for the Note and of the nature, extent and manner of enforcement of such security, and for a statement of the rights of the registered owner of the Note. All the terms of the Resolution and the Redevelopment Law are hereby incorporated herein and constitute a contract between the Agency and the registered owner from time to time of this Note, and to all the provisions thereof the registered owner of this Note, by acceptance hereof, assents and agrees. The Note ranks on a parity with the Agency's Redevelopment Project No. 1 Subordinate Tax Allocation Note, Series 2010A," in the aggregate principal amount of $259,951.

In the manner provided by the Resolution or any resolution amendatory thereof or supplement thereto, the Resolution and the rights and the obligations of the Agency and the registered owner of this Note may (with certain exceptions stated in the Resolution) be modified or amended by the Agency with the written consent of the registered owner of this Note.

This Note is redeemable, in whole or in part, without premium, in the manner and subject to the terms and provisions, and with the effect, set forth in the Resolution, at the option of the Agency, on any date prior to maturity, at a redemption price equal to the principal amount of the portion of the Note to be redeemed plus accrued interest thereon to the redemption date.

The Treasurer shall deliver or mail (by first class mail) notice of redemption to the registered owner of the Note, at its address appearing on the registration books maintained by the Treasurer at least 30 days prior to the redemption date; provided, however, that neither failure to receive any such notice so mailed nor any defect therein shall affect the validity of the proceedings for the redemption of the Note or the cessation of the accrual of interest on the redeemed portion of the Note. Such notice shall specify the redemption date, the redemption price and the location at which the registered owner shall present the Note to the Treasurer on such redemption date.

This Note and the interest thereon payable upon the redemption thereof are not a debt of the City of San Fernando, the State of California or any of its political subdivisions and neither said City, said State nor any of its political subdivisions is liable thereon, nor in any event shall this Note or said interest be payable out of any funds or properties other than the funds of the Agency herein mentioned. This Note does not constitute an indebtedness within the meaning of any constitutional or statutory debt limitation or restriction. Neither the members of the

Agency nor any persons executing this Note are liable personally on this Note by reason of its issuance.

This Note is transferable as provided in the Resolution, only upon the books of the Agency kept for that purpose at the above-mentioned office of the Treasurer, by the registered owner thereof in person, or by its duly authorized attorney, upon surrender of this Note together with a written instrument of transfer satisfactory to the Treasurer duly executed by the registered owner or its duly authorized attorney, and thereupon a new registered Note shall be issued to the transferee in exchange therefor as provided in the Resolution, and upon payment of the charges therein prescribed. The Agency and the Treasurer may deem and treat the person in whose name this Note is registered as the absolute owner thereof for the purpose of receiving payment of, or on account of, the principal and interest due thereon and for all other purposes.

Neither the Resolution nor the Note have been registered with any federal or state securities agency or commission. The Agency has not prepared any official statement or other disclosure document or undertaken any continuing disclosure obligation in connection with the issuance of the Note. Therefore, notwithstanding the foregoing provisions of this Section 9, the Note shall be transferred only to a "qualified institutional buyer" as defined in Rule 144a of the Securities Act of 1933 ("QIB") or an "accredited investor" as defined in Rule 501(a) of Regulation D promulgated under the Securities Act of 1933.

It is hereby certified and recited that all conditions, acts and things required by law and the Resolution to exist, to have happened and to have been performed precedent to and in the issuance of this Note exist, have happened and have been performed and that the Note complies in all respects with the applicable laws of the State of California, including, particularly, the Redevelopment Law.

This Note shall not be entitled to any benefit under the Resolution or be valid or become obligatory for any purpose until this Note shall have been authenticated by the execution by the Treasurer of the Certificate of Authentication hereto.

IN WITNESS WHEREOF, THE SAN FERNANDO REDEVELOPMENT AGENCY has caused this Note to be executed in its name and on its behalf by the manual or facsimile signature of its Chairman to be hereunto affixed, imprinted, engraved or otherwise reproduced and as attested by the manual or facsimile signature of its Secretary, as of the date first written above.

SAN FERNANDO REDEVELOPMENT AGENCY

By:_____
Chairman
San Fernando Redevelopment Agency

Attest: _____
Secretary
San Fernando Redevelopment Agency

TREASURER'S CERTIFICATE OF AUTHENTICATION

This Note is the Note described in the within mentioned Resolution, which has been registered on _____, 2010.

_____
Treasurer

==========

[FORM OF ASSIGNMENT]

For value received the undersigned do(es) hereby sell, assign, and transfer unto_____, whose tax identification number is _____, the within-mentioned registered Note and hereby irrevocably constitute(s) and appoint(s) _____ attorney to transfer the same on the books of the Agency with full power of substitution in the premises.

Dated:_____, 20__

_____

NOTE: The signature(s) on this Assignment must correspond with the name(s) as written on the face of the within bond in every particular without alteration or enlargement or any change whatsoever.

Attachment "G"

RESOLUTION NO. ___

A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF SAN FERNANDO AUTHORIZING AND DIRECTING THE AGENCY TREASURER TO INVEST CERTAIN SEWER ENTERPRISE FUNDS

RECITALS:

WHEREAS, pursuant to its Resolution No. __, the San Fernando Public Financing Authority (the "Authority") has determined to purchase that certain note of the San Fernando Redevelopment Agency (the "Agency") designated the San Fernando Redevelopment Agency, Redevelopment Project No. 2, Tax Allocation Note, Series 2010, in a principal amount of $231,500 (the "Project Area No. 2 Note"); and

WHEREAS, pursuant to its Resolution No. __, the Authority has determined to purchase that certain note of the Agency designated the San Fernando Redevelopment Agency, Redevelopment Project No. 4, Tax Allocation Note, Series 2010, in a principal amount of $231,500 (the "Project Area No. 4 Note" and together with the Project Area No. 2 Note, the "Notes") ; and

WHEREAS, the Notes are permitted investments for City Sewer Enterprise funds not required for immediate disbursement; and

WHEREAS, the City Council desires to authorize and direct the investment of certain Sewer Enterprise funds by purchasing the Project Area No. 2 Note and the Project Area No. 4 Note from the Authority, subject to the condition set forth in Section 3 hereof;

NOW, THEREFORE, THE CITY COUNCIL OF THE CITY OF SAN FERNANDO HEREBY FINDS, DETERMINES, RESOLVES AND ORDERS AS FOLLOWS:

Section 1. The foregoing recitals are true and correct and the City Council hereby so finds and determines.

Section 2. Subject to the condition set forth in Section 3 hereof, the Treasurer of the City is hereby authorized and directed to invest available moneys held by the Treasurer in the Sewer Enterprise Fund (other than moneys constituting proceeds of the sale of any tax exempt bonds of the City or the investment earnings thereon) which are not required for immediate disbursement, by purchasing the Notes from the Authority at a price not to exceed the par value thereof. The Treasurer shall accept delivery of the Notes from the Authority on behalf of the Agency and shall provide for its safekeeping.

Section 3. The investments described in Section 2 hereof shall not be made until there shall have been delivered to the Agency (i) a Consultant's Report (as defined in Resolution No. ___ of the Agency) which concludes that Pledged Tax Revenues (as defined in said Resolution No. ___) will be sufficient to pay the principal of and interest on the Project Are No. 2 Note as the same become due and (ii) a Consultant's Report (as defined in Resolution No. ___

of the Agency) which concludes that Pledged Tax Revenues (as defined in said Resolution No. ___) will be sufficient to pay the principal of and interest on the Project Area No. 4 Note as the same become due.

Section 4. If and to the extent that any provision of this resolution limits, qualifies or conflicts with any provision of the current investment policy of the Agency, the provisions of this resolution shall control.

Section 5. This resolution shall take effect immediately upon adoption.

PASSED, APPROVED AND ADOPTED this ___ day of _____, 2010.

AYES:

NOES:

ABSENT:

ABSTAIN:

_____
Chairman
San Fernando Redevelopment Agency

ATTEST:

_____
Secretary
San Fernando Redevelopment Agency

Attachment "H"

NOTE PURCHASE AGREEMENT

$259,951 San Fernando Redevelopment Agency Redevelopment Project No. 1 Subordinate Tax Allocation Note Series 2010A	$238,541 San Fernando Redevelopment Agency Redevelopment Project No. 1 Subordinate Tax Allocation Note Series 2010B

This Note Purchase Agreement (this "Agreement") is made and entered into as of February 16, 2010, by and between the San Fernando Redevelopment Agency, a public body, corporate and politic, duly organized and validly existing under the laws of the State of California (the "Agency") and the San Fernando Public Financing Authority, a joint powers authority duly organized and validly existing under the laws of the State of California (the "Authority").

Recitals

A. The Agency is a redevelopment agency, a public body, corporate and politic, duly created, established and authorized to transact business and exercise its powers, all under and pursuant to the Community Redevelopment Law of the State of California, being Part 1 of Division 24 (commencing with Section 33000) of the California Health and Safety Code, as amended, and the powers of the Agency include the power to issue bonds, notes and other obligations for any of its corporate purposes.

B. The Agency has determined to issue its $259,951 aggregate principal amount of Redevelopment Project No. 1 Subordinate Tax Allocation Note, Series 2010A (the "Series 2010A Note") and its $238,541 aggregate principal amount of Redevelopment Project No. 1 Subordinate Tax Allocation Note, Series 2010B (the "Series 2010B Note" and together with the Series 2010A Note, the "Notes") pursuant to its Resolution entitled "A Resolution of the San Fernando Redevelopment Agency Authorizing the Issuance of Its Redevelopment Project No. 1 Subordinate Tax Allocation Note, Series 2010A and Its Redevelopment Project No. 1 Subordinate Tax Allocation Note, Series 2010B, to Finance a Portion of the Cost of a Redevelopment Project and Providing for the Sale of Said Note to the San Fernando Public Financing Authority" (the "Agency Resolution").

C. Pursuant to the Marks-Roos Local Bond Pooling Act of 1985 (found in Article 4, Chapter 5, Division 7, Title 1 of the California Government Code), the San Fernando Public Financing Authority (the "Authority") has the authority to purchase and resell the Notes.

D. The Agency has determined to sell, and the Authority has determined to purchase, the Notes pursuant to the terms of this Agreement.

E. To provide the moneys required to acquire the Notes, the Authority intends to resell the Notes to an investor.

F. All acts and proceedings required by law necessary to make this Agreement, when executed by the Agency and the Authority, the valid, binding and legal obligation of the Agency and the Authority, and to constitute this Agreement a valid and binding agreement for the uses and purposes herein set forth in accordance with its terms, have been done and taken, and the execution and delivery of this Agreement have been in all respects duly authorized.

NOW, THEREFORE, in consideration of the premises and the mutual agreements herein contained, the parties hereto do hereby agree as follows:

Section 1. Definitions. Unless the context clearly requires or unless otherwise defined herein, the capitalized terms in this Agreement shall have the respective meanings which such terms are given in the Agency Resolution.

Section 2. Purchase of the Notes. Upon the terms and conditions herein set forth, the Authority hereby agrees to purchase, and the Agency hereby agrees to sell, execute and deliver the Notes to the Authority. The purchase price to be paid by the Authority for the Notes shall be the par value thereof.

Section 3. The Notes. The Notes will be delivered in definitive, fully registered form, registered in the name of the Authority (or such assignee of the Authority as the Treasurer of the Authority shall designate to the Agency), and may be typewritten. The Notes shall be dated, shall be payable in the year and in the principal amount, and interest thereon shall be payable on the dates and at the rates, shown in the Agency Resolution, and shall otherwise be as described in, and shall be secured as set forth in, the Agency Resolution.

Section 4. Closing. At 10:00 A.M., California time, on February 16, 2010, or at such other time or date as shall have been mutually agreed upon by the Agency and the Authority (the "Closing"), the Agency will, subject to the terms and conditions hereof, deliver to the Authority, at the office of the Treasurer in the City of San Fernando, California, the Notes in fully registered form, duly executed and registered; and, subject to the terms and conditions hereof, the Authority will accept such delivery and cause the purchase price of the Notes to be paid by check or draft or by interfund transfer, as the case may be.

Section 5. Condition of Closing. The Authority's obligation to purchase the Notes is conditioned upon (a) the delivery to the Authority, on or prior to the date of Closing, of a Consultant's Report which concludes that Pledged Tax Revenues will be sufficient to pay the interest on the Notes as the same becomes due on each Interest Payment Date and to pay, or to enable the Agency to issue refunding obligations in an amount sufficient to pay, the principal of the Notes at or prior to maturity; and (b) the resale and delivery of the Notes to an investor on the date of Closing.

Section 6. Termination. If the conditions to the Authority's obligations contained in this Agreement cannot be satisfied at or prior to the date of the Closing, this Agreement may be canceled by the Authority. Notice of such cancellation shall be given to the Agency in

writing. Upon any such termination neither the Agency nor the Authority shall be under any further obligation hereunder.

Section 7. Parties in Interest. This Agreement shall constitute the entire agreement between the Agency and the Authority and is made solely for the benefit of the Agency and the Authority (including their successors or assigns). No other person shall acquire or have any right hereunder or by virtue hereof.

[Remainder of Page Intentionally Left Blank]

Section 8. Governing Law. This Agreement shall be construed and governed in accordance with the laws of the State of California.

IN WITNESS WHEREOF, the San Fernando Public Financing Authority and the San Fernando Redevelopment Agency have each caused this Agreement to be signed in its name by its duly authorized officer, all as of the day and year first above written.

SAN FERNANDO PUBLIC FINANCING AUTHORITY

By_____
Executive Director

ATTEST:

By_____
Secretary

SAN FERNANDO REDEVELOPMENT AGENCY

By_____
Executive Director

Attachment "I"

NOTE PURCHASE AGREEMENT

$231,500
San Fernando Redevelopment Agency
Redevelopment Project No. 2
Subordinate Tax Allocation Note Series 2010

This Note Purchase Agreement (this "Agreement") is made and entered into as of February 16, 2010, by and between the San Fernando Redevelopment Agency, a public body, corporate and politic, duly organized and validly existing under the laws of the State of California (the "Agency") and the San Fernando Public Financing Authority, a joint powers authority duly organized and validly existing under the laws of the State of California (the "Authority").

Recitals

A. The Agency is a redevelopment agency, a public body, corporate and politic, duly created, established and authorized to transact business and exercise its powers, all under and pursuant to the Community Redevelopment Law of the State of California, being Part 1 of Division 24 (commencing with Section 33000) of the California Health and Safety Code, as amended, and the powers of the Agency include the power to issue bonds, notes and other obligations for any of its corporate purposes.

B. The Agency has determined to issue its $231,500 aggregate principal amount of Redevelopment Project No. 2 Subordinate Tax Allocation Note, Series 2010 (the "Note") pursuant to its Resolution entitled "A Resolution of the San Fernando Redevelopment Agency Authorizing the Issuance of Its Redevelopment Project No. 2 Subordinate Tax Allocation Note, Series 2010, to Finance a Portion of the Cost of a Redevelopment Project and Providing for the Sale of Said Note to the San Fernando Public Financing Authority" (the "Agency Resolution").

C. Pursuant to the Marks-Roos Local Bond Pooling Act of 1985 (found in Article 4, Chapter 5, Division 7, Title 1 of the California Government Code), the San Fernando Public Financing Authority (the "Authority") has the authority to purchase and resell the Note.

D. The Agency has determined to sell, and the Authority has determined to purchase, the Note pursuant to the terms of this Agreement.

E. To provide the moneys required to acquire the Note, the Authority intends to resell the Note to an investor.

F. All acts and proceedings required by law necessary to make this Agreement, when executed by the Agency and the Authority, the valid, binding and legal obligation of the Agency and the Authority, and to constitute this Agreement a valid and binding agreement for the uses and purposes herein set forth in accordance with its terms, have been done and taken, and the execution and delivery of this Agreement have been in all respects duly authorized.

NOW, THEREFORE, in consideration of the premises and the mutual agreements herein contained, the parties hereto do hereby agree as follows:

Section 1. Definitions. Unless the context clearly requires or unless otherwise defined herein, the capitalized terms in this Agreement shall have the respective meanings which such terms are given in the Agency Resolution.

Section 2. Purchase of the Note. Upon the terms and conditions herein set forth, the Authority hereby agrees to purchase, and the Agency hereby agrees to sell, execute and deliver the Note to the Authority. The purchase price to be paid by the Authority for the Note shall be the par value thereof.

Section 3. The Note. The Note will be delivered in definitive, fully registered form, registered in the name of the Authority (or such assignee of the Authority as the Treasurer of the Authority shall designate to the Agency), and may be typewritten. The Note shall be dated, shall be payable in the year and in the principal amount, and interest thereon shall be payable on the dates and at the rates, shown in the Agency Resolution, and shall otherwise be as described in, and shall be secured as set forth in, the Agency Resolution.

Section 4. Closing. At 10:00 A.M., California time, on February 16, 2010, or at such other time or date as shall have been mutually agreed upon by the Agency and the Authority (the "Closing"), the Agency will, subject to the terms and conditions hereof, deliver to the Authority, at the office of the Treasurer in the City of San Fernando, California, the Note in fully registered form, duly executed and registered; and, subject to the terms and conditions hereof, the Authority will accept such delivery and cause the purchase price of the Note to be paid by check or draft or by interfund transfer, as the case may be.

Section 5. Condition of Closing. The Authority's obligation to purchase the Note is conditioned upon (a) the delivery to the Authority, on or prior to the date of Closing, of a Consultant's Report which concludes that Pledged Tax Revenues will be sufficient to pay the interest on the Note as the same becomes due on each Interest Payment Date and to pay, or to enable the Agency to issue refunding obligations in an amount sufficient to pay, the principal of the Note at or prior to maturity; and (b) the resale and delivery of the Note to an investor on the date of Closing.

Section 6. Termination. If the conditions to the Authority's obligations contained in this Agreement cannot be satisfied at or prior to the date of the Closing, this Agreement may be canceled by the Authority. Notice of such cancellation shall be given to the Agency in writing. Upon any such termination neither the Agency nor the Authority shall be under any further obligation hereunder.

Section 7. Parties in Interest. This Agreement shall constitute the entire agreement between the Agency and the Authority and is made solely for the benefit of the Agency and the Authority (including their successors or assigns). No other person shall acquire or have any right hereunder or by virtue hereof.

[Remainder of Page Intentionally Left Blank]

Section 8. Governing Law. This Agreement shall be construed and governed in accordance with the laws of the State of California.

IN WITNESS WHEREOF, the San Fernando Public Financing Authority and the San Fernando Redevelopment Agency have each caused this Agreement to be signed in its name by its duly authorized officer, all as of the day and year first above written.

SAN FERNANDO PUBLIC FINANCING AUTHORITY

By_____
Executive Director

ATTEST:

By_____
Secretary

SAN FERNANDO REDEVELOPMENT AGENCY

By_____
Executive Director

Attachment "J"

NOTE PURCHASE AGREEMENT

$231,500 Redevelopment Agency
Redevelopment Project Area No. 4
Subordinate Tax Allocation Note Series 2010

This Note Purchase Agreement (this "Agreement") is made and entered into as of February 16, 2010, by and between the San Fernando Redevelopment Agency, a public body, corporate and politic, duly organized and validly existing under the laws of the State of California (the "Agency") and the San Fernando Public Financing Authority, a joint powers authority duly organized and validly existing under the laws of the State of California (the "Authority").

Recitals

A. The Agency is a redevelopment agency, a public body, corporate and politic, duly created, established and authorized to transact business and exercise its powers, all under and pursuant to the Community Redevelopment Law of the State of California, being Part 1 of Division 24 (commencing with Section 33000) of the California Health and Safety Code, as amended, and the powers of the Agency include the power to issue bonds, notes and other obligations for any of its corporate purposes.

B. The Agency has determined to issue its $231,500 aggregate principal amount of Redevelopment Project Area No. 4 Subordinate Tax Allocation Note, Series 2010 (the "Note") pursuant to its Resolution entitled "A Resolution of the San Fernando Redevelopment Agency Authorizing the Issuance of Its Redevelopment Project Area No. 4 Subordinate Tax Allocation Note, Series 2010, to Finance a Portion of the Cost of a Redevelopment Project and Providing for the Sale of Said Note to the San Fernando Public Financing Authority" (the "Agency Resolution").

C. Pursuant to the Marks-Roos Local Bond Pooling Act of 1985 (found in Article 4, Chapter 5, Division 7, Title 1 of the California Government Code), the San Fernando Public Financing Authority (the "Authority") has the authority to purchase and resell the Note.

D. The Agency has determined to sell, and the Authority has determined to purchase, the Note pursuant to the terms of this Agreement.

E. To provide the moneys required to acquire the Note, the Authority intends to resell the Note to an investor.

F. All acts and proceedings required by law necessary to make this Agreement, when executed by the Agency and the Authority, the valid, binding and legal obligation of the Agency and the Authority, and to constitute this Agreement a valid and binding agreement for the uses and purposes herein set forth in accordance with its terms, have been done and taken, and the execution and delivery of this Agreement have been in all respects duly authorized.

NOW, THEREFORE, in consideration of the premises and the mutual agreements herein contained, the parties hereto do hereby agree as follows:

Section 1. Definitions. Unless the context clearly requires or unless otherwise defined herein, the capitalized terms in this Agreement shall have the respective meanings which such terms are given in the Agency Resolution.

Section 2. Purchase of the Note. Upon the terms and conditions herein set forth, the Authority hereby agrees to purchase, and the Agency hereby agrees to sell, execute and deliver the Note to the Authority. The purchase price to be paid by the Authority for the Note shall be the par value thereof.

Section 3. The Note. The Note will be delivered in definitive, fully registered form, registered in the name of the Authority (or such assignee of the Authority as the Treasurer of the Authority shall designate to the Agency), and may be typewritten. The Note shall be dated, shall be payable in the year and in the principal amount, and interest thereon shall be payable on the dates and at the rates, shown in the Agency Resolution, and shall otherwise be as described in, and shall be secured as set forth in, the Agency Resolution.

Section 4. Closing. At 10:00 A.M., California time, on February 16, 2010, or at such other time or date as shall have been mutually agreed upon by the Agency and the Authority (the "Closing"), the Agency will, subject to the terms and conditions hereof, deliver to the Authority, at the office of the Treasurer in the City of San Fernando, California, the Note in fully registered form, duly executed and registered; and, subject to the terms and conditions hereof, the Authority will accept such delivery and cause the purchase price of the Note to be paid by check or draft or by interfund transfer, as the case may be.

Section 5. Condition of Closing. The Authority's obligation to purchase the Note is conditioned upon (a) the delivery to the Authority, on or prior to the date of Closing, of a Consultant's Report which concludes that Pledged Tax Revenues will be sufficient to pay the interest on the Note as the same becomes due on each Interest Payment Date and to pay, or to enable the Agency to issue refunding obligations in an amount sufficient to pay, the principal of the Note at or prior to maturity; and (b) the resale and delivery of the Note to an investor on the date of Closing.

Section 6. Termination. If the conditions to the Authority's obligations contained in this Agreement cannot be satisfied at or prior to the date of the Closing, this Agreement may be canceled by the Authority. Notice of such cancellation shall be given to the Agency in writing. Upon any such termination neither the Agency nor the Authority shall be under any further obligation hereunder.

Section 7. Parties in Interest. This Agreement shall constitute the entire agreement between the Agency and the Authority and is made solely for the benefit of the Agency and the Authority (including their successors or assigns). No other person shall acquire or have any right hereunder or by virtue hereof.

[Remainder of Page Intentionally Left Blank]

Section 8. Governing Law. This Agreement shall be construed and governed in accordance with the laws of the State of California.

IN WITNESS WHEREOF, the San Fernando Public Financing Authority and the San Fernando Redevelopment Agency have each caused this Agreement to be signed in its name by its duly authorized officer, all as of the day and year first above written.

SAN FERNANDO PUBLIC FINANCING AUTHORITY

By_____
Executive Director

ATTEST:

By_____
Secretary

SAN FERNANDO REDEVELOPMENT AGENCY

By_____
Executive Director

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(APPROVED)/OTHER ACTION
BY CITY COUNCIL &
REDEVELOPMENT
AGENCY
CITY CLERK
Contract # 1480
CC: P. Deibel

CITY ADMINISTRATION

MEMORANDUM

TO: Mayor José Hernández, Ph.D., and Councilmembers

FROM: José E. Pulido, City Administrator

DATE: June 2, 2003

SUBJECT: Draft Memorandum of Understanding (MOU) - Swap Meet Property

---

RECOMMENDATION:

It is recommended that the City Council:

1. Approve the Draft Memorandum of Understanding (MOU) for the potential redevelopment of the current 33.94 acre Swap Meet Property at the intersection of Glenoaks Boulevard and Arroyo Avenue;

2. Authorize the Mayor to execute the Draft MOU (Attachment "A");

3. Authorize conveyance of the City Yard on Glenoaks Boulevard to the Redevelopment Agency.

BACKGROUND:

1. On February 17, 1976, the City of San Fernando issued a permit for the operation of a Swap Meet at 585 Glenoaks Boulevard (i.e., subject site).

2. On April 4, 1983, the City Council adopted Ordinance No. 1219 which established the City's Redevelopment Project Area 3A where the subject site is located.

3. On November 16, 1998, the City Council adopted Ordinance No. 1494 which extended the Agency's authority to undertake eminent domain proceedings upon properties within the Project Areas 1, 2, and 3, for an additional 12-year period.

4. On March 15, 2003, the Los Angeles Unified School District Financing Corporation (LAUSDFC) authorized the purchase of 16.5 acres for the construction of a new high school on the subject site. The Governing Board of the Los Angeles Unified School District unanimously agreed to work with the City of San Fernando in the development of the proposed high school.

5. The Robertson Properties Group notified the City that they have entered into a Purchase and Sale Agreement with the current owners of the subject site (Hannon Properties, LLC, Richard and Eleanor Dunn Family Trust) to purchase approximately 17.5 acres remaining after the sale to LAUSDFC.

6. Over the past few months, staff and the Swap Meet Ad-Hoc Committee consisting of the Mayor and the Mayor Pro Tem have been working with the City Attorney's Office to prepare a mutually beneficial Memorandum of Understanding between the City of San Fernando and Hannon Properties, LLC, and the Richard and Eleanor Dunn Family Trust. Robertson Properties Group, as the proposed purchaser of a portion of the site, has also been directly involved in the negotiations.

7. The City Attorney's Office participated in negotiations with the various parties and the preparation of the Draft MOU, and has approved the Draft MOU for legal form.

ANALYSIS:

In summary, the Draft MOU is an important first step in the potential redevelopment of a significantly underutilized property in Redevelopment Project Area 3A. Consistent with the Redevelopment Plan for Project Area 3A, the Draft MOU establishes the foundation for the potential redevelopment of the current Swap Meet Property with a new high school on 16.5 acres and a new 17.5 acre commercial retail center. In addition, it also sets forth the conditions under which the Redevelopment Agency would consider selling the approximately four acre City Yard to the Robertson Properties Group for the development of a 21.24 acre commercial retail center (Attachment "B").

Over the years, a major community concern has been the potential closure of the Swap Meet and the displacement of long time vendors in order to accommodate the redevelopment of the subject site. The Robertson Properties Group has considerable experience in successfully relocating swap meets in other cities. The Robertson Properties Group through the Draft MOU would be committed to locating a new site for the Swap Meet within a specified time frame.

Since the City Yard is owned by the City, it is staff's recommendation that the City convey the City Yard to the Redevelopment Agency for an initial down payment of $825,000 as well as a **15 year** note with a 5% interest rate and annual payments in the amount of $209,544. By accepting this recommendation, the City Council ensures that the City's General Fund is made financially whole by the Redevelopment Agency over time and that City's General Fund is not adversely impacted by the

potential redevelopment of the subject site. Hence, it would be up to the Redevelopment Agency through a Disposition and Development Agreement (DDA) [i.e., Second Step] to sell the City Yard to the Robertson Properties Group, as specified in the Draft MOU.

An important consideration in the preparation of the Draft MOU has been the Governing Board of the Los Angeles Unified School District receptiveness and genuine desire to work with the City of San Fernando in developing an academy type of high school specializing in the cultural arts, as well as in the math and sciences.

In the next few months the City Council will be presented with a lease agreement for their consideration and approval, between the Redevelopment Agency and the City for the use of the Public Yard site until the Public Yard is relocated.

BUDGET IMPACT:

From a financial stand point, both the City and the Redevelopment Agency stand to benefit favorably from the execution of the Draft MOU. The City will continue to receive approximately $615,000 in Admissions Tax revenue during the term of the Draft MOU which can be for up to 10 years. And, the City's General Fund would be made whole by conveying the City Yard to the Redevelopment Agency for approximately $3 million.

The Redevelopment Agency will benefit in several ways. First, the Swap Meet's new purchase price of approximately $22 million will cause a reassessment of the property, thereby yielding an additional $174,913 Tax Increment for Redevelopment Project Area 3A. Secondly, the Agency's Low and Moderate Housing Fund will gain $43,728 in new revenue which could be, at the City Council's discretion committed to the repayment of any loans (i.e., debt service) for the development of senior housing.

Finally, if the City and Agency are successful in redeveloping the subject site with a new commercial retail center, the potential for new sales tax revenue is significant. However, it is still too early to estimate how much additional sales tax revenue may be generated from the redevelopment of the project site. The sales tax benefit will be determined when the Agency negotiates and approves a DDA with the Robertson Properties Group.

CONCLUSION:

The Draft MOU presents both the City of San Fernando and the Redevelopment Agency with tremendous opportunity to potentially redevelop a severely underutilized property in Redevelopment Project Area 3A to: 1) an academy type high school; and 2) a major commercial retail center.

ATTACHMENTS:

A. Memorandum of Understanding
B. Aerial Map

CITY OF SAN FERNANDO
JUNE 2,2003
DRAFT MEMORANDUM OF UNDERSTANDING (MOU) - SWAPMEET PROPERTY
ITEM 3: CONVEYANCE OF CITY YARD TO REDEVELOPMENT AGENCY

$	3,000,000	Total Cost of City Yard
$	825,000	Initial Downpayment
$	2,175,000	Amount of Note to be Paid over 15 Years

$	209,544.00	Amount per Payment
	15	Number of Payments
$	3,143,160	Total Paid Over 15 Years
$	825,000	Initial Downpayment
$	3,968,160	Total Principal & Interest

Year	Remaining Balance	Payment Amount	Interest = 5%	Principal
1	2,175,000	209,544	108,750	100,794
2	2,074,206	209,544	103,710	105,834
3	1,968,372	209,544	98,419	111,125
4	1,857,247	209,544	92,862	116,682
5	1,740,565	209,544	87,028	122,516
6	1,618,050	209,544	80,902	128,642
7	1,489,408	209,544	74,470	135,074
8	1,354,334	209,544	67,717	141,827
9	1,212,507	209,544	60,625	148,919
10	1,063,588	209,544	53,179	156,365
11	907,224	209,544	45,361	164,183
12	743,041	209,544	37,152	172,392
13	570,649	209,544	28,532	181,012
14	389,638	209,544	19,482	190,062
15	199,575	209,544	9,979	199,565
	Total	3,143,160	968,170	2,174,990

MEMORANDUM OF UNDERSTANDING

This Memorandum of Understanding ("MOU") is entered into as of June 2, 2003 by and between the City of San Fernando, a municipal corporation ("City") on the one hand, and Hannon Properties, LLC, a California limited liability company ("Hannon"), as to an undivided 2/3 interest and the following people and entities, collectively, as to an undivided 1/3 interest, as tenants in common, on the other: Dorothy Dunn-Smith Trust dated February 4, 2002, Theresa Dunn, Peter Dunn, Martha Ellen Dunn McPherson, Matthew Dunn, Charles Dunn, Maryanne Dunn Herrill, Colleen A. Dunn Bates, Carolyn E. Dunn Buckey, Camille T. Dunn, Cathleen M. Dunn French, Steve P. Dunn, Michael J. Dunn, Padick Partners, Grandpadick Partners, Joseph and Eleanor Dunn Family Trust and The Richard and Eleanor Dunn Family Trust dated November 3, 1988 ("Dunn Interests," and collectively with Hannon, "Owner").

Whereas:

A. Owner is the fee title owner of an approximately 33.94 acre site located in the City of San Fernando at the intersection of Glenoaks Boulevard and Arroyo Avenue (the "Site"), as more particularly described in Exhibit A, and graphically depicted on Exhibit B.

B. Agency has acquired from City fee title to an approximately four (4) acre parcel (the "Agency Parcel") located on Glenoaks Boulevard immediately west of the Site, as shown on Exhibit B. The Agency Parcel is currently being used by City's Public Works Department as the City Yard.

C. The Site is located within City's Redevelopment Project Area No. 3A. It is the mutual goal of the parties that the Site, together with the Agency Parcel, be redeveloped in a manner consistent with the Redevelopment Plan for Project Area No. 3 (the "Redevelopment Plan"), which Plan was adopted by the City Council of City by Ordinance No. 1219 on April 4, 1983, and most recently amended on November 16, 1998 by Ordinance No. 1494.

D. Owner has informed City that it has entered into a purchase agreement with the Los Angeles Unified School District Financing Corporation ("LAUSDFC"), a wholly owned entity of the Los Angeles Unified School District ("District"), and that LAUSDFC intends to acquire an approximately sixteen and one-half (16.5) acre portion of the Site ("School Portion") for the purpose of constructing a school.

E. Owner has informed City that Robertson Properties Group ("Robertson") desires to: purchase from Owner the approximately seventeen and one-half (17.5) acre portion of the Site remaining after sale to the LAUSDFC of the School Portion (the "Retail Portion"); purchase from City or Agency the Agency Parcel; and redevelop the Retail Portion and the Agency Parcel with a retail commercial use consistent with the Redevelopment Plan (the "Development").

F. The Site is currently being used as a swap meet (the "Swap Meet"), with related parking. The portion of the Site being used for the Swap Meet is generally depicted on Exhibit B, and includes part of the School Portion and part of the Retail Portion.

G. City acknowledges that the Swap Meet is a legal non-conforming use entitled to continue pursuant to Section 106-250 of the San Fernando Zoning Ordinance, and that Owner has obtained a business license and permit issued by City for that purpose.

H. Owner asserts that there is ambiguity in the application of Division 6 of Article II of the San Fernando Zoning Ordinance (Nonconforming Structures and Uses) as to Owner's right to continue to operate the Swap Meet at the Site pending redevelopment.

I. City asserts that there is no ambiguity under the San Fernando Zoning Ordinance regarding Owner's right to continue to operate the Swap Meet at the Site, and that notwithstanding Section 106-250, City has the right to terminate the continued operation of the Swap Meet at any time after October 30, 2005, pursuant to Section 106-259 of the Zoning Ordinance Code (Termination of Existing Nonconforming Use).

J. Owner further asserts that Robertson will enter into a purchase agreement with Owner for the Retail Portion only if it receives assurances that Robertson, once it becomes owner of the Retail Portion, will have the right to continue to operate the Swap Meet for a specified period, pending redevelopment of the Site.

K. In light of the dispute between the parties regarding Owner's right to continue to operate the Swap Meet on the Site, to settle any potential disputes regarding the applicability of the City's non-conforming use ordinance, to facilitate the sale of the Retail Portion to Robertson or another third party, and in order to lay out with certainty the terms and conditions governing the continued operation of the Swap Meet, the parties have entered into this MOU.

Therefore, for good and valuable consideration, the receipt of which is acknowledged, the parties agree as follows:

1. Current operation of swap meet

(a) Owner and City agree that the Swap Meet is currently being operated as follows:

i. The Swap Meet is operated on Saturday, Sunday, and Tuesday, from the hours of 6:00 A.M. to 5:30 P.M.

ii. The Swap Meet includes approximately 1,000 vendors, with parking for approximately 1,500 vehicles, equating to a parking ratio of one and one-half parking spaces for each vendor.

(b) In executing this MOU, City acknowledges that as of the date of this MOU, Owner's operation of the Swap Meet is generally, but not completely, in compliance with the permit issued by City on February 17, 1976 (the "Permit", a copy of which is attached hereto as Exhibit "C" and incorporated herein by this reference). There are several outstanding deferred maintenance items that City will require be remedied: (A) mending of the perimeter fencing and gates, (B) cleaning up trash and graffiti, (C) patching of holes in existing paved surfaces (but not a repaving of the entire surface), (D) provision of critical directional signage and directional arrows on paved surfaces (but not a restriping of the entire paved surface), and (E) such other upgrades as may be required to ensure that the emergency public exiting from, and the emergency response access to, all fence-enclosed areas complies with fire and life safety regulation. City will cooperate with Owner in developing an overall program to remedy the deferred maintenance items specified and such other items as the City may reasonably require to ensure that the life/safety conditions of the Swap Meet are satisfactory. City acknowledges that program implementation may be accomplished on a phased basis over a six month to two year period. So long as Owner or Developer operates the Swap Meet in a manner substantially similar to the manner of operation in effect on the date of this MOU, and remedies the items of deferred maintenance as specified, the operation of the Swap Meet will be deemed to be in full compliance with the Permit, including for purposes of subsection 2(a)vii. City further acknowledges that any lender or other person that provides financing to Owner in relation to the Site or the Swap Meet may rely upon City's acknowledgements in this MOU.

(c) Notwithstanding paragraph (b), City makes no representations regarding the condition of the Site or the operation of the Swap Meet. Owner, on behalf of itself and its successors and assigns, hereby releases City from any liability to Owner or its successors and assigns, including their officers, agents, employees, and contractors, arising from the condition of the Site or the operation of the Swap Meet. Owner further agrees to defend, hold harmless, and indemnify City and its officers, directors, agents, employees and representatives from and against all costs, losses, expenses or liabilities, including, without limitation, all sums paid or incurred by City as costs and expenses in the legal proceedings, including but not limited to reasonable attorneys' fees and costs incurred by City, relating to the condition of the Site or the operation of the Swap Meet.

2. Continued Operation of Swap Meet

(a) Owner shall be permitted to continue the Swap Meet on the Site, in the manner and to the extent set forth in Sections 1 and 3, and in accordance with the terms and conditions of this MOU, for up to ten (10) years from the date of this MOU, but only if the following milestones and conditions ("Milestones") regarding redevelopment of the Site are timely satisfied:

i. Within sixty (60) days from the date of this MOU, Hannon and the Dunn Interests shall have delivered to City evidence reasonably satisfactory to

the City Administrator that Owner has entered into a valid, enforceable purchase and sale agreement with Robertson or another third party for the sale of at least the Retail Portion of the Site. For purposes of this MOU, another "third party" shall mean a person or entity other than: (A) Hannon or the Dunn Interests; (B) any member of Hannon or the Dunn Interests; (C) any person or entity under the Control of Hannon or the Dunn Interests; (D) LAUSDFC; or (E) District. "Control" shall mean the possession, direct or indirect, of the power to direct or cause the direction of the management and policies of a corporation, partnership, joint venture, trust, or other association.

ii. Within nine (9) months of the date of this MOU, Robertson or another third party (the "Developer") shall have acquired fee title to at least the Retail Portion of the Site. Concurrent with such sale, Owner or Developer shall send City a written notice setting forth the closing date, the name of the buyer and its address. From and after the giving of such notice, notices shall no longer be required to be sent to Owner pursuant to Section 7, and Owner shall be released by City from any and all liabilities and obligations of Owner and Developer hereunder, including but not limited to the indemnity obligations set forth in Section 1(c), and Developer shall assume all liabilities and obligations of Owner hereunder, including but not limited to the indemnity obligations set forth in Section 1(c).

iii. Within eighteen (18) months from the date of this MOU, Developer shall have submitted to the San Fernando Redevelopment Agency ("Agency") a proposal to enter into an exclusive negotiation agreement with Agency, including a proposal for Agency financial assistance (if any is requested), to facilitate completion of the Development on the Retail Portion and the Agency Parcel, for the purpose of entering into negotiations with the objective of entering into a Disposition and Development Agreement ("DDA") with Agency for: (A) acquisition of the Agency Parcel; (B) redevelopment of the Retail Portion and Agency Parcel with the Development; and (C) Agency financial assistance requested to facilitate redevelopment of the Retail Portion and Agency Parcel.

iv. Within eighteen (18) months of the date of this MOU, Developer shall have submitted to City a complete application for primary discretionary approvals required for the Development, including without limitation any proposed tentative tract map, General Plan amendment, zoning amendment or Site Plan approvals ("Entitlements"). Developer shall thereafter expeditiously provide any additional information requested by City pursuant to Government Code Section 65943.

v. Within two (2) years of the date of this MOU, Developer shall have entered into a purchase and sale agreement, or long-term ground lease, to acquire a new site to hold the Swap Meet, or otherwise determined that no alternative site is feasible.

vi. Following submittal of its application for Entitlements, Developer shall diligently and continuously pursue approval of the requested Entitlements, and shall seek in good faith to enter into a mutually acceptable DDA with Agency. The parties contemplate that any such DDA: (A) will provide for continued operation of the Swap Meet for the period of time reasonably necessary for Developer to complete negotiations with tenants and financing sources, and finalize the design of the Development; (B) will provide for relocation of the Swap Meet; (C) will include reasonable conditions as to Developer's obligation to move forward with the redevelopment of the Retail Portion and Agency Parcel; (D) may include Agency assistance for the Development, which may include sale of the Agency Parcel to Developer for less than fair market value; (E) will supercede this MOU; and (F) if possible will be entered into within forty-eight (48) months of this MOU.

vii. At all times during the term of this MOU, the Swap Meet shall be operated by Owner in compliance with all applicable laws, including but not limited to: (A) the Permit; (B) Article IV of Chapter 66 of the San Fernando Municipal Code; and (C) timely payment to City of all applicable Business License and Admissions Taxes and other fees required to be paid by Owner. Unless otherwise approved by the City, at no time shall the Swap Meet be operated on days or during times in excess of those set forth in Section 1(a)i, nor shall the number of vendors at the Swap Meet exceed the number set forth in Section 1(a)ii.

viii. If the Agency approves a lease of the Agency Parcel to Developer and the Lease (as defined in Section 4(b)) includes the terms specified in Section 4(b) (and is not otherwise inconsistent with this MOU), then Developer shall enter into such Lease and pay the Annual Lease Payment as defined and provided for in Section 4(d). If Developer fails to execute the Lease following approval by the Agency and pay the first Annual Lease Payment within forty-two (42) months of the date of this MOU, the Swap Meet use may continue only until the date that is forty-eight (48) months after the date of this MOU, unless Developer contends that (A) the Lease approved by Agency is inconsistent with the terms specified in Section 4(b), (B) the Lease is inconsistent with the terms, conditions and intent of this MOU, (C) the Lease was not validly adopted, or (D) for any other reason Developer is not obligated to execute the Lease approved by Agency. In such event, the burden of proof in that dispute shall be on Developer, and unless and until a court of competent jurisdiction determines that one or more of Developer's contentions are correct, Developer must make the Annual Lease Payment. During the pendency of any claim regarding the Lease terms, so long as Developer makes the Annual Lease Payment, this Milestone shall be deemed satisfied.

ix. During the term of this MOU, no less frequently than quarterly, Developer shall submit a progress report to City describing Developer's progress in achieving the Milestones.

(b) i. Owner agrees that, upon Owner's or Developer's failure to timely meet any Milestone, or Developer's failure to timely pay any Annual Lease Payment (if Developer enters into the Lease, or is otherwise required to pay the Annual Lease Payment pursuant to subsection 2(a)viii), or upon other termination or expiration of this MOU, the legal non-conforming use status of the Swap Meet shall automatically terminate, unless City, in its sole and absolute discretion, waives or modifies the Milestone or the timeframe in which it must be met, or otherwise extends the non-conforming use status. If City does NOT waive or modify the Milestone or the timeframe in which it must be met, or otherwise extend the non-conforming use status, Owner agrees that City shall have no obligation to follow the procedure in Section 106-261 of the Zoning Ordinance, or any other procedure, except as follows: City shall provide written notice to Owner of the Milestone that has not been met, and if (A) Owner does not satisfy the Milestone within ten (10) days after receipt of such notice, and (B) City, in its sole and absolute discretion, does not waive or modify the Milestone or the timeframe in which it must be met, then the legal non-conforming use status of the Swap Meet shall automatically terminate, and Owner shall cause the cessation of the Swap Meet and all Swap Meet related activities on the Site within forty (40) days after receipt of such notice.

ii. Notwithstanding the foregoing, upon (A) the third or subsequent violation in any one year by Owner of the Milestone in subsection 2(a) vii, or (B) the fifteenth (15th) or subsequent violation in the term of this MOU by Owner of the Milestone in subsection 2(a) vii, City may elect to terminate the legal non-conforming use status of the Swap Meet, irrespective of whether or not the violation(s) have been cured. In that event, City may provide written notice to Owner of its decision to terminate the legal non-conforming use status of the Swap Meet pursuant to this clause, and Owner shall cause the cessation of the Swap Meet and all Swap Meet related activities on the Site within thirty (30) days after receipt of such notice.

(c) City agrees that, if any legal proceedings or other challenges are brought by another third party (as defined in subsection 2(a) i), not including Developer, regarding approval of the Entitlements or DDA, the termination of the Swap Meet use pursuant to subsection (b) shall be tolled until: (i) the conclusion of any such legal proceedings or other challenges, and the expiration of any applicable appeal period, or (ii) the passage of ten (10) years from the date of this MOU, whichever first occurs. This tolling period shall be in effect only so long as Developer is diligently prosecuting such proceedings to completion.

(d) City agrees that, except as set forth in subsection (b), and subject to subsection (c), City shall not exercise its right under the San Fernando Municipal Code to terminate or revoke the use of the Site for the Swap Meet.

(e) Article IV of Chapter 82 of the San Fernando Municipal Code establishes a tax (the "Admission Tax") on each admission fee paid at the Swap Meet. City and Owner agree that the current Admission Tax is forty-seven cents ($ .47) per admission. City agrees that the Admissions Tax shall not be increased for a period of twenty-four (24) months after the date of this MOU. From and after the twenty-fourth (24th) month after the date of this MOU, City may increase the Admissions Tax by the percentage increase in the consumer price index, in accordance with Section 82-107(d) of the Municipal Code. Further, at any time that Developer increases the admission fee paid at the Swap Meet (including but not limited to within the first 24 months after the date of this MOU), City may increase the Admission Tax by the same percentage increase as the admission fee is increased, so long as the increase does not result in the Admission Tax exceeding an amount equal to forty-seven percent (47%) of the admission fee. City further agrees that, if the admission fee has been increased, and City increases the Admission Tax to an amount equal to forty-seven percent (47%) of the admission fee, there shall be no further increases pursuant to the consumer price index.

3. Transfer of portion of Site to LAUSDFC

(a) Owner has informed City that LAUSDFC has indicated to Owner that, until such time as LAUSDFC commences construction on the School Portion, it will lease the School Portion back to Owner or the operator of the Swap Meet to continue the Swap Meet ("LAUSDFC Lease").

(b) City agrees that for any time during which LAUSDFC permits Developer to continue use of the School Portion for the Swap Meet, whether by lease or otherwise, this MOU shall apply with equal force to the School Portion as if it were owned by Developer.

(c) City agrees that, if and when the Swap Meet can no longer operate on the School Portion, and subject to compliance with the Milestones specified in Section 2, the following requirements shall apply to the combined Retail Portion of the Site and the Agency Parcel:

i. The number of swap meet stalls and vendors shall be no greater than the total number of such stalls and vendors specified in Section 1(a); and

ii. Developer shall be permitted to make modifications to the configuration of the Retail Portion and the Agency Parcel, including without limitation installing minor, temporary structures such as bathroom facilities or ticket offices, and reconfiguring the Swap Meet stall layout and parking plan (subject to reasonable City approval of the layout and parking plan), so as

to permit the continued operation of the Swap Meet on the Retail Portion of the Site. If the reconfigured parking plan proposes a parking ratio equal to or greater than the ratio specified in Section 1(a), then City approval of the parking plan shall be deemed granted. If the reconfigured parking plan proposes a parking ratio less than the ratio specified in Section 1(a), then City may approve or disapprove the parking plan in its reasonable discretion.

4. Lease of Agency Parcel to Developer

(a) On or before the date that is forty-eight (48) months from the date of this MOU, but no earlier than twenty-four (24) months from the date of this MOU, or such earlier time as the City has relocated its operations from the Agency Parcel, and subject to completion of the required review and documentation under the California Environmental Quality Act and any other applicable laws and regulations, Agency shall approve a lease of the Agency Parcel to Developer. At least six (6) months prior to the date Developer desires to enter into the Lease, Developer shall notify Agency of its desire to do so. If (A) Agency and Developer agree on a mutually acceptable lease agreement pursuant to subsection 4(b), and (B) Developer delivers the first Annual Lease Payment (determined in accordance with subsections 4(c) and 4(d)) to City, City shall lease the Agency Parcel to Developer.

(b) The lease agreement (the "Lease") shall be in a form mutually acceptable to Developer and City, but shall include the following essential terms:

i. The Lease shall be for a period of ten (10) years from the date of this MOU, or to the date the Swap Meet use is terminated, whichever occurs first.

ii. Each year of the term shall be conditioned upon payment by Developer, in advance, of the Annual Lease Payment, as defined in subsection (d).

iii. Developer shall indemnify City, Agency and their officers and employees for all activities of Developer and its invitees during the term of the Lease.

iv. Developer shall have an option to purchase the Agency Parcel for its Appraised Value (as defined below) or such other lesser price as may be mutually agreed to by the Agency and Developer in the DDA.

v. Developer shall indemnify City and Agency from any claims relating to the presence of any hazardous substances placed on, in, or under the Agency Parcel on or after the date of the Lease.

vi. Developer shall release City and Agency from any liability to Developer or its officers, agents, employees, or contractors arising from the presence of any hazardous substances placed on, in, or under the Agency Parcel before the date of the Lease.

vii. City and Agency shall indemnify Developer from any third party claims (other than claims made by Developer) relating to the presence of any hazardous substances placed on, in, or under the Agency Parcel on or before the date of the Lease.

(c) Upon receipt of notice from Developer that it desires to enter into the Lease, Agency shall (A) prepare a draft Lease, and (B) engage one of the appraisal firms listed in Exhibit "D," or another MAI certified appraiser mutually acceptable to Agency and Developer, to perform an appraisal of the fair market value of fee simple title to the Agency Parcel. The Agency Parcel shall be appraised at its highest and best use, as vacant land, and as if it was zoned C-2 (General Commercial) ("Appraised Value"). The date of Appraised Value shall be the first day that is forty-eight (48) months after the date of this MOU, or such earlier date as Developer has requested that the term of the Lease commence. Agency and Developer shall each pay one-half of the appraisal fee.

(d) The first year's "Annual Lease Payment" shall be the equivalent of one percent (1%) of the appraised fair market value (determined in accordance with subsection (c)). The amount of the Annual Lease Payment shall increase by two percent (2%) each year. Thus, the second year's Annual Lease Payment shall be the equivalent of 102% of the first year's Annual Lease Payment; the third year's Annual Lease Payment shall be the equivalent of 102% of the second year's Annual Lease Payment; and so forth. To the extent that Developer pays a possessory interest tax on its leasehold interest in the Agency Parcel, the amount of such possessory interest tax received by Agency (or City) shall, at Agency's option, either be returned to Developer, or credited against the following year's Annual Lease Payment.

(e) The Annual Lease Payments shall be paid in advance, with the first Annual Lease Payment due prior to commencement of the term of the Lease.

5. Application of Subdivision Map Act

(a) The District has represented to City and Owner that LAUSDFC is a public entity, and as such, a transfer of any portion of the Site to LAUSDFC is exempt pursuant to California Government Code Section 66428(a)(2) from the requirement to obtain a parcel map.

(b) Upon Owner's request, City shall issue a certificate of compliance pursuant to California Government Code Section 66499.35 confirming that the division of the Site resulting from the transfer of the School Portion to LAUSDFC, and the subsequent lease of the School Portion to Owner, complies with applicable provisions of the California Subdivision Map Act (California Government Code Sections 66410 et seq.) and of local ordinances enacted pursuant to the Subdivision Map Act. The certificate of compliance shall be recorded on record title to the Retail Portion of the Site.

6. Successors and assigns; lenders

Unless otherwise specified, all references herein to "Owner" also include "Developer", but not vice versa. The parties agree that this MOU shall be binding upon, and shall be enforceable by and inure to the benefit of:

(a) the parties and their respective successors and assigns who acquire an interest in the Site, or any portion thereof, or any interest therein, or any improvement thereon, whether by operation of law or in any matter whatsoever; and

(b) any lender that provides financing to any person in order to finance the purchase of the Site, and/or that is secured in whole or part by the Site.

7. Notices

All notices provided for under this MOU shall be in writing and delivered in person or deposited in the United States mail, postage prepaid and addressed as follows:

To City:	City of San Fernando 117 Macneil Street San Fernando, CA 91340 Attn: City Administrator Telephone No.: (818) 898-1201 Facsimile No.: (818) 361-7631
With a copy to:	Richards, Watson & Gershon 355 South Grand Avenue, 40th Floor Los Angeles, CA 90071 Attn: Michael Estrada, City Attorney Telephone No.: (213) 626-8484 Facsimile No.: (213) 626-0078
To Owner:	Hannon Properties LLC c/o Bill Hannon Foundation 11611 San Vicente Blvd., Suite 530 Los Angeles, California 90049 Attention: Ms. Elaine S. Ewen Telephone No.: (310) 207-0303 Facsimile No.: (310) 207-8077
With a copy to:	Hannon Properties LLC c/o William H. Hannon Foundation 729 Montana Avenue, Suite 5 Santa Monica, California 90403 Attention: Ms. Kathleen Hannon Aikenhead Telephone No.: (310) 260-2470 Facsimile No.: (310) 260-9740

With a copy to:	The Dunn Family Interests c/o Michael J. Dunn Charles Dunn Company 800 West Sixth Street, Suite 500 Los Angeles, California 90017 Telephone No.: (213) 534-3222 Facsimile No.: (213) 481-0758
With a copy to:	Mr. Richard Dunn 1200 Wilshire Boulevard, Suite 310 Los Angeles, California 90017 Telephone No.: (213) 481-1800 Facsimile No.: (213) 481-0758
With a copy to:	Manatt, Phelps & Phillips, LLP 11355 West Olympic Boulevard Los Angeles, California 90064 Attention: Keith Allen-Niesen Telephone No.: (310) 312-4105 Facsimile No.: (310) 914-5780
To Developer:	Robertson Properties Group 120 North Robertson Blvd. Los Angeles, CA 90048 Attention: Neil Haltrecht Telephone No.: (310) 855-8453 Facsimile No.: (310) 652-8538
With a copy to:	Gibson, Dunn & Crutcher LLP 333 South Grand Avenue, Suite 4900 Los Angeles, CA 90071 Attention: Amy F. Forbes Telephone No.: (213) 229-7151 Facsimile No.: (213) 229-6151

Such written notices, demands, correspondence and communications may be sent in the same manner to such other persons and addresses as either party may from time to time designate in writing as provided in this Section. Notice shall be effective upon the date of personal delivery or, in the case of mailing, on the date of delivery or attempted delivery. From and after the receipt by City of the notice of sale pursuant to Section 2(a) ii above, notices shall no longer be required to be sent to Owner, but shall instead be sent to Developer.

8. Estoppel certificates

(a) Either party shall, upon not less than fifteen (15) days' prior written notice from the other party, execute, acknowledge and deliver to the requesting party a statement in writing:

i. certifying that this MOU is unmodified and in full force and effect (or, if modified, stating the nature of such modification and certifying that this MOU, as so modified, is in full force and effect);

ii. stating the remaining period of time for which Owner may continue use of the Site as a swap meet pursuant to this MOU; and

iii. stating whether or not each of the Milestones has been met within the timeframes allocated (or as extended by City).

(b) The City Administrator shall have the right to execute any certificate requested under the preceding subsection. Any such statement may be conclusively relied upon by any prospective purchaser, lender or joint venture partner.

9. Expiration

If not previously terminated or extended this MOU shall expire upon (A) the granting of the Entitlements and execution of the DDA, or (B) the passage of ten (10) years from the date of the MOU, whichever first occurs. Nothing in this Section 9 shall prevent the earlier termination of the Swap Meet use pursuant to this MOU, including but not limited to subsection (b) of Section 2.

10. Counterpart Signatures

This MOU may be executed in any number of counterparts, any one of which may be executed and delivered by facsimile transmission, each of which will be deemed to be an original binding the signing party, and all of which, taken together, shall constitute one and the same agreement.

The parties have executed this Memorandum of Understanding on the date and year first written above.

CITY:

THE CITY OF SAN FERNANDO,
a municipal corporation of the State of California

By: Dr. José Hernández
Dr. José Hernandez, Mayor

APPROVED AS TO FORM:

By: Michael Estrada
Michael Estrada, City Attorney

ATTEST:

By: Elena G Chavez
Elena Chavez, City Clerk

SELLER:

HANNON PROPERTIES LLC,
a California limited liability company

By:_____
Name: Elaine S. Ewen
Its: Co-Manager

By: Kathleen H. Aikenhead
Name: Kathleen Hannon Aikenhead
Its: Co-Manager

(signatures continued on next page)

SELLER:

HANNON PROPERTIES LLC,
a California limited liability company

By: Elaine S. Ewen
Name: Elaine S. Ewen
Its: Co-Manager

By:_____
Name: Kathleen Hannon Aikenhead
Its: Co-Manager

(signatures continued on next page)

Dorothy Dunn-Smith Trust dated February 4, 2002

By: _____
Dorothy Dunn-Smith, Trustee

Matthew Dunn
By Richard C. Dunn Atty in Fact

Theresa Dunn Atty
Theresa Dunn By Richard C. Dunn in Fact

Peter Dunn Atty
Peter Dunn By Richard C. Dunn in Fact

Martha Ellen Dunn McPherson
Martha Ellen Dunn McPherson By Richard C. Dunn Atty in Fact

Charles Dunn

Colleen A. Dunn Bates
Colleen A. Dunn Bates By Richard C. Dunn Atty in Fact

Steve P. Dunn
Steve P. Dunn By Richard C. Dunn Atty in Fact

Maryanne Dunn Herrill
Maryanne Dunn Herrill By Richard C. Dunn Atty in Fact

Carolyn E. Dunn Buckey
Carolyn E. Dunn Buckey By Richard C. Dunn Atty in Fact

Cathleen M. Dunn French
Cathleen M. Dunn French By Richard C. Dunn Atty in Fact

Michael J. Dunn

Camille T. Dunn
Camille T. Dunn By Richard C. Dunn Atty in Fact

Padick Partners

By: Theresa Dunn
Name: Theresa Dunn
Its: By Richard C. Dunn Atty in Fact

Grandpadick Partners

By: Theresa Dunn
Name: Theresa Dunn
Its: By Richard C. Dunn Atty in Fact

Joseph and Eleanor Dunn Family Trust

By: Joseph C. Dunn
Joseph C. Dunn
Its: Trustee By Richard C. Dunn Atty in Fact

By: Eleanor P. Dunn
Eleanor P. Dunn
Its: Trustee By Richard C. Dunn Atty in Fact

The Richard and Eleanor Dunn Family Trust, dated November 3, 1988

By: Richard C. Dunn
Richard C. Dunn
Its: Trustee

By: _____
~~Eleanor B. Dunn~~
Its: ~~Trustee~~

Dorothy Dunn-Smith Trust dated February 4, 2002

By: Dorothy Dunn-Smith Trustee
Dorothy Dunn-Smith, Trustee

Matthew Dunn

Theresa Dunn

Maryanne Dunn Herrill

Peter Dunn

Carolyn E. Dunn Buckey

Martha Ellen Dunn McPherson

Cathleen M. Dunn French

Charles Dunn

Michael J. Dunn

Colleen A. Dunn Bates

Camille T. Dunn

Steve P. Dunn

Padick Partners

By:
Name:
Its:

Grandpadick Partners

By:
Name:
Its:

Joseph and Eleanor Dunn Family Trust

By:
Joseph C. Dunn
Its: Trustee

By:
Eleanor P. Dunn
Its: Trustee

The Richard and Eleanor Dunn Family Trust, dated November 3, 1988

By:
Richard C. Dunn
Its: Trustee

By:
Eleanor B. Dunn
Its: Trustee

Exhibit A

Legal Description of Site

PARCEL 1 OF PARCEL MAP NO. 15850, IN THE CITY OF SAN FERNANDO, COUNTY OF LOS ANGELES, STATE OF CALIFORNIA, AS PER MAP FILE IN BOOK 170 PAGES 98 AND 99 OF PARCEL MAPS, IN THE OFFICE OF THE COUNTY RECORDR OF LOS ANGELES, STATE OF CALIFORNIA.

EXHIBIT B

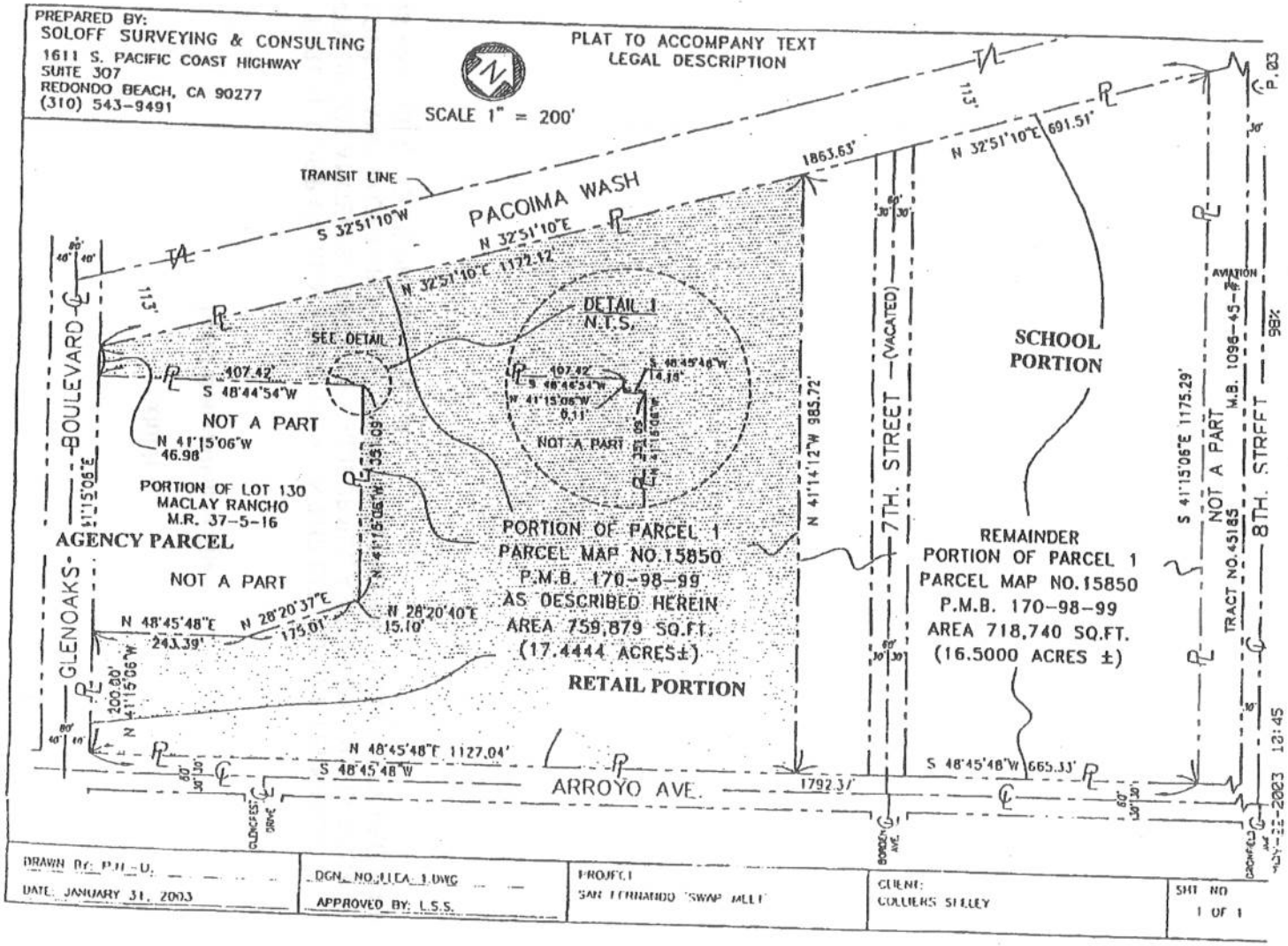
PREPARED BY:
SOLOFF SURVEYING & CONSULTING
1611 S. PACIFIC COAST HIGHWAY
SUITE 307
REDONDO BEACH, CA 90277
(310) 543-9491
PLAT TO ACCOMPANY TEXT
LEGAL DESCRIPTION
SCALE 1" = 200'
TRANSIT LINE
PACOIMA WASH
S 32°51'10"W
N 32°51'10"E
N 32°51'10"E 1172.12'
N 32°51'10"E 691.51'
1863.63'
DETAIL 1
N.T.S.
SEE DETAIL 1
107.42'
S 48°44'54"W
NOT A PART
N 41°15'06"W
46.98'
PORTION OF LOT 130
MACLAY RANCHO
M.R. 37-5-16
AGENCY PARCEL
NOT A PART
N 41°14'12"W 985.72'
PORTION OF PARCEL 1
PARCEL MAP NO.15850
P.M.B. 170-98-99
AS DESCRIBED HEREIN
AREA 759,879 SQ.FT.
(17.4444 ACRES±)
RETAIL PORTION
N 48°45'48"E
N 28°20'37"E
175.01'
N 28°20'40"E
15.10'
243.39'
200.00'
N 41°15'06"W
N 48°45'48"E 1127.04'
S 48°45'48"W
ARROYO AVE.
1792.37'
S 48°45'48"W 665.33'
7TH. STREET (VACATED)
SCHOOL
PORTION
REMAINDER
PORTION OF PARCEL 1
PARCEL MAP NO.15850
P.M.B. 170-98-99
AREA 718,740 SQ.FT.
(16.5000 ACRES ±)
S 41°15'06"E 1175.29'
NOT A PART
M.B. 1096-45-46
TRACT NO.45185
8TH. STREET
AVIATION
GLENOAKS BOULEVARD
GLENCREST DRIVE
BORDEN AVE.
CROWFIELD AVE.
DRAWN BY: P.H.-D.
DATE: JANUARY 31, 2003
DGN. NO.:LEA 1.DWG
APPROVED BY: L.S.S.
PROJECT:
SAN FERNANDO "SWAP MEET"
CLIENT:
COLLIERS STELLEY
SHT NO
1 OF 1

EXHIBIT C

[illegible] 2/17/76 [illegible] VII-[illegible] Feb. 1976

RECOMMENDED CONDITIONS FOR ISSUANCE OF BUS. LICENSE PERMIT-S.F.SWAP MEET

That permit be issued to the San Fernando Swap Meet in accordance with and subject to the provisions of Chapter 18 and Chapter 24 A of the San Fernando City Code and upon the following additional conditions:

1. That the hours of operation shall be from 8:00 a.m. to 5:30 p.m. and the days of operation be limited to Saturday, Sunday, and Tuesday of each week.
2. That all exhibition area and all vehicle parking area shall be blacktopped and striped and maintained in a good and safe condition to the satisfaction and approval of the Directors of Building and Planning and Engineering of the City.
3. That no Alcoholic beverages shall be sold or dispensed on the premises.
4. That the entire operation carried on on the premises shall conform to all laws and regulations whether the same be federal, state, or local and to the requirements of the Police, Fire, Health, and Building Departments.
5. The operator shall pay the established rate for any inspections by the Fire, Health, Building, and Engineering Departments over and above normal inspections.
6. Operator shall install any additional sanitary facilities if the City determines existing facilities are inadequate.
7. The operator shall make available adequate telephone service, basic first aid equipment in a central administration building on the premises.
8. The premises are presently fenced. The operator shall install any additional fencing or gates that may be required from time to time by the City for better crowd and traffic control.

9 (a) The operator shall not permit any exhibitor other than those falling in the category of "occasional sellers" as set forth in 9(d) to exhibit, offer for sale, or sell merchandise of any kind without having a sales tax permit or sub-permit from the State Board of Equalization, using a City of San Fernando address, from which all sales made at the swap meet shall be reported.

Any such exhibitor who does not have a fixed place of business in the City of San Fernando may use for the purpose of said permit or sub-permit the address of the swap meet in San Fernando so that all sales made can be reported as made at said address.

It shall be the obligation of the operator to ascertain that each exhibitor purporting to hold a permit or sub-permit from the State Board of Equalization actually possesses same and that such exhibitor is using an address within the City of San Fernando for such permit or sub-permit before such exhibitor shall be permitted to exhibit, offer for sale, or sell on that particular day.

9 (b) Each exhibitor holding a permit or sub-permit as described in 9 (a) above, at the conclusion of each day, shall fill out and sign, under penalty of perjury, a report on a form prescribed by the City, setting forth said exhibitor's name, regular business address, address to which the sales tax permit or sub-permit is issued and the amount of gross sales on that particular day, and shall file the same with the operator.

The operator shall permit exhibitors falling within the provisions of 9 (a) above to display, offer for sale or exchange, merchandise only on the condition that at the conclusion of each day's sales such exhibitor shall make out and sign under penalty of perjury and file with the operator, the report set forth above.

9 (c) The operator monthly, on or before the 15th day of the next succeeding month in which the report set forth in 9 (b) above is filed with him, shall prepare or cause to be prepared a schedule showing the names, addresses, sales tax permit numbers or sub-permit numbers, and the gross sales, if any, of each exhibitor for the preceding month and the number of days during which month said exhibitor exhibited and offered merchandise for sale,and shall sign such schedule under the penalty of perjury as being true and correct and file same with the Finance Director of the City.

All of the daily reports described in 9 (b) above and the date upon which the report in 9 (c) is computed shall be maintained by the operator for a period of at least one year and shall be open to inspection by the Finance Director of the City or his duly authorized agent or agents during all reasonable business hours.

9 (d) All exhibitors who exhibit and offer for sale merchandise at the swap meet less than eight (8) times in any consecutive six (6)month period shall be considered "occasional sellers" and shall not be required as a condition to the issuance of this permit to have a sales tax permit or sub-permit from the State Board of Equalization with a City of San Fernando

business address.

However, all such "occasional sellers" as hereinabove defined, shall daily at the conclusion of the day's business and before leaving the swap meet premises, fill out and sign under penalty of perjury on a form prescribed by the City, which form is to be printed or stamped on an envelope the following information:

the "occasional seller's" business and residential addresses, telephone numbers, the type of merchandise being exhibited and sold, the total gross sales during that particular day, the computation of sales tax therefor at the rate prescribed by law, and shall place in said envelope the amount of such sales tax with the information set forth above, and deposit the same with the operator.

All such "occasional sellers" shall fill out such envelope and file smae with the operator even if no sales were made, in which event the gross sales will be reported as (0) and the sales tax as (0).

9 (e) Any person or entity who has been classified as an "occasional seller" who exhibits and offers for sale merchandise eight (8) or more times in any consecutive six (6) month period shall not be permitted by the operator thereafter to exhibit or offer merchandise for sale at the swap meet without having in his possession a valid sales tax permit or sub-permit from the State Board of Equalization showing an address within the City

of San Fernando from which all sales made at the swap meet shall thereafter be reported.

It shall be the responsibility of the operator to obtain from each "occasional seller" defined in 9 (d) the report on the form described herein and the operator shall only permit such "occasional seller" to exhibit or offer merchandise for sale on the condition that such "occasional seller" files the report containing the information required above and collects the sales tax, if any due thereon, as set forth herein.

10. This permit is issued on the further condition that upon receipt of the report of the recent investigation by the Attorney General's Task Force Department of Justice, Attorney General, or any further reports from the Police Department that crime exists on the premises or among some of the exhibitors involving among other things the display or selling of stolen merchandise, the Council may hold a hearing after ten (10) days prior notice and among other things may revoke or suspend the permit or impose additional conditions including among other things the right to require all exhibitors to have police permits under Chapter 18 of the City Code as it may be amended, and/or under Chapter 24 A of the City Code as it may be amended under and by virtue of which the identity of exhibitors may be investigated and required to be finger printed with a background check and identification cards issued; and/or to require of such exhibitors a City of San Fernando business license under Chapter 12 of the City Code as it may be amended.

11. This permit is issued upon the further condition that the Council at any time may require all exhibitors to have police permits under Chapters 18 and/or 24 of the City Code as they may be amended under and by virtue of which the identity of exhibitors may be investigated and required to be finger printed with a background check and identification cards issued; and/or to require of such exhibitors a City of San Fernando business license under Chapter 12 of the City Code as it may be amended.

Exhibit D

List of Approved Appraisers

Barbara Zackary
Donahue & Company
23 Corporate Plaza Drive, Suite 160
Newport Beach, California 92660
(949) 760-3166

George Jones
George Hamilton Jones, Inc.
717 Lido Park Drive, Suite D
Newport Beach, CA 92663

Fran Mason
Mason & Mason
2609 Honolulu Avenue, Suite 100
Montrose, CA 91020
Business: (818) 947-1881
Business Fax: (818) 957-1891

Lea Associates Inc.
1635 Pontius Avenue
Los Angeles, Ca 90067
Business: (310) 477-6595

AMENDMENT TO MEMORANDUM OF UNDERSTANDING

This Amendment to Memorandum of Understanding ("Amendment") is entered into as of November 17, 2003 by and between the City of San Fernando, a municipal corporation ("City"), and San Fernando Gateway, LLC, a California limited liability company ("Owner").

Whereas:

A. City and Owner's predecessor-in-interest entered into that certain Memorandum of Understanding ("MOU") dated June 2, 2003.

B. Subsequently, Owner acquired fee title to that property described in the MOU as the "Retail Portion".

C. Owner operates the Swap Meet on the Site (as those terms are defined in the MOU), and would like to increase the number of days of operation of the Swap Meet.

D. City is willing to permit the Swap Meet to operate for one additional day per week, so long as the total number of hours per week the Swap Meet is in operation remains the same.

Therefore, for good and valuable consideration, the receipt of which is hereby acknowledged, the parties agree as follows:

1. Defined Terms

All defined terms herein, as indicated by initial capitalization, shall have the meanings ascribed to them in the MOU, unless otherwise indicated.

2. Operation of swap meet

(a) Owner and City agree that the Swap Meet is currently being operated on Saturday, Sunday, and Tuesday, from the hours of 6:00 A.M. to 5:30 P.M., a total of 34.5 hours per week.

(b) Owner and City agree that the Swap Meet may also be operated on Friday, so long as the total weekly hours of operation do not exceed 34.5, as follows:

Saturday and Sunday: 6:00 A.M to 3:00 P.M. = 9 hours per day
Tuesday: 6:00 A.M. to 2:30 P.M. = 8.5 hours
Friday: 6:00 A.M. to 2:00 P.M. = 8 hours

3. Effect on MOU

Except as modified by this Amendment, the MOU remains in full force and effect.

4. Counterpart Signatures

This MOU may be executed in any number of counterparts, any one of which may be executed and delivered by facsimile transmission, each of which will be deemed to be an original binding the signing party, and all of which, taken together, shall constitute one and the same agreement.

The parties have executed this Memorandum of Understanding on the date and year first written above.

CITY:

THE CITY OF SAN FERNANDO,
a municipal corporation of the State of California

By: Dr. José Hernández
Dr. Jose Hernandez, Mayor

APPROVED AS TO FORM:

By: Michael Est
Michael Estrada, City Attorney

ATTEST:

By: Elena G Chávez
Elena Chavez, City Clerk

OWNER:

SAN FERNANDO GATEWAY, LLC,
a California limited liability company

By: California Drive-In Theaters, Inc., a California corporation

Its Sole Member

By: [illegible]
Name: Ira S. Levin
Title: Vice President

SECOND AMENDMENT TO MEMORANDUM OF UNDERSTANDING

This Second Amendment to Memorandum of Understanding ("Amendment") is entered into as of October 4, 2004 by and between the City of San Fernando, a municipal corporation ("City"), and San Fernando Gateway, LLC, a California limited liability company ("Owner").

Whereas:

A. City and Owner's predecessor-in-interest entered into that certain Memorandum of Understanding dated June 2, 2003, as amended by that certain Amendment to Memorandum of Understanding dated November 17, 2003 (as amended, the "MOU").

B. Owner operates the Swap Meet on the Site (as those terms are defined in the MOU), and the MOU contains certain performance objectives ("Milestones") that Owner must satisfy in order to continue to operate the Swap Meet on the Site.

C. Owner has satisfied the Milestones in paragraphs 2(a)(i) and (ii) of the MOU.

D. The MOU requires that the Milestones in paragraphs 2(a)(iii) and (iv) be completed within eighteen (18) months from the date of the MOU (June 2, 2003), which is December 1, 2004, and that the Milestone in paragraph 2(a)(v) be completed within twenty-four (24) months from the date of the MOU. Owner has requested an extension of time to complete those Milestones.

E. City is willing to grant such an extension, on the terms and conditions set forth in this Amendment.

Therefore, for good and valuable consideration, the receipt of which is hereby acknowledged, the parties agree as follows:

1. Defined Terms

All defined terms herein, as indicated by initial capitalization, shall have the meanings ascribed to them in the MOU, unless otherwise indicated.

2. Owner as Developer

The Parties acknowledge that San Fernando Gateway, LLC, a California limited liability company, has acquired title to the Retail Portion of the Site, and agree therefore that the terms "Owner" and "Developer" as used in the MOU both refer to San Fernando Gateway, LLC, a California limited liability company.

3. **Continued Operation of Swap Meet**

Paragraphs (iii), (iv), and (v) of Section 2(a) of the MOU are hereby revised to read as follows:

"(iii) On or before January 31, 2006, Owner shall have submitted to the San Fernando Redevelopment Agency ("Agency") a proposal to enter into an exclusive negotiation agreement with Agency, including a proposal for Agency financial assistance (if any is requested), to facilitate completion of the Development on the Retail Portion and the Agency Parcel, for the purpose of entering into negotiations with the objective of entering into a Disposition and Development Agreement ("DDA") with Agency for: (A) acquisition of the Agency Parcel; (B) redevelopment of the Retail Portion and Agency Parcel with the Development; and (C) Agency financial assistance requested to facilitate redevelopment of the Retail Portion and Agency Parcel.

(iv) On or before June 30, 2006, Owner shall have submitted to City a complete application for primary discretionary approvals required for the Development, including without limitation any proposed tentative tract map, General Plan amendment, zoning amendment or Site Plan approvals ("Entitlements"). Owner shall thereafter expeditiously provide any additional information requested by City pursuant to Government Code Section 65943.

(v) On or before June 30, 2006, Owner shall have entered into a purchase and sale agreement, or long-term ground lease, to acquire a new site to hold the Swap Meet, or otherwise determined that no alternative site is feasible."

4. **Effect on MOU**

Except as modified by this Amendment, the MOU remains in full force and effect.

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5. **Counterpart Signatures**

This MOU may be executed in any number of counterparts, any one of which may be executed and delivered by facsimile transmission, each of which will be deemed to be an original binding the signing party, and all of which, taken together, shall constitute one and the same agreement.

The parties have executed this Memorandum of Understanding on the date and year first written above.

CITY:

THE CITY OF SAN FERNANDO,
a municipal corporation of the State of California

By: _____
Maribel de la Torre, Mayor

APPROVED AS TO FORM:

By: _____
Michael Estrada, City Attorney

ATTEST:

By: _____
Elena Chavez, City Clerk

OWNER:

SAN FERNANDO GATEWAY, LLC,
a California limited liability company

By: California Drive-In Theaters, Inc., a California corporation

Its Sole Member

By: _____
Name: Ira S. Levin
Title: Vice President

THIRD AMENDMENT TO MEMORANDUM OF UNDERSTANDING

This Third Amendment to Memorandum of Understanding ("Third Amendment") is entered into as of November 7, 2005 by and between the City of San Fernando, a municipal corporation ("City"), and San Fernando Gateway, LLC, a California limited liability company ("Owner").

Whereas:

A. City and Owner's predecessor-in-interest entered into that certain Memorandum of Understanding dated June 2, 2003, as amended by that certain Amendment to Memorandum of Understanding dated November 17, 2003, and that certain Second Amendment dated October 4, 2004 (as amended, the "MOU").

B. Owner operates the Swap Meet on the Site (as those terms are defined in the MOU), and the MOU contains certain performance objectives ("Milestones") that Owner must satisfy in order to continue to operate the Swap Meet on the Site.

C. Owner has satisfied the Milestones in paragraphs 2(a)(i) and (ii) of the MOU.

D. Owner has requested an extension of time to complete the Milestones in paragraphs 2(a)(iii), (iv), (v), and (vi) of the MOU.

E. City is willing to grant such an extension, on the terms and conditions set forth in this Third Amendment.

Therefore, for good and valuable consideration, the receipt of which is hereby acknowledged, the parties agree as follows:

1. Defined Terms

All defined terms herein, as indicated by initial capitalization, shall have the meanings ascribed to them in the MOU, unless otherwise indicated.

2. Continued Operation of Swap Meet

Paragraphs (iii), (iv), (v), and (vi) of Section 2(a) of the MOU are hereby revised to read as follows:

"(iii) On or before January 31, 2008, Owner shall have submitted to the San Fernando Redevelopment Agency ("Agency") a proposal to enter into an exclusive negotiation agreement with Agency, including a proposal for Agency financial assistance (if any is requested), to facilitate completion of the Development on the Retail Portion and the Agency Parcel, for the purpose of entering into negotiations with the objective of entering into a Disposition and Development Agreement ("DDA") with Agency for: (A) acquisition of the Agency Parcel; (B) redevelopment of the Retail Portion and Agency

Parcel with the Development; and (C) Agency financial assistance requested to facilitate redevelopment of the Retail Portion and Agency Parcel.

(iv) On or before June 30, 2008, Owner shall have submitted to City a complete application for primary discretionary approvals required for the Development, including without limitation any proposed tentative tract map, General Plan amendment, zoning amendment or Site Plan approvals ("Entitlements"). Owner shall thereafter expeditiously provide any additional information requested by City pursuant to Government Code Section 65943.

(v) On or before June 30, 2008, Owner shall have entered into a purchase and sale agreement, or long-term ground lease, to acquire a new site to hold the Swap Meet, or otherwise determined that no alternative site is feasible.

(vi) Following submittal of its application for Entitlements, Developer shall diligently and continuously pursue approval of the requested Entitlements, and shall seek in good faith to enter into a mutually acceptable DDA with Agency. The parties contemplate that any such DDA: (A) will provide for continued operation of the Swap Meet for the period of time reasonably necessary for Developer to complete negotiations with tenants and financing sources, and finalize the design of the Development; (B) will provide for relocation of the Swap Meet; (C) will include reasonable conditions as to Developer's obligation to move forward with the redevelopment of the Retail Portion and Agency Parcel; (D) may include Agency assistance for the Development, which may include sale of the Agency Parcel to Developer for less than fair market value; (E) will supercede this MOU; and (F) if possible will be entered into before June 30, 2009."

4. Effect on MOU

Except as modified by this Third Amendment, the MOU remains in full force and effect.

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5. Counterpart Signatures

This MOU may be executed in any number of counterparts, any one of which may be executed and delivered by facsimile transmission, each of which will be deemed to be an original binding the signing party, and all of which, taken together, shall constitute one and the same agreement.

The parties have executed this Memorandum of Understanding on the date and year first written above.

CITY:

THE CITY OF SAN FERNANDO,
a municipal corporation of the State of California

By: _____
Julie Ruelas, Mayor

APPROVED AS TO FORM:

By: _____
Michael Estrada, City Attorney

ATTEST:

By: _____
Elena G. Chávez, City Clerk

OWNER:

SAN FERNANDO GATEWAY, LLC,
a California limited liability company

By: California Drive-In Theaters, Inc., a California corporation

Its Sole Member

By: _____
Name:
Title: _____

ITEMS 10-20

Supporting documentation to be provided by City of San Fernando Successor Agency Staff.

COUNTY OF LOS ANGELES
DEPARTMENT OF AUDITOR-CONTROLLER

KENNETH HAHN HALL OF ADMINISTRATION
500 WEST TEMPLE STREET, ROOM 525
LOS ANGELES, CALIFORNIA 90012-3873
PHONE: (213) 974-8361 FAX: (213) 229-0179

WENDY L. WATANABE
AUDITOR-CONTROLLER

ADDRESS ALL CORRESPONDENCE TO:
PROPERTY TAX DIVISION
500 W. TEMPLE ST., ROOM 524
LOS ANGELES, CA 90012-2713

August 26, 2011

Lorena Quijana, Finance Director
San Fernando Redevelopment Agency
117 Mac Neil Street
San Fernando, California 91340-2993

Dear Ms. Quijano:

OUTSTANDING COUNTY DEFERRAL BALANCE AS OF JUNE 30, 2011

The following information is provided in accordance with the deferral provisions of the contractual agreement between the County of Los Angeles and your Agency:

Project Name:	-	Project #1/89 Annex
Reimbursement Agreement #	-	60882
Outstanding Balance as of June 30, 2010	-	$3,494,014.45
Current Years Deferral	-	0.00
Deferral Repayment	-	(95,245.28)
Prior Years' Adjustment	-	(5,892.81)
Annual Interest @ 7%	-	237,501.35
Outstanding Balance as of **June 30, 2011**	-	$3,630,377.71

Should you have any questions regarding this matter, please contact **Wai Kwan** or **David Chang** of my staff at **(213) 974-7451** and **(213) 974-8290**, respectively or by **fax** at **(213) 229-0179.**

Very truly yours,

Kristina Burns by

Kristina Burns, Manager
Community Redevelopment Administration Section
Property Tax Division

KB:DC:wk
H:\Deferral Admin\Notification\2010-11\240.06 San Fernando – RP #1 '89 Anx

60882

AGREEMENT FOR ALLOCATION OF TAX INCREMENT FUNDS

(Redevelopment Plan for Amendment No. 3 to
San Fernando Redevelopment Project No. 1)

THIS AGREEMENT, made and entered into this 9th day of Nov., 1988, by and between the San Fernando Redevelopment Agency ("Agency"), the City of San Fernando ("City"), Los Angeles County Flood Control District ("Flood Control District"), and the County of Los Angeles ("County").

WHEREAS, the City Council of the City of San Fernando and the Agency held a joint public hearing on June 20, 1988, for the purpose of considering the approval and adoption of the Redevelopment Plan for Amendment No. 3 to San Fernando Redevelopment Project No. 1 (hereinafter referred to as the "Plan"); and

WHEREAS, the City adopted Ordinance No. 1316 on June 27, 1988, approving and adopting the Plan; and

WHEREAS, the Agency has consulted with representatives of the County on behalf of the County General Fund and the Flood Control District (hereinafter referred to as "County Taxing Entities") pursuant to Health and Safety Code Sections 33328 and 33353.3 to determine the fiscal impact of the Plan; and

WHEREAS, the County Taxing Entities have found and the Agency hereby finds that Amendment No. 3 to San Fernando Redevelopment Project No. 1 (hereinafter referred to as the "Project") will cause "financial detriment" to the County Taxing Entities (as that term is defined in Section 33012 of the Health and Safety Code) in the absence of this Agreement; and

WHEREAS, this Agreement, is entered into upon the authority of Health and Safety Code Section 33401 and the provisions of the Plan required by Health and Safety Code Section 33338.1; and

WHEREAS, the Agency agrees to make any findings necessary to the determination of the County Taxing Entities' fiscal detriment pursuant to Health and Safety Code Section 33401; and

WHEREAS, by approval of this Agreement, the parties hereto find and determine that any financial burden or detriment described in Health and Safety Code Sections 33012 and 33401 relating to the Project are thereby alleviated; and

WHEREAS, the County, Agency, and City intend that this Agreement shall serve as a full, fair, and final solution to the County Taxing Entities' concerns regarding the financial burden or detriment of the Project on them and all other legal issues regarding the validity of the Plan and the City's and Agency's implementation of the Plan and Project, and the County Taxing Entities agree to forebear any judicial remedies they may have to challenge the validity or implementation of the Plan and the Project; and

NOW THEREFORE, for and in consideration of the foregoing, the parties do hereby agree as follows:

1. Assessment Roll - The 1987-1988 assessment roll, which was the last roll equalized prior to the effective date of the ordinance adopting the Plan, will be utilized as the base year assessment roll for the allocation of taxes for the Project pursuant to Section 33670 of the California Health and Safety Code.

2. Base Allocation of Tax Increment - That portion of tax revenues generated pursuant to Health and Safety Code Section 33670(b) or successor statutes ("tax increments") shall be distributed as follows:

   a. Pursuant to Health and Safety Code Section 33676(a)(2), the County Taxing Entities shall annually be allocated that amount of tax increments attributable to increases in assessed value of the taxable property in the Project area which are, or otherwise would be, calculated annually pursuant to Subdivision (f) of Section 110.1 of the Revenue and Taxation Code. The payment to be made pursuant to this paragraph 2a shall not be used to calculate the Agency's maximum tax increment limit of $16 million for the Project Area. Annual Growth

   b. The County Taxing Entities shall annually be allocated their proportionate share of the allocated property tax increments for the Project area attributable to the basic tax levy, less the sum of (i) that portion of such tax increments annually allocated to the County Taxing Entities pursuant to Paragraphs 2a and 2c herein, and (ii) the County Taxing Entities share of the contribution to the

low- and moderate-income Housing Fund pursuant to Paragraph 3 below. The allocation made pursuant to this paragraph 2b, which shall be subject to the loan provisions in paragraph 4 of this Agreement, shall not be used to calculate the Agency's maximum tax increment limit of $16 million for the Project area.

c. In addition to the portion of taxes allocated to the County Taxing Entities pursuant to subdivision (a) of Health and Safety Code Section 33670 and Paragraphs 2a and 2b herein, an amount equal to all that portion of the tax revenues allocable to the Agency pursuant to subdivision (b) of Section 33670 attributable to increases in the rate of tax levied by the County Board of Supervisors for the benefit of the County or special districts for which the Board of Supervisors acts as the governing body, which levy occurs after the tax year in which the ordinance adopting the Plan became effective, shall be allocated to the County pursuant to Health and Safety Code Section 33676(a)(1). The payment to be made pursuant to this paragraph 2c shall not be used to calculate the Agency's maximum tax increment limit of $16 million for the Project area.

3. Housing Fund - The parties recognize the mutual benefits of providing low- and moderate-income housing. Moreover, Section 33334.2 of the Health and Safety Code requires that twenty percent (20%) of the tax increment revenue allocated to the Agency shall be paid into a fund to be used for low- and moderate-income housing unless certain findings are made. Therefore, during the life of the Project, the County Taxing Entities agree that, in any year in which tax increments are to be contributed to the Low and Moderate Income Housing Fund, such contribution shall be governed by the following:

a. The County Taxing Entities shall contribute to the Housing Fund on a pro rata basis. Pro rata shares of such contribution shall equal the percentage to be contributed pursuant to Health and Safety Code Section 33334.2, not to exceed twenty percent (20%) of the amounts the County Taxing Entities are allocated pursuant to paragraph 2b of this

Agreement. If the Agency determines that less than twenty percent (20%) of the tax increment revenue generated by the Project area is to be contributed to the Housing Fund, the County's Taxing Entities' contribution shall be reduced accordingly.

b. Monies deposited into the Housing Fund pursuant to this Section, shall be held by the Agency for use in accordance with the requirement of Health and Safety Code Section 33334.2. The Agency, in making any expenditures from the Housing Fund, shall give due recognition that a proportionate share of such expenditures and of the improvement of the supply of low- and moderate-income housing is a result of the cooperation of the County in the Agency's redevelopment effort.

c. The Agency shall notify, in writing, the County Auditor-Controller by October 1 of each year as to whether or not tax increments are to be contributed to the Housing Fund and the percentage that is to be contributed.

d. Accumulated deposits, investment earnings, and itemized expenditures of balances in the Housing Fund shall be accounted for separately from all other Agency funds. The County's pro rata share of any uncommitted balance remaining in the Housing Fund on termination of the Project, if any, shall be repaid to the County.

4. <u>County Loan</u> - Recognizing the Agency's need to utilize a substantial portion of the annual tax increments generated in the Project area in the earlier years of the Project, the County Taxing Entities agree to loan the tax increments allocated to the County Taxing Entities pursuant to paragraph 2b of this Agreement to the Agency on the basis stated below:

County loan starts in FY 89/90

a. The County Taxing Entities, for the first twenty (20) years of the Project during which the Agency is authorized to have tax increment revenues allocated to it (i.e., fiscal year 1988-89 through fiscal year 2008-09), shall annually loan to the Agency that portion of the amounts allocated to the

County Taxing Entities pursuant to paragraph 2b of this Agreement. In no event shall the County loan exceed the tax increment reimbursement amount specified in paragraph 2b of this Agreement.

b. The loan shall accrue interest at seven (7) percent per year, compounded annually. Such interest shall be calculated annually by the County Auditor-Controller based on the outstanding loan balance, including interest accrued to date, as of June 30. The County Auditor-Controller shall notify the Agency of the total outstanding principal and interest due no later than September 15 of each year.

c. The Agency shall commence repayment of this loan obligation beginning with the twenty-first (21st) year of the Project.

d. The County Taxing Entities shall begin to receive their full share of tax increment the year in which County deferrals are terminated.

e. The Agency shall, for years twenty-one through thirty (i.e., fiscal year 2009-10 through fiscal year 2018-19) make annual loan repayments to the County Taxing Entities equal to and from the sole source of the "Agency's share" of tax increment revenues. As used herein the term "Agency's share" of tax increment revenues shall mean all tax increment revenues allocated to the Agency from the Project area, less the sum of (i) the amounts required to be deposited into the Housing Fund pursuant to Health and Safety Cose Section 33334.2 or successor statute, (ii) the City's proportionate share (twenty percent [20%] of the portion of the property tax increment revenues from the Project area attributable to the basic tax levy, (iii) that portion of the property tax increment revenues from the Project area attributable to the City's levy of its retirement tax override, (iv) the amounts required to be paid to other taxing entities to alleviate financial burden or detriment pursuant to Health and Safety Code Section 33401 or successor statute, and (v) the amounts allocated to the County pursuant to paragraphs 2.b and 2.c herein.

f. Said County loan shall be considered indebtedness for the purpose of listing on the Project's annual statements of indebtedness.

g. Said County loan shall not be used to calculate the Agency's maximum tax increment limit of $16 million for the Project area.

5. County Issuance of Bonds - The Agency agrees that the County may, at its own discretion, issue bonds secured by the tax increment revenues generated by this Agreement for the County as may be authorized by law. Such bonds shall be payable solely from the tax increment revenues provided to the County under paragraph 4 of this Agreement. The County shall not pledge the faith or credit of the City or Agency to secure such bonds.

6. County Taxing Entities-Owned/Leased Property - The development by the County Taxing Entities of any real property owned or leased within the Project area shall not be subject to the approval or control of the City or Agency beyond that available to the City prior to the date of execution of this Agreement, except with the written consent of the County Taxing Entities.

7. Amendments to Redevelopment Plan - The Agency shall not amend the Plan as described in Health and Safety Code Section 33354.6 without prior written approval of the County.

8. Administration - County's Auditor-Controller shall annually determine, document and distribute tax increment funds in accordance with this Agreement, as follows:

a. The Auditor-Controller shall annually determine, as provided by State law: (i) The total amount of tax increments generated by the Project; (ii) the total amount of tax increments that will be paid to the Agency; (iii) the amount of tax dollars to be allocated to the County Taxing Entities based on the distribution established by this Agreement; (iv) the total amount of tax increments that will be allocated to the Housing Fund by the Agency and the County Taxing Entities; (v) the amount the County Taxing Entities shall loan to the Agency

pursuant to paragraph 4 of this Agreement; and (vi) the amount the Agency shall repay on the loan from the County Taxing Entities pursuant to paragraph 4 of this Agreement.

b. The County Auditor-Controller shall allocate and distribute the funds described in Health and Safety Code Section 33670(b) pursuant to the requirements of this Agreement. In the event the County Auditor-Controller makes over-payments to the Agency, the Agency shall repay the County Taxing Entities for such overpayment within ten (10) working days or, in the alternative, the amount shall be withheld from future payments to the Agency for any of its projects until full repayment is received.

9. Miscellaneous

a. Nothing in this Agreement shall relieve the Agency from the obligation of filing a Statement of Indebtedness pursuant to Health and Safety Code Section 33675.

b. If this Agreement is held invalid, in whole or in part, in order to carry out the purposes of this Agreement, the parties agree that each will take all necessary steps, including formal action and execution of documents, to accomplish the provisions of this Agreement (including the distribution of tax increment in the manner and according to the allocation contemplated herein) by legal means.

c. For audit purposes, the Agency shall have the right to review the County Auditor-Controller's calculations required in Paragraph 8a herein.

10. Term - The effective date of this Agreement shall be the date of execution by the County Board of Supervisors and, unless previously terminated by mutual agreement of the parties, all rights nd obligations in this Agreement shall terminate when the Agency's legal right to claim and receive tax increments from the Project ceases.

11. Other Agency Projects - The Agency agrees to negotiate with the County to allow the County Taxing Entities to receive tax increment from the

Agency's other existing projects. Any resulting agreements shall not interfere with the Agency's need to service project debts existing at the time of the execution of such agreements. Any pass-through or partial pass-through of tax increment to the County resulting from such agreements shall be subordinate to the Agency's existing debts. Nothing contained in this paragraph 11 shall be deemed to give the County any rights to compel payment of any tax increment from the Agency's other existing projects nor shall it be deemed to give the County any rights to challenge the validity or implementation of the Redevelopment Plans for said projects in the event the Agency does not agree to such payment.

12. Covenant Not to Sue - The County, on its own behalf and on behalf of the County Taxing Entities, hereby waives any and all causes of action, cases, claims, counts, actions, and/or complaints relating to, and agrees not to challenge the validity of, the Plan for the Project or the implementation thereof, including without limitation the legality and validity of all proceedings heretofore taken for or in any way connected with the establishment of the Project and the adoption of the Plan.

13. Severability - If any portion of this Agreement is held invalid, the remaining provisions shall maintain their full force and effect.

IN WITNESS THEREOF, City of San Fernando, the San Fernando Redevelopment Agency, Los Angeles County Flood

Control District, and the County of Los Angeles have caused this Agreement to be executed on their behalf by their duly authorized representatives.

COUNTY OF LOS ANGELES

By: _____
Chairman of the Board of Supervisors

ATTEST TO:

LARRY J. MONTEILH,
Executive Officer -
Clerk of the
Board of Supervisors

By: _____
Deputy

LOS ANGELES COUNTY
FLOOD CONTROL DISTRICT

By: _____

Approved as to Form:

DE WITT W. CLINTON
County Counsel

By: _____
Deputy

SAN FERNANDO REDEVELOPMENT AGENCY

By: _____

Approved as to Form:

RUTAN & TUCKER

By: _____
Special Agency Counsel
Redevelopment Agency
of the City of San Fernando

CITY OF SAN FERNANDO

By: _____

2mv:sanfern.agr

ADOPTED
BOARD OF SUPERVISORS
COUNTY OF LOS ANGELES

11 MAR 21 1989

LARRY J. MONTEILH
EXECUTIVE OFFICER

DISPOSITION AND DEVELOPMENT AGREEMENT

by and between

THE REDEVELOPMENT AGENCY
OF THE CITY OF SAN FERNANDO

and

SAN FERNANDO MISSION PARTNERSHIP,
a California general partnership

2/9/90 JMO/DS

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7/394/011418-0003/005

DISPOSITION AND DEVELOPMENT AGREEMENT

THIS AGREEMENT is entered into as of the 16th day of October, 1989 (the "Approval Date"), by and between the REDEVELOPMENT AGENCY OF THE CITY OF SAN FERNANDO ("Agency"), and SAN FERNANDO MISSION PARTNERSHIP, a California general partnership, whose general partners are Alexander Haagen, Charlotte Haagen, Charals Haagen, Alexander Haagen III, Seymour Kreshek, Tom Corley, and Fred Brunig ("Developer").

I. (§100) PURPOSE OF THE AGREEMENT

A. (§101) Purpose of the Agreement

This Agreement and the Attachments hereto are intended to effectuate the "Redevelopment Plan" by providing for the disposition of a portion of the "Redevelopment Project Area" designated herein as the "Site" (as those terms are defined herein). The development of the Site pursuant to this Agreement, and the fulfillment generally of this Agreement, are in the vital and best interests of the City of San Fernando ("City") and the welfare of its residents, and in accordance with the public purposes and provisions of applicable federal, state, and local laws and requirements.

II. (§200) DEFINITIONS

The following terms as used in this Agreement shall have the meanings given unless expressly provided to the contrary:

A. (§201) Acquisition Parcels

The term "Acquisition Parcels" shall mean those portions of the Site which, subject to the terms and conditions set forth in this Agreement, are to be acquired by Agency and conveyed to Developer. The Acquisition Parcels are shown on the Site Map attached hereto as Attachment No. 1 and are more particularly described in the Legal Description of the Site attached hereto as Attachment No. 2.

B. (§202) Agency

The term "Agency" shall mean the Redevelopment Agency of the City of San Fernando, a public body, corporate and politic, having its offices at 117 Macneil Street, San Fernando, California 91340. The term "Agency" as used herein also includes any assignee of, or successor to, the rights, powers, and responsibilities of the Redevelopment Agency of the City of San Fernando.

C. (§203) City

The term "City" shall mean the City of San Fernando, a California general law city. The City is not a party to this Agreement and shall have no rights or obligations hereunder.

D. (§204) Developer

The term "Developer" shall mean Alexander Haagen Company, Inc., a California corporation, having its offices at 3500 Sepulveda Blvd., Manhattan Beach, California 90266-8010, and any permitted successors or assignees of Alexander Haagen Company, Inc., as provided herein.

E. (§205) Developer Parcels

The term "Developer Parcels" shall mean those portions of the Site which has either been acquired by Developer or, subject to the terms and conditions set forth in this Agreement, shall be acquired by Developer from their existing owners. Developer has represented to Agency that, as of the Effective Date of this Agreement, Developer has acquired or is in escrow to acquire the Developer Parcels. Developer Parcels are shown on the Site Map attached hereto as Attachment No. 1 and are more particularly described in the Legal Description of the Site attached hereto as Attachment No. 2.

F. (§206) Project

The term "Project" shall mean the demolition and clearance from the Site of any existing surface and subsurface improvements inconsistent with Developer's approved plans and the construction of a new Tianguis food supermarket on the Site having approximately 50,000 square feet of gross building area, and additional tenant space having a minimum gross leasable area of 11,000 square feet, together with street, curb, gutter, sidewalk, lighting, landscaping, signage, utility, and related improvements required pursuant to the permits and approvals referenced in Sections 313-316, both inclusive, of this Agreement.

G. (§207) Redevelopment Plan

The term "Redevelopment Plan" shall mean the Redevelopment Plan for Redevelopment Project Area No. 1 which was

approved and adopted on May 26, 1966, by the City Council of the City of San Fernando by Ordinance No. 1918, as amended October 18, 1971, by Ordinance No. 1018, on November 19, 1984, by Ordinance No. 1260, on December 15, 1986, by Ordinance No. 1294, and on June 27, 1988, by Ordinance No. 1316. The Redevelopment Plan is incorporated herein by this reference and is made a part hereof as though fully set forth herein.

H. (§208) Redevelopment Project Area

The term "Redevelopment Project Area" shall mean the Redevelopment Project Area No. 1 which is located in the City of San Fernando, California. The exact boundaries of the Redevelopment Project Area are specifically described in the Redevelopment Plan as recorded in the Official Records of the County of Los Angeles, State of California.

I. (§209) Schedule of Performance

The term "Schedule of Performance" shall mean that certain Schedule of Performance attached hereto as Attachment No. 4.

J. (§210) Site

The term "Site" shall mean that certain real property consisting of the Redevelopment Project Area within the area bounded by San Fernando Road, San Fernando Mission Boulevard, Pico Street, and Kalisher Street. The Site is shown on the Site Map attached hereto as Attachment No. 1 and is more particularly described in the Legal Description of the Site attached hereto as Attachment No. 2.

III. (§300) ASSEMBLY, ACQUISITION, AND DISPOSITION OF THE SITE

A. (§301) Developer Deposit

Upon execution of this Agreement, Developer shall deliver to Agency outside of escrow the sum of Twenty-Five Thousand Dollars ($25,000.00) (the "Deposit"). Except as otherwise stated in Section 306, all interest earned or accrued on the Deposit shall be the property of Developer.

Agency shall return the Deposit to Developer within ten (10) days following the recordation in the Office of the Recorder of the County of Los Angeles of the Certificate of Completion for the Project pursuant to Section 413 herein.

B. (§302) Assembly of the Site

1. Subject to the terms and conditions et forth in this Agreement, Developer shall acquire the Developer Parcels from their existing owners on or before the Close of Escrow on the conveyance of the Acquisition Parcels from Agency to Developer hereunder. Subject to the terms and conditions set forth in this Agreement, Agency agrees to acquire the Acquisition Parcels and to convey the Acquisition Parcels to Developer, and Developer agrees to accept such conveyances from Agency.

2. During the period of time set forth in the Schedule of Performance, Agency shall exercise reasonable diligence to acquire the Acquisition Parcels by negotiated purchase; provided, however, that Agency shall not be obligated to purchase the Acquisition Parcels or any portion thereof

except on terms acceptable to Agency in Agency's sole discretion. If Agency enters into an agreement to acquire the Acquisition Parcels, upon agreement of the parties thereto and Developer, Agency may assign its position in the escrow(s) to Developer so that Developer can acquire the parcel(s) directly, subject to the provisions of Section 305 herein.

3. If, after and despite its exercise of reasonable diligence to do so, Agency is unable to timely acquire by negotiated purchase the Acquisition Parcels, or any portion thereof, Agency shall proceed diligently to consider the adoption of a resolution of necessity to acquire the unacquired Acquisition Parcel(s) by exercise of its power of eminent domain. If Agency elects to exercise its power of eminent domain, such election shall be made, and the eminent domain action(s) shall be filed, within the applicable time set forth in the Schedule of Performance; provided, that nothing in this Agreement shall be deemed to constitute a commitment by Agency to condemn any of the Acquisition Parcels or a prejudgment of the matters required to be considered as part of any decision to condemn property.

In the event that Agency exercises its power of eminent domain to acquire any of the Acquisition Parcels, Agency shall, subject to delays outside Agency's control, exercise reasonable diligence to complete such acquisition as soon as practicable after commencement of eminent domain proceedings.

4. In addition to the foregoing, in the event that Agency exercises its power of eminent domain to acquire any of the Acquisition Parcels, Agency shall, upon the satisfaction (or Agency's waiver) of all of "Agency's Conditions to Conveyance" set forth in Section 306.1, and upon Developer's written request and payment or advance of the entire "Developer Loan" referenced in Section 303 below, exercise reasonable diligence to obtain a judicial order or orders authorizing Agency to take possession of the premises prior to the final order of condemnation (hereinafter "Order of Prejudgment Possession"). Notwithstanding any other provision of this Agreement to the contrary, if at any time prior to Agency's acquisition of all of the Acquisition Parcels, Agency deposits into escrow the Grant Deed to the Acquisition Parcels (in the form set forth as Attachment No. 5) and a copy of the Order of Prejudgment Possession for any of the Acquisition Parcels, and

(i) Agency tenders possession of the Acquisition Parcels; and

(ii) Agency is diligently proceeding with the eminent domain action(s) seeking the rendering of a final judgment authorizing the taking of all of the unacquired Acquisition Parcels; and

(iii) The Title Company referenced in Section 309 commits to issuing title insurance as provided herein;

then, subject to the satisfaction (or Developer's waiver) of all of "Developer's Conditions to Conveyance" in Section 306.3, Developer shall accept such rights of possession (or combination of fee title and rights of possession, as applicable) and proceed with the development of the Project on the Site, and in such event the date of transfer of possession from Agency to Developer shall be treated as the "Close of Escrow" for all purposes herein. In such event, Agency shall exercise reasonable diligence to conclude the eminent domain proceedings and obtain a Final Order of Condemnation as soon as possible after the particular Unacquired Parcel Close of Escrow.

If Agency elects not to exercise its power of eminent domain to acquire any of the Acquisition Parcels which it does not acquire through negotiated purchase, Developer and Agency shall negotiate in good faith to determine whether it is feasible to amend the Site Plan and proceed with the Project on the balance of the Site, provided that each party reserves to its sole and absolute discretion the decision on any modifications or amendments to this Agreement necessitated by such a change.

5. The parties acknowledge that Agency does not have the authority to exercise its power of eminent domain to terminate the leasehold interest of Mission College existing on a portion of the Site and that Agency shall exercise reasonable diligence to acquire Mission College's leasehold

interest by negotiated purchase or other authorized methods prior to the close of escrow.

6. Pursuant to the terms and conditions of Section 303 herein, Developer shall provide to Agency a "Developer Loan" in the amount of Three Million Dollars ($3,000,000.00). Developer shall additionally pay a maximum of One Million Six Hundred Ninety Thousand Dollars ($1,690,000.00) to acquire the Site, for a total of Four Million Six Hundred Ninety Thousand Dollars ($4,690,000.00). Any and all amounts incurred in connection with the acquisition of both the Developer Parcels and Acquisition Parcels, including without limitation expenses of acquisition, expenses of relocation, and expenses of Agency administration, but excluding Developer's administrative expenses, overhead, indirect costs, fixed expenses, and other Developer costs not directly related to acquisition of the developer Parcels or Acquisition Parcels, required to assemble the Site in excess of Four Million Six Hundred Ninety Thousand Dollars ($4,690,000.00) ("Agency Costs") shall be the sole responsibility of Agency at Agency's sole cost and expense and shall be paid by Agency when due. Agency agrees to indemnify, defend, and hold harmless Developer from and against any and all claims in connection with Agency Costs.

C. (§303) <u>Developer Loan</u>

Agency and Developer agree that One Million One Hundred Sixty Thousand Dollars ($1,160,000.00) of Developer's acquisition cost for the Developer Parcels shall be deemed a

loan from Developer to Agency. In addition, within the time set forth in the Schedule of Performance, unless and until Developer has delivered its evidence of financial capability to Agency as required by Section 312, Developer shall deliver to Agency cash or an irrevocable Letter of Credit in the amount of One Million Eight Hundred Forty Thousand Dollars ($1,840,000.00) to assist Agency in acquiring the Acquisition Parcels, as provided herein. The total amount of $3,000,000.00 so loaned or advanced by Developer to Agency is collectively referred to herein as the "Developer Loan," which shall be repaid by Agency in accordance with Section 702 hereof.

If Developer has submitted its evidence of financial capability to Agency as required by Section 312, Developer at its option may directly fund the $1,840,000.00 portion of the Developer Loan to Agency from its own funds ("Developer Fund"). Agency may draw on the Developer Fund for the Developer Loan and Developer shall fund such required amounts directly to Agency within three (3) days of Agency's request therefor and Developer shall in no event deny Agency's request for a draw on the Developer Fund so long as such draws do not exceed $1,840,000.00; provided, however, that Developer does not waive any rights it otherwise has under this Agreement.

If Developer chooses to submit a Letter of Credit to fund the $1,840,000.00 portion of the Developer Loan, the financial institution issuing the Letter of Credit shall be

reasonably acceptable to Agency and the form of the Letter of Credit shall be reasonably satisfactory to Agency's and Developer's legal counsels. Agency shall be entitled to use the $1,840,000.00 portion of the Developer Loan (whether such draws are from the Developer Fund or the Letter of Credit) only for the following purposes unless otherwise agreed by the parties:

a. Actual Amounts Paid to Present Owners and Occupants

The actual acquisition price paid to acquire all interests in the Acquisition Parcels (including, but not limited to, amounts paid for the fee interest, land and improvements, leaseholds, tenants' improvements, furnishings, fixtures and equipment, and loss of business goodwill) as reasonably determined by Agency or its designated representative or as may be determined by a court of competent jurisdiction pursuant to the exercise of the power of eminent domain by Agency, if such occurs, including all reasonable costs, attorney's fees, appraiser or other expert witness fees which Agency may expend and/or be compelled by the court to pay to the owners and occupants of the Site.

b. Expenses of Acquisition

The expenses of acquisition incurred by Agency with respect to properties comprising the Acquisition Parcels shall consist of the following items to the

extent that such items are not otherwise included in subsection a. above:

(i) Fees and actual expenses of acquisition agents;

(ii) Fees and actual expenses of attorneys, appraisers, engineers and other experts the employment of which is reasonably necessary to effect the acquisition of the Acquisition Parcels;

(iii) Court costs and fees required to prosecute actions in eminent domain, if approved;

(iv) Costs necessary to place the title to each property acquired in the condition required pursuant to this Agreement, including any property taxes and assessments which are required to be paid by Agency in connection therewith;

(v) The entire escrow fee for each property acquired;

(vi) The cost of drawing the deed for each property acquired;

(vii) Recording fees, if any;

(viii) Notary fees and premiums for title insurance policies;

(ix) Any state, county or city documentary stamps or transfer taxes; and

(x) Appraisal fees.

c. Expenses of Relocation from the Site

All the costs and expenses incurred by Agency to relocate occupants from the Site (including, but not limited to, relocation payments made to displaced persons and businesses, pre- or post-relocation rental payments, fees and actual expenses of attorneys, relocation consultants and other experts employed to effect the relocation of occupants, and preparation of relocation plans) as reasonably determined by Agency or its designated representative, and to the extent that such costs are not otherwise included in subsections a. and b. above.

d. Expenses of Administration

The expenses of administration incurred by Agency with respect to properties within the Site which expenses shall include but not be limited to the following items to the extent that such items are not otherwise included in subsections a., b., and c. above: Fees and actual expenses of attorneys, financial consultants, engineers and other experts, the employment of which is reasonably necessary to carry out and enforce this Agreement between Agency and Developer.

Agency shall not make demands for funds from the Letter of Credit until Agency determines that such funds are needed by Agency for any of the purposes set forth in a., b., c., or d. above. In addition, Agency shall provide Developer prior

written notice of each draw Agency proposes to make on the Letter of Credit with a statement as to the use of the money. Developer may elect to deliver, not more than five (5) business days after receipt of Agency's notice, a cashier's check to be used in place of a draw on the Letter of Credit. In the event Developer delivers a cashier's check to Agency, Agency shall promptly provide written notice to the issuer of the Letter of Credit that the face amount of the Letter of Credit should be reduced by the amount of funds so delivered to Agency. Agency further shall provide Developer with periodic written reports (but no more frequently than every sixty days) showing the amount of each draw made on said Letter of Credit and the use of any funds expended (whether obtained directly from Developer or from the issuer of the Letter of Credit).

If the $1,840,000.00 portion of the Developer Loan is provided in the form of a Letter of Credit, the term of the Letter of Credit shall be at least one (1) year. If Developer has not paid or advanced the entire Developer Loan (through cash payments, Agency draws on the Letter of Credit, or a combination of the two) within forty-five (45) days prior to the expiration of the Letter of Credit, then Agency shall have the right to draw upon the remaining balance of the Letter of Credit and use the proceeds for the purposes set forth herein unless Developer renews or replaces it (with another Letter of Credit with a term of at least one (1) year) within ten (10) days after written notice from Agency

that it intends to draw on the remaining balance of the Letter of Credit.

D. (§304) Intentionally Omitted

E. (§305) Escrow

Within the time set forth in the Schedule of Performance, Agency and Developer shall cause an escrow(s) to be opened with Stewart Title Guaranty Company, Los Angeles, California, or such other escrow as may be mutually approved by the parties ("Escrow Agent") for the conveyance of each of the Acquisition Parcels by Agency to Developer. Each escrow shall be opened and closed separately, with the closing to be coordinated to be concurrent with Agency's acquisition of the parcel in question from its existing owner(s).

This Agreement shall constitute the joint escrow instructions of Agency and Developer for each conveyance, and a duplicate original of this Agreement shall be delivered to the Escrow Agent upon the opening of each escrow. The Escrow Agent hereby is empowered to act under this Agreement, and upon indicating its acceptance of this Section 305 in writing, delivered to Agency and Developer within five (5) days after the opening of each escrow, shall carry out its duties as Escrow Agent hereunder. Agency and Developer shall promptly prepare, execute, and deliver to the Escrow Agent such additional escrow instructions consistent with the terms of this Agreement as shall be reasonably necessary.

Agency shall deliver to the Escrow Agent the Grant Deed to each of the Acquisition Parcels (Attachment No. 5),

Developer shall deliver to the Escrow Agent the Agreement Containing Covenants Affecting Real Property (Attachment No. 8), and Agency and Developer shall each deliver to the Escrow Agent all other documents necessary for the conveyance of each of the Acquisition Parcels within the times and in the manner provided in this Agreement, and in any event no later than three (3) business days prior to the scheduled "Close of Escrow" (as defined below).

In addition, prior to the close of Escrow, Agency shall deposit in escrow the following fees, charges, and costs required to close the escrow after notification by the Escrow Agent of the amount thereof:

(i) one-half of the escrow fee;

(ii) costs necessary to place title to the Acquisition Parcels in the condition for conveyance required by the provisions of this Agreement (subject only to Developer's obligation to pay or advance the Developer's Loan pursuant to Section 303 and to pay the premium for the title policy as set forth hereinbelow);

(iii) costs of drawing the Grant Deed(s);

(iv) recording fees;

(v) notary fees;

(vi) Ad valorem taxes and assessments, if any, upon the property being conveyed for any time prior to conveyance; and

(vi) the premium for the title insurance policy to be issued to Developer pursuant to Section 309, not to exceed the cost for a CLTA policy of title insurance.

Prior to the Close of Escrow, Developer shall deposit in escrow all other fees, charges, and costs required to close the escrow after notification by the Escrow Agent of the amount thereof, including without limitation:

(i) one-half of the escrow fee;

(ii) any state, county, or city documentary stamps;

(iii) any transfer tax;

(iv) the costs, if any, for an ALTA title policy or any nonstandard or extended coverages, in excess of the cost or a CLTA policy, for the title insurance policy to be issued to Developer pursuant to Section 309; and

(v) ad valorem taxes and assessments, if any, upon the property being conveyed for any time subsequent to conveyance of title.

The Escrow Agent is authorized to:

(i) Pay and charge Agency and Developer for any fees, charges, and costs each is required to pay under this Section 305. Before such payments are made, the Escrow Agent shall notify Agency or Developer, as appropriate, of the fees, charges, and costs necessary to convey title and close each escrow;

(ii) Disburse funds and deliver the Grant Deed and other documents, including title policy or policies, to the party or parties entitled thereto when the conditions of this escrow have been fulfilled by Agency and Developer (or waived by the appropriate party);

(iii) Record the Grant Deed, the Agreement to Be Recorded Affecting Real Property, and any other appropriate instruments delivered through this escrow, if necessary or proper to vest title in each of the Acquisition Parcels to Developer and otherwise comply with the terms and provisions of this Agreement.

The "Close of Escrow" for the conveyance of each of the Acquisition Parcels shall be deemed to have occurred when the Escrow Agent records the Grant Deed for such Acquisition Parcel.

All funds received in each escrow shall be deposited by the Escrow Agent in a general escrow account or accounts with any state or national bank doing business in the State of California. Any interest earned on the funds in said account(s) shall be allocated, credited, and paid (at the Close of Escrow or termination) to the party who deposited the principal upon which the interest was earned. All disbursements shall be made on the basis of a 30-day month.

Any amendment of these escrow instructions shall be in writing and signed by both Agency and Developer. At the time

of any amendment, the Escrow Agent shall agree to carry out its duties as Escrow Agent under such amendment.

All communications from the Escrow Agent to Agency or Developer shall be directed to the addresses and in the manner established in Section 801 of this Agreement for notices, demands, and communications between Agency and Developer.

The liability of the Escrow Agent under this Agreement is limited to performance of the obligations imposed upon it as referenced in Sections 305-308, both inclusive, of this Agreement.

F. (§306) Conditions to Conveyance; Rights of Termination

1. Agency's Conditions to Close of Escrow. In addition to any other conditions set forth herein in favor of Agency, Agency's obligation hereunder to acquire and convey each of the Acquisition Parcels to Developer and the Close of Escrow for each such parcel shall be conditional and contingent upon the satisfaction, or waiver by Agency, in its sole and absolute discretion, of each and all of the following conditions (collectively the "Agency's Conditions to Closing"):

(i) Developer shall have timely advanced the $1,840,000.00 portion of the Developer Loan, Developer shall have acquired the Developer Parcels, and Agency shall have timely acquired such Acquisition Parcel by negotiated purchase

or eminent domain pursuant to Section 302 herein;

(ii) Developer shall have timely notified Agency in writing of its acceptance of the condition of the Acquisition Parcels, or have waived condition of the Acquisition Parcels, as set forth in Section 310 herein;

(iii) Developer shall have timely obtained City and Agency approval of Developer's Concept Plan, Site Plan, and tentative parcel or tract map for the Project, as set forth in Sections 313-314; provided, that nothing in this Agreement shall be construed as a representation or warranty by Agency that City or Agency will approve any of such items;

(iv) Developer shall have timely deposited into escrow all of the moneys, documents, fees, charges, costs, and items required to be deposited therein by Developer and Developer shall have complied with all other requirements of the escrow;

(v) Developer shall have timely obtained Agency's approval of Developer's Evidence of Financial Capability as set forth in Section 312;

(vi) Developer shall have timely submitted to Agency evidence of insurance for such parcel as set forth in Section 404;

(vii) Developer shall have timely provided Agency with evidence satisfactory to Agency that Developer has entered into a lease with Expo Stores, Inc., an associated corporation of Von's Companies, Inc., to locate and operate on the Site as the anchor tenant a Tianguis supermarket as provided in Section 318;

(viii) Agency shall have timely entered into an agreement with Mission College concerning the relocation of Mission College from the Site as set forth in Section 701 herein.

2. Failure of Agency's Conditions to Closing.

In the event Agency is not in default under this Agreement but any of Agency's Conditions to Closing are not timely satisfied or waived by Agency prior to the scheduled date for the Close of Escrow of any of the Acquisition Parcels, Agency may at its option terminate this Agreement by delivering written notice to Developer and the Escrow Agent and demanding the return of its money, papers, or documents. No termination or demand for return shall be recognized by the Escrow Agent until ten (10) business days after it shall have delivered copies of such demand to Developer. If Developer raises any objection within the 10-day period, the Escrow Agent is authorized to hold all money, papers, and documents until instructed in writing by both Agency and Developer or, upon failure thereof, by a court of competent

jurisdiction. If Agency makes no such demands, the Escrow shall be closed as soon as possible.

In the event Agency terminates this Agreement pursuant to this Section 306.2, the following remedies shall apply:

(i) If the termination is due to a material default by Developer hereunder, Agency shall be entitled to retain the Deposit and any accrued interest thereon as liquidated damages.

THE PARTIES HERETO AGREE THAT THE DEPOSIT CONSTITUTES A REASONABLE APPROXIMATION OF THE ACTUAL DAMAGES THAT AGENCY WOULD SUFFER DUE TO A DEFAULT BY DEVELOPER PRIOR TO THE CLOSE OF ESCROW, CONSIDERING ALL OF THE CIRCUMSTANCES EXISTING ON THE EFFECTIVE DATE OF THIS AGREEMENT, INCLUDING THE RELATIONSHIP OF THE DEPOSIT TO THE RANGE OF HARM TO AGENCY THAT REASONABLY COULD BE ANTICIPATED AND THE ANTICIPATION THAT PROOF OF ACTUAL DAMAGES WOULD BE COSTLY OR INCONVENIENT. IN PLACING ITS INITIALS AT THE PLACES PROVIDED HEREINBELOW, EACH PARTY SPECIFICALLY CONFIRMS THAT THE ACCURACY OF THE STATEMENTS MADE ABOVE AND THE FACT THAT EACH PARTY HAS BEEN

REPRESENTED BY COUNSEL WHO HAS EXPLAINED THE CONSEQUENCES OF THE LIQUIDATED DAMAGES PROVISION AT OR PRIOR TO THE TIME EACH EXECUTED THIS AGREEMENT:

DEVELOPER'S INITIALS: AGENCY'S INITIALS:

(ii) If the termination is due to Agency's failure to timely acquire any of the Acquisition Parcels, or any other default by Agency, Agency shall return the Deposit (and any accrued interest thereon) and any Agency draws from the Developer Fund (or Letter of Credit) unexpended by Agency to Developer and, in addition, shall reimburse Developer for all out-of-pocket expenditures incurred by Developer under this Agreement in preparation for the acquisition of the Site and planning and designing the development of the Project thereon, less any gain or income derived by Developer therefrom through such date, provided that the principal amount of such reimbursement (excluding the Deposit and accrued interest thereon) and any Agency

draws from the Developer Fund (or Letter of Credit) unexpended by Agency shall not exceed the sum of Twenty-Five Thousand Dollars ($25,000.00), plus interest on such out-of-pocket expenditures at the rate of ten percent (10%) per annum.

(iii) If the termination is due to the failure of any of the Agency's Conditions to Close of Escrow, Agency shall promptly return to Developer the Deposit (and any accrued interest thereon), and any Agency draws from the Developer Fund (or Letter of Credit) unexpended by Agency any monies advanced by Developer to Agency that Agency has deposited in court in order to obtain an order of prejudgment possession and accrued interest thereon, if any, and any monies advanced by Developer to Agency that Agency has deposited into escrow for acquisition of the Acquisition Parcels and accrued interest thereon, if any.

(iv) Regardless of the reason for termination, Agency agrees that Developer shall have the option of either (A) quitclaiming to Agency all right, title, and interest of Developer in and to any of the

Acquisition Parcels not previously conveyed to Developer and, except as expressly provided herein, neither party shall have any further rights or obligations hereunder with respect to the Site or this Agreement, or (B) proceeding with the acquisition of the Acquisition Parcel(s) on its own behalf.

3. Developer's Conditions to Closing.

In addition to any other conditions set forth herein in favor of Developer, Developer's obligation to accept the conveyance of each of the Acquisition Parcels from Agency and the Close of Escrow for each such parcel shall be conditional and contingent upon the satisfaction, or waiver by Developer in its sole and absolute discretion, of each and all of the following conditions (collectively, the "Developer's Conditions to Closing"):

(i) Agency shall have timely tendered title to such Acquisition Parcel in the condition required for conveyance to Developer hereunder;

(ii) Agency shall have timely deposited into the escrow all of the moneys, documents, fees, charges, costs, and items required to be deposited therein by Agency and Agency shall have complied with all other requirements of the escrow;

(iii) The Title Company referenced in Section 309 shall be in a position to issue the title policy for the Acquisition Parcel described in Section 309;

(iv) City and Agency shall have timely approved Developer's Concept Plan, Site Plan, and tentative parcel or tract map as set forth in Sections 313-314; provided, however, that nothing in this paragraph shall be deemed to relieve Developer of its responsibilities under Sections 313-314 to exercise its best efforts to obtain such approvals;

(v) Agency shall have timely entered into an agreement with Mission College concerning the relocation of Mission College from the Site as set forth in Section 701 herein; and

(vi) Developer shall have timely undertaken and completed environmental testing of each of the Acquisition Parcels and shall have timely notified Agency in writing of its acceptance of the condition of the Acquisition Parcels, or waived condition of the Acquisition Parcels, as set forth in Section 310 herein.

(vii) Agency shall have timely approved Developer's evidence of financial capability as set forth in Section 312;

(viii) Agency shall have approved the lease (or evidence of the lease) between Developer and Expo Stores, Inc., an associated corporation of Von's Companies, Inc., to locate and operate on the Site as the anchor tenant a Tiangui's supermarket; and

(ix) Agency shall have timely initiated the application for vacation of the portion of Celis Street that is included within the Site as set forth in Section 314.

4. Failure of Developer's Conditions to Closing.

In the event Developer is not in default under this Agreement but any of Developer's Conditions to Close of Escrow are not timely satisfied or waived by Developer prior to the scheduled date for the Close of Escrow, Developer may at its option terminate this Agreement by delivering written notice to Agency and the Escrow Agent and demanding the return of its money, papers, or documents. No termination or demand shall be recognized by the Escrow Agent until ten (10) business days after it shall have delivered copies of such demand to Agency. If Agency raises any objection within the 10-day period, the Escrow Agent is authorized to hold all money, papers, and documents until instructed in writing by both Agency and Developer or, upon failure thereof, by a court of competent jurisdiction. If Developer makes no such demands, the escrow shall be closed as soon as possible.

In the event Developer terminates this Agreement pursuant to this Section 306.4, the following remedies shall apply:

(i) If the termination is due to Agency's failure to timely acquire any of the Acquisition Parcels, or any other default by Agency, Agency shall return the Deposit (and any accrued interest thereon) and any Agency draws from the Developer Fund (or Letter of Credit) unexpended by Agency to Developer and, in addition, shall reimburse Developer for all out-of-pocket expenditures incurred by Developer under this Agreement in preparation for the acquisition of the Site and planning and designing the development of the Project thereon, provided that the principal amount of such reimbursement (excluding the Deposit and accrued interest thereon) and any Agency draws from the Developer Fund (or Letter of Credit) unexpended by Agency shall not exceed the sum of Twenty-Five Thousand Dollars ($25,000.00), plus interest on such out-of-pocket expenditures at the rate of ten percent (10%) per annum.

(ii) If the termination is due to the failure of any of the Developer's Conditions to Close of Escrow, Agency shall promptly return to Developer (A) the Deposit (and any accrued interest thereon); (B) any Agency draws from the Developer Fund (or Letter of Credit) unexpended by Agency; (C) any monies advanced by Developer to Agency that Agency has deposited in court in order to obtain an order of prejudgment possession, and accrued interest thereon, if any; and (D) any monies advanced by Developer to Agency that Agency has deposited into escrow for acquisition of the Acquisition Parcels (and any accrued interest thereon).

(iii) Regardless of the reason for termination, Agency agrees that Developer shall have the option of either (A) quitclaiming to Agency all right, title, and interest of Developer in and to any of the Acquisition Parcels not previously conveyed to Developer and, except as expressly provided herein, neither party shall have any further rights or obligations hereunder with respect to the Site or this Agreement, or (B) proceeding

with the acquisition of the Acquisition Parcel(s) on its own behalf.

G. (§307) Scheduled Date for Close of Escrow.

Subject to any mutually agreed upon extensions of time, or extensions of time provided for in Section 803 herein, Agency shall convey each of the Acquisition Parcels to Developer (in the condition provided in Section 310 herein) concurrently with Agency's acquisition of such parcel from its existing owner(s) and on or prior to the date specified in the Schedule of Performance.

H. (§308) Condition of Title; Form of Grant Deed

Agency shall convey to Developer title to the each of the Acquisition Parcels free and clear of all recorded liens, encumbrances, leases, easements, and other defects in title excepting only (i) those matters specifically referenced or set forth in this Agreement and the Grant Deed (Attachment No. 5); (ii) the "Approved Exceptions to Title for the Acquisition Parcels" listed in Attachment No. 3; (iii) any easements for street or utility purposes to be reserved by the City which are consistent with the Project; and (iv) such other exceptions to title as may be approved by Developer in its sole and absolute discretion. Agency shall convey title to each of the Acquisition Parcels by Grant Deed in the form set forth in Attachment No. 5 hereto.

I. (§309) Title Insurance

At the Close of Escrow, Agency shall cause Stewart Title Guaranty Company, Los Angeles, California (the "Title

Company"), to provide and deliver to Developer a ALTA Standard Form Owner's Policy of Title Insurance insuring Developer's interest, in the condition set forth in Section 308, in an amount to be specified by Developer. The cost of said title insurance policy shall be borne by Agency and Developer as follows, consistent with Section 305: Agency shall pay the cost of said title insurance policy up to and including an amount equal to the cost of a CLTA Standard Form Owners Policy of Title Insurance, and Developer shall pay the excess required for an ALTA policy and for any other nonstandard or extended coverages.

In the event Agency conveys possession of one or more of the Acquisition Parcels to Developer prior to transfer of actual legal title pursuant to Section 302 herein, Agency agrees to execute an indemnification agreement in form satisfactory to the Title Company and reasonably satisfactory to Agency by which Agency shall agree to indemnify the Title Company for any losses, damages, and expenses incurred by the Title Company in the event of Agency's abandonment of the eminent domain proceedings. Nothing herein shall be deemed to obligate Agency to pay for any additional premium or other charge necessary for the issuance of the Title Policy. In the event that the Title Company declines to issue a title insurance policy under such circumstances and Developer does not agree in its sole and absolute discretion to satisfy whatever other requirements the Title Company may impose as a condition to its issuance of the policy prior to Agency's

acquisition and conveyance of actual legal title to the Acquisition Parcel(s), Developer's obligations to take possession of the Acquisition Parcel(s) and to commence and complete construction of the improvements on the Site shall not commence to run until legal title to each of the Acquisition Parcels can be conveyed in accordance with this Agreement.

Concurrently with the recording of the Grant Deed(s) for the Acquisition Parcels (Attachment No. 5), but not as a condition precedent thereto, the Title Company shall, if requested by Developer, provide Developer with an endorsement to insure the amount of Developer's estimated construction costs of the improvements to be constructed upon the Site.

J. (§310) Physical Condition of the Acquisition Parcels

To the best knowledge and information of Agency, there are no hazardous or toxic substances in, on or under the Acquisition Parcels or other soils, conditions or geologic faults which would preclude or substantially impair the development thereof; provided, it is expressly understood by the parties hereto that Agency has undertaken no independent investigation of the aforementioned matters. Except as specifically provided in the preceding sentence, the Acquisition Parcels shall be conveyed by Agency to Developer in an "as is" physical condition.

It shall be the sole responsibility of Developer to investigate all aspects of the physical condition of the

Acquisition Parcels, and the entirety of the Site, including but not limited to the existence of any hazardous or toxic materials or substances, and earthquake faults or other geologic hazards. Developer, at Developer's expense, shall have the right to undertake an environmental assessment of each of the Acquisition Parcels and the entirety of the Site, including but not limited to soils testing, to determine the presence of any hazardous or toxic substance or materials. For the purposes of this Agreement, the term "hazardous or toxic substances or materials" shall mean any substance or material identified by the federal government or State of California as hazardous or toxic and included on any list of such substances published by the federal government or State of California. Within the time set forth in the Schedule of Performance, Developer shall notify Agency in writing (i) of the findings of Developer's environmental assessment, including whether the presence of any hazardous or toxic substances or materials was discovered, if Developer undertakes an environmental assessment, and whether Developer accepts the condition of the Acquisition Parcels and intends to proceed with the Project and Close of Escrow, or (ii) if Developer does not undertake an environmental assessment, whether Developer accepts the condition of the Acquisition Parcels and intends to proceed with the Project and Close of Escrow. Failure of Developer to so notify Agency within the time set forth in the Schedule of Performance shall

constitute a rejection of the condition of the Acquisition Parcels.

Developer shall accept the physical condition of the Acquisition Parcels if the environmental assessment discovers no hazardous or toxic substances or materials requiring clean-up. If Developer, in its required notification to Agency referenced in the preceding paragraph, notifies Agency that Developer's environmental assessment discovered the presence of hazardous or toxic substances or materials requiring clean-up, then Developer shall also submit a verified cost estimate, from a reputable environmental clean-up firm, of the cost for clean-up. Developer and Agency shall then cooperate to effect clean-up by the following method. Within the time set forth in the Schedule of Performance, Agency shall attempt to renegotiate the purchase price of the affected Acquisition Parcel(s) with that parcel's owner by reducing the purchase price by the estimated cost of clean-up of that parcel, as shown in Developer's verified cost estimate. Agency shall notify Developer of the outcome of any such renegotiation. If such renegotiation is successful, Agency shall apply towards the cost of clean-up the difference between the original purchase price for the affected parcel previously agreed to between Agency and the parcel owner, and the renegotiated purchase price ("Agency's Clean-Up Contribution"). If (i) such renegotiation does not result in the reduction of the original purchase price for that Acquisition Parcel by at

least the amount of Developer's verified cost estimate for clean-up, or (ii) the cost of clean-up exceeds Agency's clean-up contribution, Developer and Agency agree to engage in good faith negotiations leading to a solution to the toxic problem and Developer's acceptance of the condition of the Acquisition Parcel(s). If such negotiations between Agency and Developer are unsuccessful, each party shall have the option of (i) assuming the cost of clean-up at its expense and thereby satisfying this condition to close of escrow, or (ii) terminating this Agreement pursuant to Section 306.3(vi) and 306.4(ii), or 306.1(ii) and 306.2(iii), as applicable.

Developer shall be responsible for the actual clean-up work. Effective upon Developer's acceptance of the condition of the Acquisition Parcels or, if applicable, effective upon the occurrence of the earlier of Developer's commencement of clean-up work or close of escrow, Developer shall indemnify, defend, and hold Agency harmless from any claim, suit, or action arising from the clean-up work or the presence of any hazardous or toxic substances or materials existing on the affected parcel prior to or after clean-up and/or close of escrow. This indemnification obligation shall survive the close of escrow and shall not merge with the Grant Deed(s). Agency agrees to assign to Developer any and all indemnities related to hazardous or toxic wastes or materials obtained by Agency from the owners of the Acquisition Parcel(s) stated in Agency's acquisition agreements with such owners. Agency

further agrees to cooperate with Developer on the matters described in this Section 310.

It shall further be the sole responsibility of Developer to (i) demolish and clear any improvements on the Acquisition Parcels and the entirety of the Site inconsistent with the intended use thereof, (ii) comply with all federal, state, and local laws, regulations, and rules regarding environmental compliance subsequent to conveyance and other similar matters, and (iii) pay any costs and take any other actions required to prepare the Acquisition Parcels and the entirety of the Site for development. Except for Agency's effort in regard to the Agency's Clean-Up Contribution described above, in no event shall Agency have any obligation to cure or correct any physical defects or problems with respect to the property transferred, and Developer hereby acknowledges that Agency has undertaken no investigation and does not intend to undertake any investigation with respect to any aspect of the physical condition of the Acquisition Parcels or the Site.

K. (§311) Preliminary Work by the Developer on the Acquisition Parcels; Exchange of Information

Prior to the Close of Escrow for the Acquisition Parcels, Agency shall cooperate with Developer in an effort to secure permission from the existing owner(s) for representatives of Developer to enter onto the property for the purpose of obtaining data and making surveys and tests

necessary to carry out this Agreement. Developer shall indemnify, defend, and hold Agency harmless from and against any injury or damages arising out of any activity of Developer, its agents or employees, pursuant to this Section 311, unless due to Agency's negligence, willful acts, or omissions, or failure of Agency to advise Developer of known latent hazards. Developer shall have access to all data and information regarding the Acquisition Parcels which is available to Agency, provided that Agency makes no warranty or representation to Developer that such information is complete or accurate, but Agency warrants and represents that to its knowledge such information is all of the information Agency has with respect to the Acquisition Parcels. Developer shall furnish Agency with full and complete copies of all data, reports, and other written materials pertaining to such matters, provided that Developer makes no warranty or representation to Agency that such information is complete or accurate.

In the event that Developer causes any physical damage to the Acquisition Parcels, Developer shall promptly restore the Acquisition Parcels to their pre-existing condition.

L. (§312) Evidence of Financial Capability

Within the time set forth in the Schedule of Performance, Developer shall submit to Agency's Executive Director evidence reasonably satisfactory to the Executive Director that Developer has the financial resources and commitments necessary for the development of the Project in

accordance with this Agreement ("Evidence of Financial Capability").

Such Evidence of Financial Capability shall include the following:

(i) A copy of the commitment or commitments obtained by Developer for the mortgage loan or loans (for interim construction financing) to assist in financing the construction of the Project. Each commitment for financing shall be issued by a financial or lending institution or other acceptable person or entity as described in Section 411, and shall be in such form and content acceptable to the Executive Director as reasonably evidences a commitment, with only those conditions which are standard or typical for the lender involved for similar projects, in accordance with Section 411 herein; and

(ii) If the total project cost exceeds the amount of financing authorized by mortgage loans approved pursuant to subparagraph (i), a current financial statement and/or other documentation reasonably satisfactory to Agency's Executive Director to demonstrate that Developer has adequate funds committed to cover the difference.

Agency's Executive Director shall approve or disapprove such Evidence of Financial Capability within the time set forth in the Schedule of Performance. If the Executive Director shall disapprove such Evidence of Financial Capability, he or she shall do so by written notice to Developer stating the reasons for such disapproval.

M. (§313) Concept Plan

On or before the Effective Date of this Agreement, Agency has approved the Concept Plan for the Project. A copy of the Concept Plan is attached hereto as Attachment No. 7.

N. (§314) Site Plan and Tentative Map; Street Vacation

1. Within the time set forth in the Schedule of Performance, Developer shall prepare and submit to City for City's review and approval a completed Site Plan and tentative parcel or tract map application for the Project consistent with the previously approved Concept Plan for the Project, and Developer shall exercise its reasonable efforts to expeditiously obtain City's approval of same. If required, Agency agrees to act as the applicant for the tentative map application. Each such application shall contain all of the information normally required by City to obtain approval. Developer shall also submit the Site Plan to Agency; if the Site Plan is acceptable to Agency, Agency shall provide reasonable assistance to Developer, at no expense to Agency, in obtaining City's approval; provided,

however, that Agency does not warrant or represent that such approval shall be forthcoming.

2. Within the time set forth in the Schedule of Performance, Developer shall prepare and submit to City an application for vacation of the portion of Celis Street that is included within the Site. Agency shall initiate such application with City within the time set forth in the Schedule of Performance and shall provide reasonable assistance to Developer, at no expense to Agency, in obtaining City's approval; provided, however, that Agency does not warrant or represent that such approval shall be forthcoming. It is understood that the operative date of any street vacation will not be earlier than Agency's or Developer's acquisition of the adjacent parcels.

O. (§315) Final Building Plans

Within the time set forth in the Schedule of Performance, Developer shall submit to the City and Agency for their review and approval a complete set of Final Building Plans for the Project consistent with the previously approved Concept Plan, Site Plan and tentative map. The Final Building Plans shall contain all information required to obtain all necessary building permits required for the Project. Developer shall exercise its reasonable efforts to expeditiously obtain the City's approval of said Final Building Plans. If the Final Building Plans are consistent with the approved Concept Plan and Site Plan and meet applicable code requirements, Agency shall provide reasonable

assistance to Developer, at no expense to Agency, in obtaining City's approval; provided, however, that Agency does not warrant or represent that such approval shall be forthcoming.

P. (§316) Other City and Governmental Agency Permits

Within the time set forth in the Schedule of Performance, and before commencement of construction or development of any buildings, structures, or other works of improvement upon the Site, Developer at its own expense shall use its best efforts to secure or cause to be secured any and all permits which may be required by City or any other governmental agency affected by such construction, development, or work. Upon Developer's request, Agency shall provide reasonable assistance to Developer in securing these permits, at no cost to Agency, provided that such permits are consistent with the approved permits and plans referenced in Sections 313-315, both inclusive, and the other provisions herein.

Q. (§317) Revisions to Approved Plans

If Developer desires to make any changes to any of the approved plans referenced in Sections 313-316, both inclusive, of this Agreement, Developer shall submit its request in writing to the City and Agency, together with such supporting data and information as the City and Agency may require.

R. (§318) Tianguis Market Commitment

Within the time set forth in the Schedule of Performance, Developer shall submit to Agency's Executive Director evidence reasonably satisfactory to the Executive Director that Developer has entered into a lease with Expo Stores, Inc., an associated corporation of Von's Companies, Inc., to locate and operate on the Site as the anchor tenant in the Project a Tianguis supermarket (or an agreement with such other anchor tenant as may be approved by Agency in Agency's sole and absolute discretion).

IV. (§400) DEVELOPMENT OF THE SITE

A. (§401) Scope of Development; Utilities; Public Parking Lot

1. Subject to Section 50 , the Project shall be developed as a retail shopping center with (i) a Von's Tianguis food supermarket, and (ii) adjacent retail tenant space, all in accordance with this Agreement, the Grant Deed(s), and the Concept Plan, Site Plan, tentative map, and Final Building Plans to be approved by the City and Agency.

Except as provided in paragraphs 2 and 3 herein, Developer shall be responsible for the timely commencement and completion of all required improvements, including without limitation the demolition and clearing of any existing surface and subsurface improvements on the Site, and the construction of new improvements on the Site which will result in a shopping center with a minimum gross leasable area of 61,000 square feet (housing a Tianguis supermarket

with a minimum gross leasable area of 50,000 square feet and adjacent tenant space with a minimum gross leasable area of 11,000 square feet), and a surface parking lot, together with curb, gutter, sidewalk, and street work, signage, lighting, landscaping, utilities, and related improvements, all pursuant to the approved plans and permits.

2. Agency shall exercise reasonable diligence in an effort to cause any utility companies with lines in Celis Street that are required to be relocated (including gas, electrical, telephone, and possibly cable TV) to timely relocate such lines at the expense of the utility company. Agency shall be responsible for any such relocation costs not paid for by the utility companies; provided that Developer shall remain responsible for any hook-ups, laterals, and metering.

3. Developer shall have the right in its sole and absolute discretion to determine whether to improve the existing public parking lot at the northwest corner of Mission Boulevard and Pico Street and the street section between Pico Street and the Site. Such improvements shall be consistent with the improvement and design of the Site and the Site Plan to be approved in accordance with Section 314. Agency shall have no obligation to keep such public parking lot open for public parking purposes; provided, however, that Agency shall reimburse Developer the following percentages of Developer's documented hard cost of constructing and installing such off-site street and parking lot improvements

(with such hard cost in no event to be calculated as exceeding $2 per square foot) in the event Agency or City removes such lot from public use (other than on a temporary basis for repairs or maintenance):

If within one (1) year after Tianguis opens for business: 100%

If within two (2) years after Tianguis opens for business: 80%

If within three (3) years after Tianguis opens for business: 60%

If within four (4) years after Tianguis opens for business: 40%

If within five (5) years after Tianguis opens for business: 20%

If after five (5) years after Tianguis opens for business: 0%

In addition to the foregoing, during said five (5) year period, prior to entering into any agreement with any third party to sell or lease said public parking lot for non-parking purposes, and except as may be required pursuant to Government Code Section 54222 or other applicable law, Agency shall provide Developer with a sixty (60) day exclusive right of negotiation with respect to any such sale or lease. Upon the expiration of such exclusive negotiating period, if Agency and Developer have not entered into a binding written agreement with respect to disposition of the public party lot, Agency shall be free to negotiate with any

other party and Developer shall have no further rights with respect to the parking lot.

B. (§402) Cost of Construction of the Site.

Except as expressly provided herein, all costs of acquiring the Site and constructing all on-Site and off-Site improvements required to be constructed for the Project shall be borne by Developer. Developer's responsibility for constructing off-site improvements required to be constructed for the Project shall be limited to the off-site improvements described in Attachment No. 9 hereto (Developer's Public Improvements Obligations). All other costs of constructing off-site improvements required for the Project shall be borne by Agency.

C. (§403) Construction Schedule; Developer's Progress Reports

Subject to Section 803 herein, Developer shall begin and complete the construction required of it within the times set forth in the Schedule of Performance. Once construction is

commenced, it shall be diligently and continuously pursued to completion and shall not be abandoned for more than thirty (30) consecutive days, except when delays are due to causes beyond the control and without the fault of Developer, as set forth in Section 803.

Prior to Agency's issuance of the final Certificate of Completion for the Project, Developer shall keep Agency informed of the progress of Developer's construction of the Site upon request of Agency.

D. (§404) Bodily Injury, Property Damage, and Workers' Compensation Insurance

Within the time set forth in the Schedule of Performance, Developer shall furnish or cause to be furnished to Agency duplicate originals or appropriate certificates of bodily injury and property damage insurance policies in the amount of at least $2,000,000 for death or injury to any person, $5,000,000 for any occurrence, and $2,000,000 for property damage, naming City and Agency and their officers, employees, and agents as additional insureds or co-insureds. All such insurance shall be primary insurance and shall not be secondary to any other insurance which City or Agency may have. All such insurance shall be "date of occurrence" and not "claims made" insurance. Furthermore, each such insurance policy shall provide that the policy will not be cancelled or modified by the insurer or Developer unless there is a minimum of thirty (30) days written notice to City and Agency. None of the above described policies shall

require Developer to meet a deductible or self-insured retention amount of more than Ten Thousand Dollars ($10,000.00) unless approved in writing by Agency's Executive Director.

Developer shall also furnish or cause to be furnished to Agency's Executive Director evidence reasonably satisfactory to the Director that any contractor with whom Developer has contracted for the performance of work on and around the Site carries workers' compensation insurance as required by law.

The foregoing obligations shall remain in effect only until a final Certificate of Completion has been issued by Agency for the Project pursuant to Section 413 herein.

Developer shall further indemnify, defend, and hold harmless Agency and its officers, employees, and agents from and against any and all claims or liabilities arising out of any acts or omissions of Developer or Developer's officers, employees, or agents with respect to this Agreement, the Site, or the Project, except arising from the Agency's negligent acts.

E. (§405) Easements

Prior to the time set forth in the Schedule of Performance for Agency approval of Developer's Site Plan, or revised Site Plan, as appropriate, Agency shall have the right to reserve for Agency, City, and the appropriate utility companies all necessary and appropriate easements on, under, and across the Site for public improvements and facilities which are consistent with the Project, including

but not limited to easements for streets, rights of vehicular access, sidewalks, sewers, storm drains, water, and other utilities. Agency, City, and the appropriate utility companies may prior to approval of Developer's Site Plan, obtain any necessary temporary easements as required by them. The location and form of all such easements and temporary easements described in this Section 405 shall be subject to Developer's approval.

F. (§406) Rights of Access

For the purpose of assuring compliance with this Agreement, representatives of Agency in addition to any other rights of access to the Site granted to Agency in this Agreement, shall have the reasonable right of access to the Site, without charges or fees, at normal construction hours during the period of construction for the purposes of inspecting the work being performed by Developer in constructing the Project. Agency shall indemnify, defend, and hold Developer harmless from any damage caused or liability arising out of its exercise of this right of access; provided that it is understood that Agency does not by this Section 406 assume any responsibility or liability for a negligent inspection or failure to inspect.

G. (§407) Applicable Laws

Developer shall carry out the construction of the improvements to be constructed by Developer in conformity with all applicable laws, regulations, and rules of all federal, state, and local governmental agencies with

jurisdiction over the Site and the Project, including without limitation applicable labor standards.

H. (§408) Anti-Discrimination During Construction

Developer, for itself and its successors and assigns, agrees that Developer will not discriminate against any employee or applicant for employment because of race, color, creed, religion, sex, marital status, ancestry, or national origin.

I. (§409) Taxes, Assessments, Encumbrances, and Liens

Developer shall pay prior to delinquency all real estate taxes and assessments properly assessed and levied on the Site, including all real estate taxes and assessments properly assessed and levied on the Acquisition Parcels subsequent to the Close of Escrow referenced in Sections 305-307 herein.

Until the date Developer is entitled to the issuance by Agency of the Final Certificate of Completion for the Site, Developer shall not place or allow to be placed thereon any mortgage, trust deed, encumbrance or lien (except mechanic's liens prior to suit to foreclose the same being filed) not authorized by this Agreement. Developer shall remove or have removed any levy or attachment made on the Site, or assure the satisfaction thereof, within a reasonable time, but in any event prior to a sale thereunder.

Nothing herein contained shall be deemed to prohibit Developer from contesting the validity or amounts of any tax,

assessment, encumbrance, or lien, nor to limit the remedies available to Developer in respect thereto.

J. (§410) Prohibition Against Assignment and Transfer

The qualifications and identity of Developer are of particular concern to Agency. It is because of those qualifications and identity that Agency has entered into this Agreement with Developer. Accordingly, prior to Agency's issuance of the Final Certificate of Completion with respect to the Site, as provided in Section 413 herein, Developer shall not, except as permitted in this Section 410 and Section 411 below, assign all or any part of this Agreement or any rights hereunder or in the Site without Agency's prior written approval. Agency agrees that it will not unreasonably withhold approval of a requested assignment and that it shall grant such approval provided: (i) such assignment is made to a responsible third party who will undertake Developer's responsibilities under this Agreement to develop and use the Site in accordance with this Agreement, and (ii) the assignee shall demonstrate sufficient development qualifications and experience and financial commitments or resources to ensure the development of the Site.

Notwithstanding the foregoing, the following shall not be considered an assignment or transfer and shall not require Agency approval hereunder:

(i) Transfers resulting from the death or mental or physical incapacity of an individual.

(ii) Transfers or assignments in trust for the benefit of a spouse, children, grandchildren, or other family members.

(iii) Transfers to a lender approved by Agency in accordance with Section 411 of this Agreement.

(iv) A sale of the Site at foreclosure (or a conveyance thereof in lieu of a foreclosure) pursuant to a foreclosure by a lender approved by Agency in accordance with Section 411.

(v) The conveyance or dedication of any portion of the Site to the City or other appropriate governmental agency, or the granting of easements (including reciprocal easements) or permits to facilitate the development of the Site.

(vi) The leasing for occupancy of any part or parts of the completed tenant space to be constructed on the Site in the normal course of business; provided, that nothing herein is intended to release Developer from its obligations regarding the users and uses permitted in accordance with Sections 318 and 501).

(vii) Transfers to any partnership formed by Developer pursuant to which Developer retains operational and managerial control.

(viii) Transfers of stock in a publicly held corporation or of the beneficial interest in any publicly held partnership or real estate investment trust.

Developer shall deliver written notice to Agency requesting approval of any assignment or transfer requiring Agency approval hereunder. Such notice may be given before Developer has entered into a formal written agreement with the proposed assignee. Such notice shall be accompanied by sufficient evidence regarding the proposed assignee's development qualifications and experience and its financial commitment and resources to enable Agency to evaluate the proposed assignee pursuant to the criteria set forth in the first paragraph of this Section 410. Agency shall exercise reasonable diligence to complete its review of the proposed assignee and approve or disapprove any requested assignment which requires Agency approval within thirty (30) days after receipt of Developer's request therefor. Any disapproval shall be in writing and shall specify the reasons for the disapproval and, if applicable, the conditions required to be satisfied by Developer in order to obtain approval.

Developer shall compensate Agency for its actual expenses (not including personnel or overhead expenses)

incurred in investigating a proposed assignee's qualifications as a permitted assignee hereunder.

No assignment of Developer's obligations with respect to the Site, whether or not Agency approval is required therefor, shall be effective unless and until the proposed assignee executes and delivers to Agency an agreement in form reasonably satisfactory to Agency's attorney assuming the obligations of Developer which have been assigned. Thereafter, the assignor shall not remain responsible to Agency for performance of the obligations assumed by the permitted or approved assignee. In addition, no lender approved by Agency pursuant to Section 411 shall be required to execute an assumption agreement and such lender's rights and obligations hereunder shall be as set forth in Section 411.

The restrictions of this Section 410 shall terminate upon Agency's issuance of the Final Certificate of Completion for the Site.

K. (§411) Security Financing; Right of Holders

1. Permitted Encumbrances.

Mortgages, deeds of trust, conveyances, and leases-back or any other form of conveyance required for any reasonable method of financing are permitted before Agency's issuance of the Certificate of Completion, but only for the purpose of securing loans of funds to be used for financing the acquisition of the Site, the construction of improvements on the Site (including both construction and

permanent financing), and any other expenditures necessary and appropriate to own, develop, or lease the Site under this Agreement. Prior to Agency's issuance of the Certificate of Completion, Developer shall not enter into any such conveyance for financing purposes without the prior written consent of Agency's Executive Director, which consent shall be given if such conveyance is for the purposes permitted herein and is given to a financial or lending institution or other acceptable person or entity capable of performing or causing to be performed Developer's obligations under this Agreement, including without limitation a pension fund, insurance company, or real estate investment trust. Any disapproval shall be in writing and state the reasons therefor. Failure of Agency to disapprove of such lender within ten (10) days after notice to Agency shall be deemed as approval of that specific request for consent of Agency. If, after and despite Developer's exercise of reasonable diligence to obtain Agency's approval, the Executive Director disapproves the identity of Developer's proposed lender or the terms and conditions of the loan, Developer's time for commencement and completion of construction of the Project or such portion thereof which was to have been financed by such lender shall be extended under the Schedule of Performance for that period of time (not to exceed sixty (60) days) during which Developer is diligently proceeding to procure acceptable alternative financing and submit evidence of such financing to the Executive Director. Agency further agrees

not to act unreasonably in considering amending the terms of this Agreement if requested by an approved lender, provided that Agency's rights and remedies hereunder are not adversely affected.

2. Holder Not Obligated to Construct Improvements.

The holder of any mortgage or deed of trust or other security interest authorized by this Agreement shall in no way be obligated by the provisions of this Agreement to construct or complete the improvements or to guarantee such construction or completion; nor shall any covenant or any provision in the deed for the Site be construed so to obligate such holder. Nothing in this Agreement shall be deemed or construed to, permit, or authorize any such holder to devote the Site or any part thereof to any uses, or to construct any improvements thereon, other than those uses or improvements provided for or authorized by this Agreement.

3. Notice of Default to Mortgage, Deed of Trust or Other Security Interest Holders; Right to Cure.

Whenever Agency shall deliver any notice or demand to Developer with respect to any breach or default by Developer in completion of construction of the improvements, Agency shall at the same time deliver a copy of such notice or demand to each approved holder of record of any mortgage, deed of trust or other security interest which has previously requested such notice in writing. Each such holder shall

(insofar as the rights of Agency are concerned) have the right, at its option within ninety (90) days after the receipt of the notice, to commence and thereafter to diligently proceed to cure or remedy such default and add the cost thereof to the security interest debt and the lien on its security interest. Nothing contained in this Agreement shall be deemed to permit or authorize such holder to undertake or continue the construction or completion of the improvements (beyond the extent necessary to preserve and protect the improvements or construction already begun) without first having expressly assumed Developer's obligations to Agency by written agreement satisfactory to Agency. The holder in that event must agree to complete, in the manner provided in this Agreement, the improvements to which the lien or title of such holder relates, and submit evidence satisfactory to Agency that it has the qualifications and financial responsibility necessary to perform such obligations. Any such holder properly completing such improvements shall be entitled upon written request made to the Agency, to a Certificate of Completion from Agency.

4. Right of Agency to Cure Mortgage, Deed of Trust, or Other Security Interest Default.

In the event of a default or breach by Developer of a mortgage, deed of trust, or other security interest or leaseback or conveyance for financing prior to the issuance by Agency of the Certificate of Completion for the Site,

Agency may cure the default prior to completion of any foreclosure. In such event, Agency shall be entitled to reimbursement from Developer of all costs and expenses reasonably incurred by Agency in curing the default, which right of reimbursement shall be secured by a lien upon the Site to the extent of such costs and disbursements. Any such lien shall be subject to:

(i) Any mortgage, deed of trust or other security instrument or sale and leaseback or other conveyance for financing permitted by this Agreement; or

(ii) Any rights or interests provided in this Agreement for the protection of the holders of such mortgages, deeds of trust, or other security instruments, the lessor under a sale and lease-back, or the grantee under such other conveyance for financing;

provided that nothing herein shall be deemed to impose upon Agency any affirmative obligations (by the payment of money, construction or otherwise) with respect to the Site in the event of its enforcement of its lien.

L. (§412) <u>Right of Agency to Satisfy Other Liens After Title Passes</u>

After Agency's conveyance to Developer of title to the Acquisition Parcels to complete assembly of the Site and prior to the issuance by Agency of the Certificate of Completion for the Site, and after Developer has had a reasonable

time to challenge, cure, or satisfy any liens or encumbrances on the Site, Agency, after sixty (60) days prior written notice to Developer, shall have the right to satisfy any such liens or encumbrances on the Site; provided, however, that nothing in this Agreement shall require Developer to pay or make provision for the payment of any tax, assessment, lien, or charge so long as Developer in good faith shall contest the validity or amount thereof, and so long as such delay in payment shall not subject the Site to forfeiture or sale.

M. (§413) Certificate of Completion

Upon Developer's satisfactory completion of construction of the Project, Agency shall furnish Developer with a Certificate of Completion upon written request therefor by Developer. Such Certificate of Completion shall be in a form so as to permit recordation in the Office of the Recorder of the County of Los Angeles as set forth in Attachment No. 6.

The Certificate of Completion shall be, and shall so state, a conclusive determination of satisfactory completion of the construction of the Project and of full compliance with the terms of this Agreement relating to such construction. After the date Developer is entitled to the issuance of the Certificate of Completion, and notwithstanding any other provisions of this Agreement to the contrary, any party then owning or thereafter purchasing, leasing, or otherwise acquiring any interest in the Site shall not (because of such ownership, purchase, lease, or acquisition) incur any obligation or liability under this

Agreement for which such Certificate of Completion is issued, except that such party shall be bound by the covenants contained in Sections 501 through 504, both inclusive, and the Agreement to be Recorded Affecting Real Property (Attachment No. 8) in accordance therewith. Agency shall not unreasonably withhold the Certificate of Completion. If Agency refuses or fails to furnish the Certificate of Completion after written request from Developer, Agency shall, within fifteen (15) days after such written request, provide Developer with a written statement of the reasons Agency refused or failed to furnish such Certificate of Completion. The statement shall also contain Agency's opinion of the action Developer must take to obtain such Certificate of Completion. If the reason for such refusal is confined to the immediate availability of specific items or materials for landscaping, tenant improvements not made because the space is not leased, and/or Developer presents a "punch list" of items requiring completion, Agency shall issue its Certificate of Completion upon the posting of a cash deposit or an irrevocable letter of credit in favor of Agency in an amount representing the fair value of the work not yet completed and in a form reasonably acceptable to Agency's attorney.

A Certificate of Completion is not a notice of completion as referred to in California Civil Code Section 3093.

N. (§414) <u>Estoppels</u>

At the request of Developer or any holder of a mortgage or deed of trust, Agency shall, from time to time and upon the request of such holder, timely execute and deliver to Developer or such holder a written statement of Agency that no default or breach exists (or would exist with the passage of time, or giving of notice, or both) by Developer under this Agreement, if such be the case, and certifying as to whether or not Developer has at the date of such certification complied with any obligation of Developer hereunder as to which such holder may inquire. The form of any estoppel letter shall be prepared by the holder or Developer and shall be at no cost to Agency.

V. (§500) USES OF THE SITE

A. (§501) Use of the Site

Developer covenants and agrees for itself and its successors and assigns to its interest in the Site that (A) commencing with, and continuing for five (5) year after, the opening for business of the Tianguis supermarket on the Site, Developer and such successors and assigns shall not devote that portion of the Site in which the Tianguis supermarket is located to uses inconsistent with plans and permits referenced in Sections 313-316, both inclusive, as the same may be amended from time to time, but thereafter until June 27, 2018 (the expiration date of the Redevelopment Plan) may use said portion for any lawful retail use; and (B) throughout the time the Redevelopment Plan is in effect

(i.e., until June 27, 2018), the permitted uses of the improvements to be constructed on the balance of the Site shall further be limited as follows:

(i) A maximum of two thousand five hundred (2,500) square feet of gross leasable square area of the shop space in the buildings on the Site shall be devoted to "non-retail uses." As used herein, the term "non-retail uses" includes, but is not limited to, business and professional offices, financial institutions, insurance offices, travel agencies, video rental stores, and service businesses with only incidental or no retail sales such as laundries and dry cleaning shops, hair salons, and barber shops.

(ii) The remaining gross leaseable area of the buildings on the Site shall be devoted solely to retail uses, including supermarket, commercial retail merchandising, restaurant, and food and beverage sales.

(iii) Uses which are clearly ancillary to the primary retail use of a building or store, such as restrooms, storage facilities, office facilities within a retail store related to the use and operation of that store, hallways, and similar uses shall be considered as part of the retail use. Vacancies shall also be

considered as "retail" for purposes of compliance with the use restrictions set forth herein.

(iv) Changes in the foregoing use restriction shall require Agency's prior written approval, which shall be given or withheld in Agency's reasonable good faith discretion.

B. (§502) Maintenance of the Site

Until June 27, 2018 (the expiration date of the Redevelopment Plan), Developer agrees to maintain all improvements on the Site in first class condition and repair (and, as to landscaping, in a healthy condition) and in accordance with the Redevelopment Plan, the approved plans referenced in Sections 313-316, both inclusive (including without limitation any landscape and signage plans), as the same may be amended from time to time, and all other applicable laws, rules, ordinances, orders, and regulations of all federal, state, county, municipal, and other governmental agencies and bodies having or claiming jurisdiction and all their respective departments, bureaus, and officials. In addition, Developer shall keep the Site free from any accumulation of debris or waste material. Developer shall make all repairs and replacements necessary to keep the improvements in first class condition and repair and shall promptly replace dead and diseased plants and landscaping with comparable approved materials.

C. (§503) Obligation to Refrain from Discrimination

There shall be no discrimination against, or segregation of, any persons, or group of persons, on account of race, color, creed, religion, sex, marital status, national origin, or ancestry in the enjoyment of the Site, nor shall Developer itself, or any person claiming under or through it, establish or permit any such practice or practices of discrimination or segregation with reference to the selection, location, number, use, or occupancy of tenants, lessees, subtenants, sublessees, or vendees of the Site or any portion thereof. The foregoing covenants shall run with the land and shall remain in effect in perpetuity.

D. (§504) Form of Nondiscrimination and Nonsegregation Clauses

Developer shall refrain from restricting the rental, sale, or lease of any portion of the Site, or contracts relating to the Site, on the basis of race, color, creed, religion, sex, marital status, national origin, or ancestry of any person. All such deeds, leases or contracts shall contain or be subject to substantially the following nondiscrimination or nonsegregation clauses:

1. In deeds: "The grantee herein covenants by and for himself, his heirs, executors, administrators, and assigns, and all persons claiming under or through them, that there shall be no discrimination against or segregation of any person or group of persons on account of race, color, creed, religion, sex, marital status, ancestry, or national origin in the sale, lease, sublease, transfer, use, occu-

pancy, tenure, or enjoyment of the land herein conveyed, nor shall the grantee himself, or any persons claiming under or through him, establish or permit any such practice or practices of discrimination or segregation with reference to the selection, location, number, use, or occupancy of tenants, lessees, subtenants, sublessees, or vendees in the land herein conveyed. The foregoing covenants shall run with the land."

2. In leases: "The lessee herein covenants by and for himself, his heirs, executors, administrators, and assigns, and all persons claiming under or through him, and this lease is made and accepted upon and subject to the following conditions:

"That there shall be no discrimination against or segregation of any person or group of persons on account of race, color, creed, religion, sex, marital status, ancestry, or national origin in the leasing, subleasing, transferring, use, occupancy, tenure, or enjoyment of the land herein leased, nor shall the lessee himself, or any person claiming under or through him, establish or permit any such practice or practices of discrimination or segregation with reference to the selection, location, number, use, or occupancy of tenants, lessees, sublessees, subtenants, or vendees in the land herein leased."

3. In contracts: "There shall be no discrimination against or segregation of any persons or group of persons on account of race, color, creed, religion, sex, marital

status, national origin or ancestry in the sale, lease, transfer, use, occupancy, tenure, or enjoyment of land, nor shall the transferee himself, or any person claiming under or through him, establish or permit any such practice or practices of discrimination or segregation with reference to the selection, location, number, use, or occupancy of tenants, lessees, subtenants, sublessees, or vendees of land."

E. (§505) Effect and Duration of Covenants

After issuance of the Certificate of Completion with regard to the Site, all of the terms, covenants, agreements, or conditions set forth in Articles III and IV and Section 606 of this Agreement shall cease and terminate. Thereafter, the only terms, covenants, and conditions to survive shall be those set forth in the Agreement to Be Recorded Against Real Property (Attachment No. 8), this Article V, Article VII, and the provisions in Articles I, II, VI, and VIII applicable to the interpretation and enforcement of such matters, which terms, covenants, and conditions shall survive as herein stated.

Agency is deemed a beneficiary of the terms and provisions of this Agreement and of the restrictions and covenants running with the land for and in its own right and for the purposes of protecting the interests of the community and other parties, public or private, in whose favor and for whose benefit the covenants running with the land have been provided. The covenants in favor of Agency shall run without regard to whether Agency has been, remains, or is an owner of

any land or interest therein in the Site, or in the Redevelopment Project Area. Agency shall have the right, if any of the covenants set forth in this Agreement or the Grant Deed, or the Agreement to Be Recorded Against Real Property which are provided for its benefit are breached, to exercise all rights and remedies and to maintain any actions or suits at law or in equity or other proper proceedings to enforce the curing of such breaches to which it or any other beneficiaries of such covenants may be entitled.

VI. (§600) DEFAULTS AND REMEDIES

A. (§601) Defaults--General

Subject to the extensions of time set forth in Section 803, failure or delay by either party to timely perform any term or provision of this Agreement constitutes a default under this Agreement; except for the specific times and procedures provided in this Agreement, however, if the party who so fails or delays commences to cure, correct, or remedy such failure or delay within thirty (30) days after receipt of a notice from the non-defaulting party specifying such failure or delay, and shall diligently prosecute such cure, correction, or remedy to completion, then such party shall not be deemed to be in default.

The injured party shall give written notice of default to the party in default, specifying the default complained of by the injured party. Except as required to protect against further damages, the injured party may not institute proceed-

ings against the party in default until thirty (30) days after giving such notice. Failure or delay in giving such notice shall not constitute a waiver of any default, nor shall it change the time of default.

Except as otherwise expressly provided in this Agreement, any failure or delay by any party in asserting any of its rights or remedies as to any default shall not operate as a waiver of any default or of any rights or remedies or deprive such party of its right to institute and maintain any actions or proceedings which it may deem necessary to protect, assert or enforce any such rights or remedies.

B. (§602) Legal Actions

1. Institution of Legal Actions.

Legal actions must be instituted in the Superior Court of the County of Los Angeles, State of California, in any other appropriate court in that county, or in the United States District Court for the Central District of California.

2. Applicable Law.

The laws of the State of California shall govern the interpretation and enforcement of this Agreement.

3. Acceptance of Service of Process.

In the event that any legal action is commenced by Developer against Agency, service of process on Agency shall be made by personal service upon the Executive Director or Secretary of Agency, or in such other manner as may be provided by law.

In the event that any legal action is commenced by Agency against Developer, service of process on Developer shall be made by personal service upon any officer or general partner of Developer or in such other manner as may be provided by law and shall be valid whether made within or without the State of California.

C. (§603) Rights and Remedies are Cumulative

Except as otherwise expressly stated in this Agreement, the rights and remedies of the parties are cumulative, and the exercise by either party of one or more of its rights or remedies shall not preclude the exercise by it, at the same or different times, of any other rights or remedies for the same default or any other default by the other party.

D. (§604) Damages

If Agency or Developer defaults with regard to any of the provisions of this Agreement, the nondefaulting party shall serve written notice of such default upon the defaulting party. If the default is not cured by the defaulting party within thirty (30) days after service of the notice of default or commenced to be cured within said period with such cure thereafter diligently pursued to completion, the defaulting party shall be liable to the other party for any damages caused by such default, except as otherwise expressly provided herein.

E. (§605) Specific Performance

If Agency or Developer defaults under any of the provisions of this Agreement, the nondefaulting party shall serve

written notice of such default upon the defaulting party. If the default is not cured by the defaulting party within thirty (30) days of service of the notice of default or commenced to be cured within said period with such cure thereafter diligently pursued to completion, the non-defaulting party, at its sole option, may institute an action for specific performance of the terms of this Agreement, except as otherwise expressly provided herein.

F. (§606) Attorney's Fees

If either party to this Agreement is required to initiate or defend litigation in any way connected with this Agreement, the prevailing party in such litigation, in addition to any other relief which may be granted, whether legal or equitable, shall be entitled to reasonable attorney's fees. If either party to this Agreement is required to initiate or defend litigation with a third party because of the violation of any term or provision of this Agreement, or obligation of the other party to this Agreement, then the party so litigating shall be entitled to reasonable attorney's fees from the other party to this Agreement. Attorney's fees shall include attorney's fees on any appeal, and in addition a party entitled to attorney's fees shall be entitled to all other reasonable costs for investigating such action, retaining expert witnesses, taking depositions and discovery, and all other necessary costs incurred in such litigation. All such fees shall be deemed to have accrued on commencement of such action and shall be

enforceable whether or not such action is prosecuted to judgment.

G. (§607) Right to Reenter, Repossess, Terminate and Revest

Agency shall have the further right, at its option, to reenter and take possession of the Acquisition Parcels, with all improvements thereon, and to terminate and revest in Agency the estate conveyed to Developer hereunder, subject to the provisions of Section 803, if, after the Close of Escrow and prior to the recordation of the Certificate of Completion, Developer (or its successors-in-interest) shall:

(i) Fail to commence construction of the improvements as required under the Schedule of Performance on the Site for a period of ninety (90) days after written notice of default from Agency; or

(ii) Abandon or substantially suspend construction of the improvements as required under the Schedule of Performance and Section 403 herein, for a period of ninety (90) days after written notice of default from Agency; or

(iii) Assign this Agreement, or any rights herein, or transfer or suffer any involuntary transfer of the Site, or portion thereof, in violation of this Agreement, and such violation shall not be cured within sixty

(60) days after the date of receipt of written notice thereof by Agency to Developer.

The right to reenter, repossess, terminate, and revest shall be subject to and be limited by and shall not defeat, render invalid, or limit (i) any mortgage, deed of trust, or other security interest permitted by this Agreement, and (ii) any rights or interest provided in this Agreement for the protection of the holders of such mortgages, deeds of trust, or other security interests or the grantee under any such other conveyance for financing.

Upon revesting in the Agency of title to the Acquisition Parcels as provided in this Section 607, Agency shall, pursuant to its responsibilities under state law, use its best efforts to resell or lease the Acquisition Parcels as soon and in such manner as the Agency shall find feasible and consistent with the objectives of such law and of the Redevelopment Plan to a qualified and responsible party or parties (as determined by Agency), who will assume the obligation of making or completing the improvements, or such other improvements in their stead, as shall be satisfactory to Agency and in accordance with the uses specified for the Acquisition Parcels in the Redevelopment Plan. Upon such resale or lease of the Acquisition Parcels, the proceeds thereof shall be applied:

(i) First, to reimburse the Agency on its own behalf or on behalf of the City, for all

reasonable costs and expenses incurred by Agency, including, but not limited to, salaries to personnel, in connection with the recapture, management and resale of the Acquisition Parcels (but less any income derived by Agency from the Acquisition Parcels in connection with such management); all taxes, assessments, and water and sewer charges with respect to the Acquisition Parcels (or, in the event the Acquisition Parcels are exempt from taxation or assessment or such charges during the period of ownership to such taxes, assessments, or charges as determined by the County assessing official as would have been payable if the Acquisition Parcels were not so exempt); any payment made or necessary to be made to discharge or prevent from attaching or being made any subsequent encumbrances or liens due to obligations, defaults, or acts of Developer, its successors, or transferees; any expenditures made or obligations incurred with respect to the making or completion of the improvements or any part thereof on the Acquisition Parcels any amounts otherwise owed Agency by Developer and its successors or transferees;

(ii) Second, to reimburse Developer, its successors or transferees, up to the amount equal to the sum of (1) the Developer's Advance; (2) the fair market value of any improvements on the Acquisition Parcels constructed by Developer and existing at the time of reentry and repossession; and

(iii) Third, any balance remaining after such reimbursements shall be retained by Agency as its property.

To the extent that the right established in this section involves a forfeiture, it must be strictly interpreted against Agency, the party for whose benefit it is created. The rights established in this section are to be interpreted in light of the fact that Agency will convey the Acquisition Parcels to Developer for development and not for speculation in undeveloped land.

VII. (§700) SPECIAL PROVISIONS

A. (§701) Relocation of Occupants from the Site.

Agency shall be responsible for complying with any legal obligations it may have under Government Code Section 7260 et seq., 25 C.C.R. §6000 et seq., and other applicable laws and regulations for relocating existing occupants from the Site. Agency shall indemnify, defend, and hold harmless Developer from and against any relocation expenses or court award of

relocation expenses incurred by Developer and shall reimburse Developer for same.

Within the time set forth in the Schedule of Performance, Agency shall use reasonable diligence to enter into an agreement with Mission College to terminate Mission College's existing leasehold interest in a portion of the Site and to relocate Mission College; provided, however, that Agency shall not be obligated to enter into any agreement deemed unacceptable in Agency's sole and absolute discretion.

B. (§702) Payment of Developer Loan.

Conditioned upon Developer's satisfactory completion of construction of the Project pursuant to this Agreement, and the opening for business of a Tianguis supermarket (or other anchor tenant approved by Agency in its sole and absolute discretion) on the Site, Agency shall pay to Developer the Developer Loan (i.e., the sum of Three Million Dollars ($3,000,000.00)), plus interest on the unpaid principal amount accruing at the rate of ten percent (10%) per annum commencing from the date (the "Interest Accrual Commencement Date") that funds are advanced by Developer under the Developer Loan, and continuing thereafter until accrued interest and principal are paid in full or any unpaid balance is forgiven and discharged as provided herein. Said payments to Developer shall constitute an indebtedness of Agency to Developer; said indebtedness shall be repaid to Developer from the sources, in the amounts, at the times, and subject to the following terms and conditions:

(i) Notwithstanding any other provision to the contrary, Agency's payment obligation is a special, not a general, obligation of Agency, payable out of the sole source of "Net Property Tax Increment Revenues from the Amendment No. 3 Area Portion of the Redevelopment Project Area" (as that term is defined below) received by Agency for the full fiscal years (July 1 through and including the following June 30) commencing with the close of escrow of the first Acquisition Parcel, and continuing thereafter until the earlier of (A) the principal amount is repaid in full, or (B) June 27, 2018 (the expiration date of the Redevelopment Plan for the Redevelopment Project Area). As used herein, "Net Property Tax Increment Revenues from the Amendment No. 3 Area Portion of the Redevelopment Project Area" shall mean an amount equal to the sum of (i) one hundred percent (100%) of the property tax revenues derived from that portion of the Redevelopment Project Area added by Amendment No. Three to the Redevelopment Plan, adopted by the City Council of City on June 27, 1988, by Ordinance No. 1316, that is allocated to and paid to Agency pursuant to California Health and

Safety Code Section 33670(b), or successor statute, and (ii) the City's retirement tax override allocated and paid to Agency that is derived from that portion of the Redevelopment Project Area No. 1 added by Amendment No. Three to the Redevelopment Plan, adopted by the City Council on June 27, 1988 by Ordinance No. 1316, less the sum of (A) any portion of such revenues (calculated on the same percentage as the Redevelopment Project Area as a whole) that Agency is required by California Health and Safety Code Section 33334.2, or successor statute, to set aside for low-and moderate-income housing purposes, and (B) any portion of such revenues Agency is obligated by statute or agreement entered into prior to the Effective Date of this Agreement to pay to affected taxing entities, and (C) any portion of such revenues that Agency is required by law to set aside for other purposes. Agency represents, warrants and agrees that except for the items described in subsections (A), (B) and (C) above, (i) there is no existing indebtedness of Agency for which any of the Net Property Tax Increment Revenues from the Amendment No. 3 Area Portion of the Redevelopment Project Area is pledged;

(ii) in calculating the availability of funds for any future indebtedness, Agency shall exclude the increments pledged to Developer by this Agreement, and (iii) as of the Effective Date, the Net Property Tax Increment Revenues from the Amendment No. 3 Area Portion of the Redevelopment Project Area is approximately Twenty-Three Thousand Dollars ($23,000.00).

(ii) Payments shall be made annually on or before June 30 of each of the fiscal years referenced above. Not later than June 1 of each of the fiscal years referenced above, and as a further condition to Agency's payment obligation, Developer shall provide satisfactory evidence to Agency that Developer, or Developer's successor or assign, has timely paid its property taxes with respect to the Site for such year or duly contested same; such evidence may include a copy of Developer's (or successor's or assign's) tax bill and cancelled check(s).

(iii) If any principal or interest on the Developer Loan has not been paid in full by June 27, 2018, the expiration date of the Redevelopment Plan for the Redevelopment Project Area, any remaining balance shall be deemed forgiven and discharged at that time.

(iv) Agency shall have the right to prepay all or any portion of the unpaid principal without the prior written consent of Developer without any prepayment penalty or other fees or charges.

(v) Payments shall be credited first to accrued interest and then to reduction of principal.

(vi) In the event that Developer, or successor entity, is in default under Sections 501-504 of this Agreement, or is in default under the Agreement Containing Covenants Affecting Real Property (Attachment No. 8), Agency shall be entitled to withhold or offset any payments required to be made hereunder to cure any such default by Developer or successor entity.

(vii) If, during the first full five (5) year period commencing from the opening of the Tianguis supermarket on the Site Tianguis substantially or completely vacates, or ceases to operate as a retail store, Agency shall defer paying to Developer any amounts, including interest on such amounts, which otherwise would accrue in favor of Developer hereunder, during such periods of vacancy or non-retail operation. Agency shall be obligated to resume payments to Developer hereunder (including the payment of all amounts previously deferred plus

interest thereon) only upon the expiration of said five (5) year period (whether or not Tianguis reopens for business or a substitute tenant opens for business), or within said five (5) year period upon the occurrence of all of the following:

(A) Developer obtaining a new anchor tenant that is comparable or substantially similar to Tianguis (or other approved anchor tenant),

(B) approval by Agency in its reasonable discretion of the new anchor tenant, and

(C) the opening for business of the new, approved anchor tenant.

If during said five (5) year period Developer presents a new anchor tenant for approval by Agency that is comparable or substantially similar to Tianguis and Agency withholds its approval notwithstanding that the new proposed anchor tenant is comparable or substantially similar to Tianguis, Agency shall be obligated to resume payments to Developer hereunder (including the payment of all amounts previously deferred plus interest thereon), with the amounts Developer is entitled to receive hereunder accruing in favor of Developer as of the date such new anchor

tenant would have opened for business; provided, however, that in such event, Developer shall use its reasonable efforts to obtain a different new anchor tenant comparable or substantially similar to Tianguis. If during said five (5) year period Developer presents for approval a new anchor tenant that is not comparable or substantially similar to Tianguis, Agency may approve or disapprove such noncomparable or dissimilar new anchor tenant in its sole and absolute discretion; if Agency disapproves, Developer shall not receive, nor be entitled to receive, any amounts, including interest on such amounts, which otherwise would accrue in favor of Developer hereunder, until Developer obtains a new anchor tenant acceptable to Agency in Agency's sole and absolute discretion or until expiration of said five (5) year period.

C. (§703) Employee and Contractor Goals

1. Developer agrees to exercise its good faith diligent efforts to insure that all tenants, subtenants, lessees, sublessees, franchisors, franchisses, licensors, licensees, and all other operators operating a business on the Site (hereinafter, individually the "Employer," or collectively the "Employers") meet the following employment

goal, applicable to each Employer that employs ten (10) or more persons, as of the date of opening of that Employer: residents of the City of San Fernando shall comprise at least twenty (20%) of the employees. Developer shall be deemed to have exercised its good faith diligent efforts if it takes all of the following actions: (i) places this employment goal requirement as a provision in all leases, franchise agreements, licenses, and any other agreements relating to the use and occupancy of the Site or any portion thereof, and requiring any tenants, lessees, franchisors, licensors, or other operators to place the same employment goal requirement in their subleases, franchise agreements, licenses, subleases, or other operating agreements; (ii) opening and operating during normal business hours a central employment office on the Site at which an applicant may apply for employment at any of the businesses on the Site; and (iii) alerting the residents of San Fernando of employment opportunities on the Site by placing appropriate signs on the Site and placing advertisements in local media (including both English language and foreign language newspapers).

2. Developer agrees to exercise its good faith diligent efforts to meet the following contractor goals: (i) fifteen percent (15%) of all contractors and subcontractors used by Developer for construction and completion of the Project on the Site shall be "minority contractors" with their principal place of business in Los Angeles County; and (ii) three percent (3%) of all contractors and subcontractors

used by Developer for construction and completion of the Project on the Site shall be "female-owned" with their principal place of business in Los Angeles County. Evidence that Developer has exercised its good faith diligent efforts to meet these goals shall include, but not be limited to, notifying minority-owned and female-owned contracting businesses and requesting participation by them in the construction and completion of the Project on the Site, and alerting minority-owned and female-owned contractors of the opportunity by undertaking a public relations and publicity effort in appropriate media likely to reach such contracting businesses within Los Angeles County.

VIII. (§800) GENERAL PROVISIONS

A (§801) Notices, Demands and Communications Between the Parties

Formal notices, demands, and communications between Agency and Developer shall be given either by personal service or by mailing in the United States mail, certified mail, postage prepaid, return receipt requested, addressed to:

To Agency: Redevelopment Agency of the City of San Fernando
117 Macneil Street
San Fernando, CA 91340
Attn: Executive Director

With copies to:

Rutan & Tucker
611 Anton Blvd., Suite 1400
Costa Mesa, California 92626
Attn: Jeffrey M. Oderman

To Developer: San Fernando Mission Partnership
c/o Alexander Haagen Company, Inc.
3500 Sepulveda Blvd.
Manhattan Beach, CA 90266-8010
Attn: Managing General Partner

Any such notice shall be deemed to have been given upon receipt. Such written notices, demands, and communications shall be sent in the same manner to such other addresses as either party may from time to time designate by mail.

B. (§802) Nonliability of City and Agency Officials and Employees; Conflicts of Interest

No member, official, employee, or contractor of City or Agency shall be personally liable to Developer in the event of any default or breach by Agency or for any amount which may become due to Developer or on any obligations under the terms of the Agreement.

No member, official, employee, or agent of City or Agency shall have any direct or indirect interest in this Agreement nor participate in any decision relating to this Agreement which is prohibited by law.

C. (§803) Enforced Delay; Extension of Times of Performance

In addition to specific provisions of this Agreement, performance by either party hereunder shall not be deemed to be in default where delays or defaults are due to war, insurrection, strikes, lock-outs, riots, floods, earthquakes, fires, casualties, supernatural causes, acts of the public enemy, epidemics, quarantine restrictions, freight embargoes, lack of transportation, governmental restrictions or

priority, litigation, unusually severe weather, inability to secure necessary labor, materials or tools, delays of any contractor, subcontractor or supplies, acts of the other party, acts or failure to act of City or any other public or governmental agency or entity (except that any act or failure to act of Agency shall not excuse performance by Agency) or any other causes beyond the control or without the fault of the party claiming an extension of time to perform. Notwithstanding the foregoing, inability to secure satisfactory financing, tenant commitments, or market and economic conditions shall not entitle Developer to an extension of time to perform. An extension of time for any such cause shall be for the period of the enforced delay and shall commence to run from the time of the commencement of the cause, if notice by the party claiming such extension is sent to the other party within thirty (30) days of knowledge of the commencement of the cause.

Times of performance under this Agreement may be extended by mutual written agreement by Agency and Developer. The Executive Director of Agency shall have the authority on behalf of Agency to approve extensions of time not to exceed a cumulative total of one hundred eighty (180) days.

D. (§804) Intentionally Omitted

E. (§805) Interpretation

The terms of this Agreement shall be construed in accordance with the meaning of the language used and shall not be construed for or against either party by reason of the

authorship of this Agreement or any other rule of construction which might otherwise apply. The Section headings are for purposes of convenience only, and shall not be construed to limit or extend the meaning of this Agreement.

F. (§806) Entire Agreement, Waivers and Amendments

This Agreement integrates all of the terms and conditions mentioned herein, or incidental hereto, and supersedes all negotiations or previous agreements between the parties with respect to all or any part of the subject matter hereof.

All waivers of the provisions of this Agreement must be in writing and signed by the appropriate authorities of the party to be charged, and all amendments and modifications hereto must be in writing and signed by the appropriate authorities of Agency and Developer.

G. (§807) Consent; Reasonableness

Except when this Agreement specifically authorizes a party to withhold its approval or consent in its sole discretion, when either Agency or Developer shall require the consent or approval of the other party in fulfilling any agreement, covenant, provision, or condition contained in this Agreement, such consent or approval shall not be unreasonably withheld, conditioned, or delayed by the party from whom such consent or approval is sought.

H. (§808) Execution

This Agreement may be executed in counterparts, each of which shall be deemed to be an original, and such counterparts shall constitute one and the same instrument.

IN WITNESS WHEREOF, the parties hereto have executed this Agreement ("Execution Date") as of the day and year set next to the signature of the Agency Chairman.

"AGENCY"

REDEVELOPMENT AGENCY OF THE CITY OF SAN FERNANDO

By: _____
Chairman

Date: 2-20-90

ATTEST:

_____
Secretary

APPROVED AS TO FORM:
RUTAN & TUCKER

By: _____
Dan Slater
Attorneys for Redevelopment
Agency of the City of San Fernando

"DEVELOPER"

SAN FERNANDO MISSION PARTNERSHIP,
a California general partnership

By: _____
Alexander Haagen
Managing General Partner

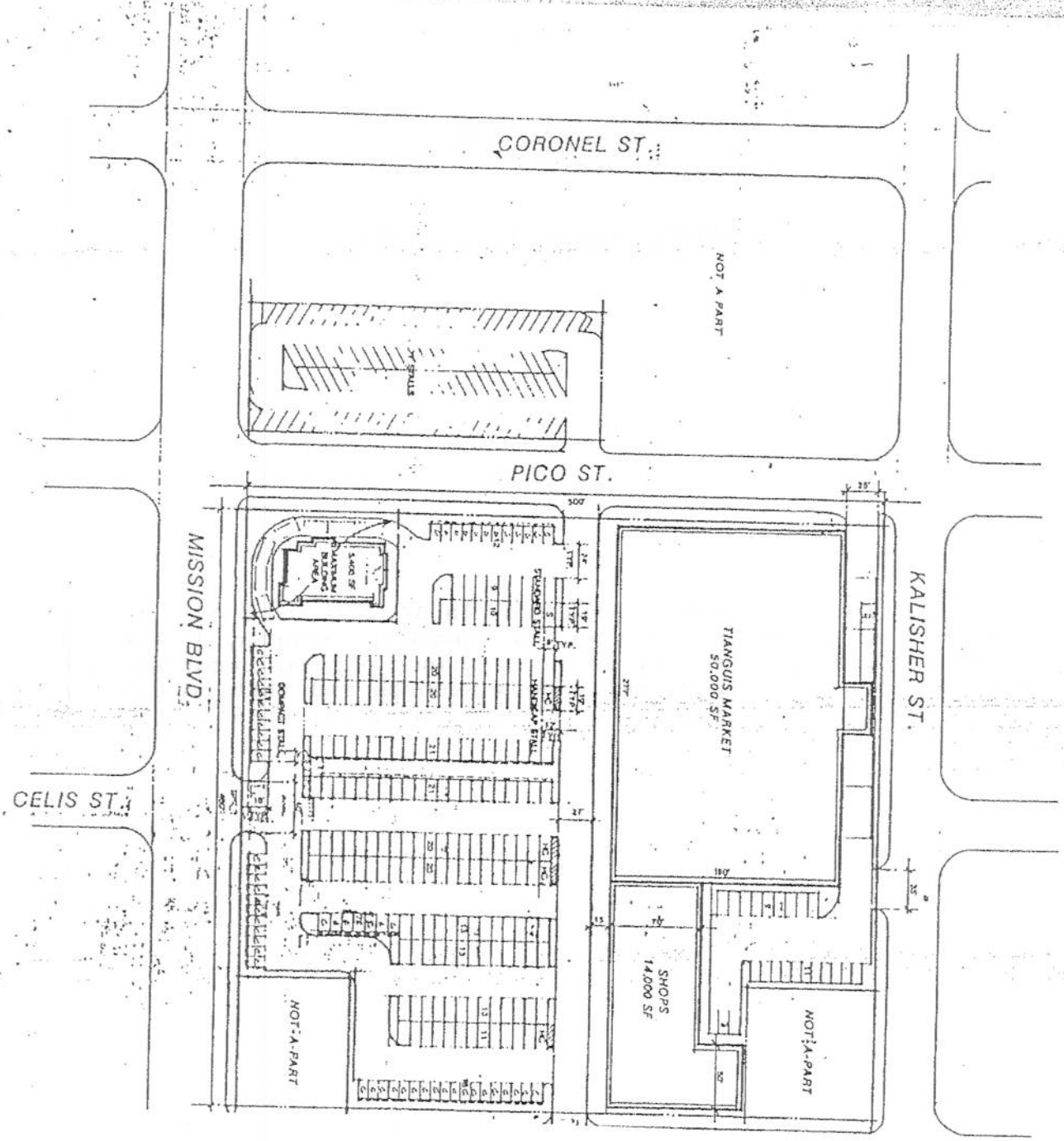
Date: February 20, 1990

7/394/011418-0003/005

ATTACHMENT NO. 1

SITE MAP

ATTACHMENT NO. 1


KALISHER ST.
TIANGUIS MARKET
50,000 SF
SHOPS
14,000 SF
NOT A PART
NOT A PART
PICO ST.
MISSION BLVD.
CORONEL ST.
CELIS ST.
NOT A PART

ATTACHMENT NO. 2

LEGAL DESCRIPTION OF SITE

LOTS 4 to 16 and 21 to 40, inclusive, in Block 6 and Lots 1 to 40, inclusive, in Block 15 of Porter Land and Water Company's resurvey of San Fernando in the City of San Fernando per Map recorded Book 34 Pages 65 and 66 of Miscellaneous Records and that portion of Celis Street between Mission Boulevard and Kalisher Street to be vacated.

ATTACHMENT NO. 3

APPROVED EXCEPTIONS TO TITLE
FOR ACQUISITION PARCELS

[to be inserted]

[to be added]

ATTACHMENT NO. 4

SCHEDULE OF PERFORMANCE

Item to be Performed	Time for Performance
1. Developer submits and Agency approves Concept Plan for Project (§313)	On or before Execution Date
2. Developer delivers Deposit to Agency (§301)	On or before Execution Date
3. Developer provides Developer's Advance to Agency (§303)	Within ten (10) days after Execution Date
4. Developer submits evidence of Tianguis commitment to locate and operate market on Site (§318)	Within thirty (30) days after Execution Date
5. Developer submits complete Site Plan application for Project to Agency and City for approval (§314)	Within fifteen (15) days of Execution Date
6. Developer prepares and submits (or Agency submits) tentative map to City and application for street vacation.	Within fifteen (15) days of Execution Date
7. Developer commences environmental testing of Acquisition Parcels. (§310)	Within fifteen (15) days after Execution Date
8. Developer completes environmental testing and submits written notification to Agency accepting or rejecting physical condition of Acquisition Parcels. (§310)	Within forty-five (45) days after performance of Item No. 7

9.	If environmental clean-up is required, Agency attempts to renegotiate purchase price for affected Acquisition Parcel(s) and notifies Developer of outcome of such renegotiation. (§310)	For a period of thirty (30) days after performance of Item No. 8
10.	Site Plan is approved (or disapproved) by Agency and City (§314)	Within sixty (60) days after performance of Item No. 5 if utilities have confirmed easement requests
11.	If Site Plan is disapproved, Developer submits revised Site Plan to Agency and City for approval (§§ 314, 317)	Within thirty (30) days of performance of Item No. 9
12.	Agency and City approve revised Site Plan, if necessary (§317)	Within thirty (30) days of performance of Item No. 11
13.	City approves tentative map and application for street vacation (§314)	Within thirty (30) days of performance of Item No. 6
14.	Agency attempts to acquire by negotiated purchase the Acquisition Parcels (§302)	For a period of sixty (60) days following Agency receipt of the $1,840,000 portion of the Developer loan, but in no event prior to performance of Item No. 8
15.	Agency exercises reasonable diligence to enter into agreement with Mission College terminating Mission College's leasehold interest in a portion of the Site and providing for the relocation of Mission College from the Site. (§701)	As soon as practicable but no later than May 30, 1990
16.	Agency elects whether to use eminent domain to acquire any of the Acquisition Parcels Agency has been unable to acquire by negotiated purchase (§302)	Within thirty (30) days after expiration of the period referenced in Item No. 14

17.	Agency and Developer open escrow for the Acquisition Parcels (§305)	Within five (5) days after the later of (i) the date Agency enters into the first negotiated agreement to purchase one of the Acquisition Parcels, or portion thereof; or (ii) the date Agency elects to acquire the unacquired parcels by exercise of its power of eminent domain
18.	Agency files eminent domain action(s) to acquire any of the Acquisition Parcels Agency has been unable to acquire by negotiated purchase and exercises reasonable diligence to obtain Order of Prejudgment Possession and pursue action to final judgment (if applicable) (§302)	As soon as practicable as further described in Section 302
19.	Developer submits Final Building Plans to Agency and City (§315)	Within one hundred twenty (120) days after performance of Item No. 10 or 12, as applicable, but no later than June 30, 1990
20.	Agency approves or disapproves Final Building Plans and exercises reasonable diligence to cause City to complete first plan check (§315)	Within thirty (30) days after performance of Item No. 19
21.	Developer submits revised Final Building Plans (§§ 315, 317)	Within fifteen (15) days after receipt of City's plan check comments.
22.	Agency approves revised Final Building Plans and exercises reasonable diligence to cause City to approve same (§§ 315, 317)	Within fifteen (15) days after Developer makes all required corrections and revisions

23.	Developer submits Evidence of Financial Capability to Agency's Executive Director (§312)	Within thirty (30) days prior to Close of Escrow for conveyance of first Acquisition Parcel
24.	Agency's Executive Director approves or disapproves Developer's Evidence of Financial Capability (§312)	Within fifteen (15) days after performance of Item No. 23
25.	Developer submits evidence of insurance to Agency (to be effective at Close of Escrow) (§404)	Prior to Close of Escrow for conveyance of first Acquisition Parcel
26.	Close of Escrow for each of Acquisition Parcels; Grant Deed and Agreement To Be Recorded Affecting Real Property recorded (§§ 305, 306, 307)	Within ten (10) days after Item Nos. 1-24 have been performed, but in no event later than June 30, 1990; provided, all of Agency's and Developer's Conditions to Closing have been satisfied (or waived by the appropriate party)
27.	Developer commences and completes demolition of existing improvements on Site inconsistent with approved plans (Section 401)	Within sixty (60) days after Close of Escrow for last of Acquisition Parcels to be acquired
28.	Developer obtains building permits and commences construction of Project (§§ 315, 401, 403)	Within thirty (30) days after completion of demolition
29.	Developer completes construction of Project and Agency issues Certificate of Completion (§§ 403, 413)	Within one (1) year following performance of Item No. 28

The foregoing Schedule is not intended to modify or amend the more complete description of the covenants and conditions set forth in the text of the Agreement; in the event of any inconsistency between the text and this Schedule, the text shall govern.

ATTACHMENT NO. 5

RECORDED AT THE REQUEST OF
AND WHEN RECORDED RETURN TO:

Redevelopment Agency of
the City of San Fernando
117 Macneil Street
San Fernando, CA 91340
Attn: Executive Director

_____ SPACE ABOVE THIS LINE
FOR RECORDING USE

GRANT DEED

FOR A VALUABLE CONSIDERATION, receipt of which is hereby acknowledged, the REDEVELOPMENT AGENCY OF THE CITY OF SAN FERNANDO, a public body corporate and politic of the State of California, herein called "Grantor", acting to carry out the Redevelopment Plan for Redevelopment Project Area No. 1, herein called "Redevelopment Plan", under the Community Redevelopment Law of the State of California, hereby grants to SAN FERNANDO MISSION PARTNERSHIP, a California general partnership, herein called "Grantee", the real property, hereinafter referred to as the "Property", described in the document attached hereto labeled Exhibit 1 and incorporated herein by this reference.

(1) Grantor excepts and reserves any existing street, proposed street, or portion of any street or proposed street lying outside the boundaries of the Property which might otherwise pass with a conveyance of the Property.

(2) Said Property is conveyed in accordance with and subject to the Redevelopment Plan which was approved and adopted on May 26, 1966, by the City Council of the City of San Fernando by Ordinance No. 1918, as amended on October 18, 1971 by Ordinance No. 1018, on November 19, 1984, by Ordinance No. 1260, on December 15, 1986, by Ordinance No. 1294, and on June 27, 1988, by Ordinance No. 1316, and the Disposition and Development Agreement (the "Agreement") entered into by and between Grantor and Grantee on _____, both of which documents are public records on file in the offices of the City Clerk of the City of San Fernando and the Secretary of Grantor, and are by this reference thereto incorporated herein as though fully set forth.

(3) Grantee hereby covenants and agrees for itself, its successors, its assigns, and every successor in interest to the Property that Grantee, such successors and such assigns, shall develop, maintain, and use the Property only as follows:

(a) During the time the Redevelopment Plan is in effect, the Property shall be devoted only to the development permitted and the uses specified in the applicable provisions of the Redevelopment Plan, Section 501 of the Agreement, and this Grant Deed, whichever document is more restrictive.

(b) During the time the Redevelopment Plan is in effect, Grantee shall, at its own expense, maintain all improvements (including landscaping) on the Property in accordance with Section 502 of the Agreement.

(c) During the time the Redevelopment Plan is in effect, Developer shall protect, maintain, and preserve the architectural style and treatment of the facade of the improvements located on the Property and shall not make or permit to be made any substantial alteration or modification to the architectural style and treatment of the facade of such improvements without the prior written approval of Grantor.

(4) Prior to the recordation of a Certificate of Completion issued by Grantor for the improvements to be constructed on the Property, as provided in Section 413 of the Agreement, Grantee shall not make any sale, transfer, conveyance or assignment of the Property or any part thereof or the buildings or structures thereon, and Grantee shall not place or suffer to be placed on the Property any lien or encumbrance other than as permitted in Sections 409-412 of the Agreement, both inclusive.

(5) Grantee covenants and agrees for itself, its successors, its assigns, and all persons claiming under or through them that there shall be no discrimination against or segregation of any person or group of persons on account of race, color, creed, religion, sex, marital status, national origin, or ancestry in the sale, lease, sublease, transfer, use, occupancy, tenure, or enjoyment of the Property, nor shall Grantee itself or any person claiming under or through it, establish or permit any such practice or practices of discrimination or segregation with reference to the selection, location, number, use, or occupancy of tenants, lessees, subtenants, sublessees, or vendees in the Property. The foregoing covenants shall run with the land.

(6) All deeds, leases, or contracts made relative to the Property, improvements thereon, or any part thereof, shall contain or be subject to substantially the following nondiscrimination or nonsegregation clauses:

(a) In deeds: "The grantee herein covenants by and for itself, its successors and assigns, and all persons claiming under or through them, that there shall be no discrimination against or segregation of, any person or group of persons on account of race, color, creed, religion, sex, marital status, national origin, or ancestry in the sale, lease, sublease, transfer, use, occupancy, tenure, or enjoyment of the land herein conveyed, nor shall the grantee itself or any person claiming under or through it, establish or permit any such practice or practices of discrimination or segregation with reference to the selection, location, number, use or occupancy of tenants, lessees, subtenants, sublessees, or vendees in the land herein conveyed. The foregoing covenants shall run with the land."

(b) In leases: "The lessee herein covenants by and for itself, its successors and assigns, and all persons claiming under or through them, and this lease is made and accepted upon and subject to the following conditions: That there shall be no discrimination against or segregation of any person or group of persons, on account of race, color, creed, religion, sex, marital status, national origin, or ancestry in the leasing, subleasing, renting, transferring, use, occupancy, tenure, or enjoyment of the land herein leased, nor shall lessee itself, or any person claiming under or through it, establish or permit such practice or practices of discrimination or segregation with reference to the selection, location, number, use, or occupancy of tenants, lessees, sublessees, subtenants, or vendees in the land herein leased."

(c) In contracts: "There shall be no discrimination against or segregation of any person or group of persons on account of race, color, religion, creed, sex, marital status, national origin, or ancestry in the sale, lease, sublease, transfer, use, occupancy, tenure, or enjoyment of the land, nor shall the transferee itself or any person claiming under

or through it, establish or permit any such practice or practices of discrimination or segregation with reference to the selection, location, number, use, or occupancy of tenants, lessees, subtenants, sublessees, or vendees of the land."

(7) Pursuant to Section 607 of the Agreement, Grantor has the right to reenter, repossess, terminate and revest in Grantor the estate granted to Grantee hereunder in the event of certain events or occurrences prior to the recordation of the Certificate of Completion pursuant to Section 413 of the Agreement. Reference is made to the Agreement for a complete description of the rights of Grantor and Grantee in this regard.

(8) All conditions, covenants, and restrictions contained in this Grant Deed shall be covenants running with the land, and shall, in any event, and without regard to technical classification or designation, legal or otherwise, be, to the fullest extent permitted by law and equity, binding for the benefit and in favor of, and enforceable by Grantor, its successors and assigns, and the City of San Fernando and its successors and assigns, against Grantee, its successors and assigns, to or of the Property conveyed herein or any portion thereof or any interest therein, and any party in possession or occupancy of said Property or portion thereof.

(9) The specific use and maintenance covenants and restrictions covenant contained or referenced in paragraph (3) of this Grant Deed shall remain in effect until June 27, 2018 (the expiration date of the Redevelopment Plan) and thereafter shall terminate and become null and void. The covenants and restrictions contained or referenced in paragraphs (4) and (7) of this Grant Deed shall terminate and become null and void upon recordation of the final Certificate of Completion issued by Grantor for the Property. The covenants against discrimination set forth in paragraphs (5) and (6) of this Grant Deed shall remain in effect in perpetuity.

(10) In amplification and not in restriction of the provisions set forth hereinabove, it is intended and agreed that Grantor shall be deemed a beneficiary of the agreements and covenants provided hereinabove both for and in its own right and also for the purposes of protecting the interests of the community. All covenants without regard to technical classification or designation shall be binding for the benefit of Grantor, and such covenants shall run in favor of Grantor for the entire period during which such covenants shall be in force and effect, without regard to whether Grantor is or remains an owner of any land or interest

therein to which such covenants relate. Grantor shall have the right, in the event of any breach of any such agreement or covenant, to exercise all the rights and remedies, and to maintain any actions at law or suit in equity or other proper proceedings to enforce the curing of such breach of agreement or covenant.

(11) No violation or breach of the covenant, conditions, restrictions, provisions, or limitations contained in this Grant Deed shall defeat or render invalid or in any way impair the lien or charge of any mortgage or deed of trust or security interest permitted by paragraph 4 of this Grant Deed; provided, however, that any subsequent owner of the Property shall be bound by such remaining covenants, conditions, restrictions, limitations, and provisions, whether such owner's title was acquired by foreclosure, deed in lieu of foreclosure, trustee's sale, or otherwise.

(12) None of the terms, covenants, or conditions in the Agreement, or otherwise agreed upon in writing in other instructions between the parties to this Grant Deed with respect to obligations to be performed, kept, or observed by Grantee or Grantor in respect to said Property or any part thereof after this conveyance of said Property shall be deemed to be merged with this Grant Deed.

(13) The covenants contained in this Grant Deed shall be construed as covenants running with the land and not as conditions which might result in forfeiture of title.

IN WITNESS WHEREOF, Grantor and Grantee have caused this instrument to be executed on their behalf by their respective officers hereunto duly authorized this _____ day of _____, 19__.

Grantor-Agency:

REDEVELOPMENT AGENCY OF THE
CITY OF SAN FERNANDO

By: _____
Chairman

Grantee-Developer:

SAN FERNANDO MISSION
PARTNERSHIP, a California
general partnership

By: _____
Alexander Haagen
Its: Managing General
Partner

STATE OF CALIFORNIA)
) ss.
COUNTY OF _____ ____)

On _____, before me, the undersigned, a Notary Public in and for said State, personally appeared _____, personally known to me (or proved to me on the basis of satisfactory evidence) to be the person who executed the within instrument as Chairman on behalf of the REDEVELOPMENT AGENCY OF THE CITY OF SAN FERNANDO, the public entity herein named, and acknowledged to me that such public entity executed the within instrument.

WITNESS my hand and official seal.

Signature_____

STATE OF CALIFORNIA)
) ss.
COUNTY OF _____)

On _____, before me, the undersigned, a Notary Public in and for said State, personally appeared ALEXANDER HAAGEN, personally known to me (or proved to me on the basis of satisfactory evidence) to be the person whose name is subscribed to the foregoing instrument as the Managing General Partner of SAN FERNANDO MISSION PARTNERSHIP, a California general partnership, and acknowledged to me that he executed the same in the capacity therein stated and as the act and deed of said general partnership.

WITNESS my hand and official seal.

Signature_____

ATTACHMENT NO. 6

RECORDED AT THE REQUEST OF
AND WHEN RECORDED RETURN TO:

Redevelopment Agency
of the City of San Fernando
117 Macneil Street
San Fernando, CA 91340
Attn: Executive Director

_____ SPACE ABOVE THIS LINE
FOR RECORDING USE

CERTIFICATE OF COMPLETION

WHEREAS, by a Disposition and Development Agreement (hereinafter referred to as the "Agreement") dated _____, 19__, by and between the REDEVELOPMENT AGENCY OF THE CITY OF SAN FERNANDO (hereinafter referred to as "Agency"), and SAN FERNANDO MISSION PARTNERSHIP, a California general partnership (hereinafter referred to as "Developer"), Developer has redeveloped the real property (the "Site"), legally described on Exhibit 1 hereto, according to the terms and conditions of said Agreement; and

WHEREAS, pursuant to Section 413 of the Agreement, promptly after completion of all construction work to be completed by Developer upon the Site, Agency shall furnish Developer with a Certificate of Completion upon written request therefor by Developer; and

WHEREAS, the issuance by Agency of the Certificate of Completion shall be conclusive evidence that Developer has complied with the terms of the Agreement pertaining to the redevelopment of the Site; and

WHEREAS, Developer has requested that Agency furnish Developer with the Certificate of Completion; and

WHEREAS, Agency has conclusively determined that the redevelopment of the Site has been satisfactorily completed as required by the Agreement;

NOW, THEREFORE:

1. As provided in the Agreement, Agency does hereby certify that redevelopment of the Site has been fully and

satisfactorily performed and completed, and that such redevelopment is in full compliance with said Agreement.

2. This Certificate of Completion shall not constitute evidence of compliance with or satisfaction of any obligation of Developer to any holder of a mortgage, or any insurer of a mortgage, securing money loaned to finance construction work on the Site, or any part thereof. Nothing contained herein shall modify in any way any other provision of said Agreement.

IN WITNESS WHEREOF, Agency has executed this Certificate as of this _____ day of _____, 19__.

REDEVELOPMENT AGENCY OF THE CITY OF SAN FERNANDO

By: _____
Executive Director

Exhibit 1

LEGAL DESCRIPTION OF SITE

[to be inserted]

ATTACHMENT NO. 7

CONCEPT PLAN

[to be inserted]

RECORDING REQUESTED BY
AND WHEN RECORDED MAIL TO:

REDEVELOPMENT AGENCY OF THE CITY
OF SAN FERNANDO
Attention: Executive Director
117 Macneil Street
San Fernando, CA 91340

[Space above for Recorder.]

This Agreement is recorded at the request and for the benefit of the Redevelopment Agency of the City of San Fernando and is exempt from the payment of a recording fee pursuant to Government Code Section 6103.

REDEVELOPMENT AGENCY OF
THE CITY OF SAN FERNANDO

By: _____
Its: _____

Dated: _____, 198_

REDEVELOPMENT PROJECT AREA NO. 1
SAN FERNANDO, CALIFORNIA

AGREEMENT CONTAINING COVENANTS
AFFECTING REAL PROPERTY

THIS AGREEMENT is entered into this _____ day of _____, 19__, by and between THE REDEVELOPMENT AGENCY OF THE CITY OF SAN FERNANDO, a public body corporate and politic ("Agency"), and SAN FERNANDO MISSION PARTNERSHIP, a

California general partnership ("Developer"), with reference to the following:

A. Developer is fee owner of record of that certain real property (the "Property") located in the City of San Fernando, County of Los Angeles, State of California, legally described in the attached Exhibit "A."

B. The Property is within Redevelopment Project Area No. 1 (the "Project Area") in the City of San Fernando ("City") and is subject to the provisions of the Redevelopment Plan for the Project Area adopted by Ordinance No. 1918 on May 26, 1966, by the City Council of the City of San Fernando, as amended by Ordinance No. 1018 on October 18, 1971, by Ordinance No. 1260 on November 19, 1984, by Ordinance No. 1294 on December 15, 1986, and by Ordinance No. 1316 on June 27, 1988 (the "Redevelopment Plan").

C. Agency and Developer have entered into a Disposition Agreement ("DDA") dated as of _____, 19___, concerning the development and operation of a commercial shopping center (defined in the DDA as the "Project") on certain real property (defined in the DDA as the "Site") of which the Property is a part. The DDA is on file with the Agency as a public record and is incorporated herein by this reference.

NOW, THEREFORE, AGENCY AND DEVELOPER AGREE AS FOLLOWS:

1. Developer, on behalf of itself and its successors, assigns, and each successor in interest to the Property or

any part thereof, hereby covenants and agrees that (A) commencing with, and continuing for five (5) year after, the opening for business of the Tianguis supermarket on the Site, Developer and such successors and assigns shall not devote that portion of the Site in which the Tianguis supermarket is located to uses inconsistent with plans and permits referenced in Sections 313-316, both inclusive, as the same may be amended from time to time, but thereafter until June 27, 2018 (the expiration date of the Redevelopment Plan) may use said portion for any lawful retail use; and (B) throughout the time the Redevelopment Plan is in effect (i.e., until June 27, 2018), the permitted uses of the improvements to be constructed on the balance of the Site shall further be limited as follows:

(i) A maximum of two thousand five hundred (2,500) square feet of the gross leasable area of the shop space in the buildings on the Property shall be devoted to "non-retail uses." As used herein, the term "non-retail uses" includes, but is not limited to, business and professional offices, financial institutions, insurance offices, travel agencies, video rental stores, and service businesses with only incidental or no retail sales

such as laundries and dry cleaning shops, hair salons, and barber shops.

(ii) The remaining gross leaseable area of the buildings on the Property shall be devoted solely to retail uses, including supermarket, commercial retail merchandising, restaurant, and food and beverage sales.

(iii) Uses which are clearly ancillary to the primary retail use of a building or store, such as restrooms, storage facilities, office facilities within a retail store related to the use and operation of that store, hallways, and similar uses shall be considered as part of the retail use. Vacancies shall also be considered as "retail" for purposes of compliance with the use restrictions set forth herein.

(b) To maintain the improvements and landscaping on the Property in first class condition and repair (and, as to landscaping, in a healthy condition), and in accordance with the approved Project plans, and to keep the Property free from any accumulation of debris and waste materials.

(c) Not to discriminate upon the basis of sex, marital status, race, color, creed, religion, age, national

origin, or ancestry in the sale, lease, sublease, transfer, or rental, or in the use, occupancy, tenure, or enjoyment of the Property or any improvements thereon, or of any part thereof. Each and every deed, lease, and contract entered into with respect to the Property shall contain or be subject to substantially the following nondiscrimination or nonsegregation clauses:

(1) In deeds: "The grantee herein covenants by and for itself, its successors and assigns, and all persons claiming under or through them, that there shall be no discrimination against or segregation of any person or group of persons on account of sex, marital status, race, color, creed, religion, age, national origin, or ancestry in the sale, lease, rental, sublease, transfer, use occupancy, tenure, or enjoyment of the land herein conveyed, nor shall the grantee itself or any persons claiming under or through it, establish or permit any such practice or practices of discrimination or segregation with reference to the selection, location, number, use or occupancy of tenants, lessees, subtenants, sublessees, or vendees in the land herein conveyed,

The foregoing covenants shall run with the land."

(2) In leases: "The lessee herein covenants by and for itself, its successors and assigns, and all persons claiming under or through them, and this lease is made and accepted upon and subject to the following conditions:

That there shall be no discrimination against or segregation of any person or group of persons, on account of sex, marital status, race, color, creed, religion, age, national origin, or ancestry, in the leasing, renting, subleasing, transferring, use, occupancy, tenure, or enjoyment of the land herein leased nor shall the lessee itself, or any person claiming under or through it, establish or permit such practice or practices of discrimination or segregation with reference to the selection, location, number, use or occupancy of tenants, lessees, sublessees, subtenants, or vendees in the land herein leased."

(3) In contracts: "There shall be no discrimination against or segregation of, any persons, or group of persons on account of sex, marital status, race, color, creed, religion, age, national origin, or ancestry in the sale, lease, rental, sublease, transfer, use, occupancy, tenure or enjoyment of the land, nor shall the transferee itself or any person claiming under or through it, establish or permit any such practice or practices of discrimination or segregation with reference to the selection, location, number, use of occupancy of tenants, lessees, subtenants, sublessees or vendees of the land."

2. There shall be no discrimination against or segregation of any person, or groups of persons, on account of sex, marital status, race, color, creed, religion, age, national origin, or ancestry in the sale, lease, rental, sublease, transfer, use, occupancy, tenure, or enjoyment of the Property or any part thereof, nor shall the Developer, its successors, assigns, or successors in interest to the Property or any part thereof, or any person claiming under or through them, establish part thereof, or any person claiming

under or through them, establish or permit any such practice or practices of discrimination or segregation with reference to the selection, location, number, use, or occupancy of tenants, lessees, sublessees, or vendees of the Property or any part thereof.

3. Developer, on behalf of itself and its successors, assigns, and each successor in interest to the Property or any part thereof, hereby covenants to, and shall protect, maintain and preserve the architectural style and treatment of the facade of the improvements located on the Property. Developer, on behalf of itself and its successors, assigns, and each successor in interest to the Property or any part thereof, hereby further covenants not to, and shall not, make any substantial alteration or modification to the architectural style and treatment of the facade of such improvements without the prior written approval of Agency and/or City.

4. Developer shall indemnify, defend, and hold harmless Agency, City, and their respective officers, agents, and employees from and against any loss, liability, claim, or judgment relating in any manner to the Property excepting only any such loss, liability, claim, or judgment arising out of the intentional wrongdoing or active negligence of Agency, City, or their respective officers, agents, or employees. Developer shall remain fully obligated for the payment of

property taxes and assessments in connection with the Property.

5. The covenants and agreements established in this Agreement shall, without regard to technical classification and designation, be binding on Developer and any successor in interest to the Property, or any part thereof, for the benefit of and in favor of Agency, its successor and assigns, and City. Except as set forth in the following sentence, the covenants contained in paragraph 1(a) and (b) of this Agreement and Grantor's remedies pertaining to the architectural and landscaped areas style and treatment of the facade of the improvements located on the Property contained in paragraph 3 shall remain in effect until June 27, 2018 (the expiration date of the Redevelopment Plan), unless sooner extinguished by agreement in writing by Developer and Agency. The covenants against discrimination contained in paragraphs 1(c) and 2 shall remain in perpetuity.

6. The covenants and restrictions contained in this Agreement shall not benefit nor be enforceable by any owner of any other real property within or outside the Redevelopment Project Area or any person or entity having any interest in any such other real property. Any amendments to the Redevelopment Plan which change the uses or development permitted on the Property or otherwise change any restrictions or controls of the Redevelopment Plan that apply to the Property, shall be inapplicable absent the written

consent of the fee owner of said Property at the time of said amendments. Amendments to the Redevelopment Plan applying only to other real property in the Redevelopment Project Area shall not require the consent of the fee owner of the Property.

IN WITNESS WHEREOF, Agency and Developer have executed this Agreement.

Dated: _____

REDEVELOPMENT AGENCY OF THE CITY OF SAN FERNANDO

By: _____
Executive Director

"AGENCY"

ATTEST:

_____
Secretary

APPROVED AS TO FORM:
RUTAN & TUCKER

By: _____
Attorneys for the Redevelopment Agency of the City of San Fernando

SAN FERNANDO MISSION
PARTNERSHIP, a California
general partnership

Dated:_____

By: _____
Alexander Haagen
Its: Managing General
Partner

"DEVELOPER"

STATE OF CALIFORNIA)
) ss.
COUNTY OF _____)

On this _____ day of _____, in the year _____ before me, the undersigned, a Notary Public in and for said State, personally appeared _____, personally known to me (or proved to me on the basis of satisfactory evidence) to be the person who executed this instrument as the Executive Director of the REDEVELOPMENT AGENCY OF THE CITY OF SAN FERNANDO and acknowledged to me that the REDEVELOPMENT AGENCY OF THE CITY OF SAN FERNANDO executed it.

_____
Signature of Notary Public

(SEAL)

STATE OF CALIFORNIA)
) ss.
COUNTY OF _____)

On _____ before me, the undersigned, a Notary Public in and for said State, personally appeared ALEXANDER HAAGEN, personally known to me (or proved to me on the basis of satisfactory evidence to be) the person whose name subscribed to the foregoing instrument as the Managing General Partner of SAN FERNANDO MISSION PARTNERSHIP, a California general partnership, and acknowledged to me that he executed the same on behalf of said general partnership.

WITNESS my hand and official seal.

_____
Signature of Notary Public

(SEAL)

ATTACHMENT NO. 9

DEVELOPER'S PUBLIC IMPROVEMENTS OBLIGATION

Developer's obligation for construction of off-Site improvements required for the Project ("Public Improvements") shall be limited to the items listed in this Attachment No. 9, and the cost of these Public Improvements shall be borne by Developer unless otherwise stated:

A. Mission Boulevard

1. Construct not more than nine (9) tree wells, plant twelve foot (12') high specimen Queen Palm trees, and install tree grates.

2. Remove and replace defective concrete sidewalks, curbs, and gutters.

3. Construct new PCC driveway approach.

4. Upgrade/modify traffic signals at Celis & Mission to provide detector loops and reprogram existing controls.

B. Pico Street

1. Remove two (2) existing power poles, install two new Marbelite poles, and install street lights on same.

2. Developer shall pay for undergrounding of existing overhead electric and telephone lines; Agency shall pay for underground service connections for five (5) units located on southwest side of Pico Street.

3. Construct tree wells and plant standard 15 gallon specimen parkway trees, but not including palm trees, and install tree grates.

4. Remove existing driveway approaches and replace with PCC sidewalk.

5. Construct new PCC driveway approach.

6. Remove and replace defective concrete sidewalks, curbs, and gutters.

C. Kalisher Street

1. Construct tree wells and plant standard 15 gallon specimen parkway trees, but not including palm trees, and install tree grates.

2. Remove and replace defective concrete sidewalks, curbs, and gutters.

3. Construct new PCC driveway approach.

D. San Fernando Road

1. Construct not more than seven (7) tree wells, plant twelve foot (12') high specimen Queen Palm trees, and install tree grates.

2. Remove existing driveway approach and replace with PCC sidewalk.

3. Remove and replace defective concrete sidewalks, curbs, and gutters.

E. Fire Hydrants

Developer to install all on-Site fire hydrants required by the City of Los Angeles Fire Department to serve the Site. The cost of upgrading or installing all off-Site fire hydrants required as a result of the Project shall be shared equally by Developer and Agency.

F. Vacation of Celis Street - Abandonment and/or Relocation of Utilities

Developer shall not be responsible for any costs associated with the abandonment and/or relocation of utilities required due to the vacation of Celis Street, nor the enhancement of water or sewer lines serving the Project.

7/394/011418-0003/033

RESOLUTION NO. 1059

A RESOLUTION OF THE SAN FERNANDO REDEVELOPMENT AGENCY AUTHORIZING A LOAN FROM THE LOW AND MODERATE INCOME HOUSING FUND TO MAKE THE REQUIRED FISCAL YEAR 2009/10 SUPPLEMENTAL EDUCATIONAL REVENUE AUGMENTATION FUND PAYMENT, AND MAKING DETERMINATIONS IN CONNECTION THEREWITH

The San Fernando Redevelopment Agency (the "Agency") hereby finds, determines, and resolves as follows:

Section 1. AB X4 26 added Section 33690 to the California Health and Safety Code, effective January 1, 2010, which requires redevelopment agencies to make remittances to county auditors for deposit in the county supplemental educational revenue augmentation funds (SERAF) for the 2009/2010 fiscal year.

Section 2. Health and Safety Code Section 33690(a)(1) provides that the Agency must, prior to May 10, 2010, remit to the Los Angeles County Auditor for deposit in the Los Angeles County SERAF an amount equal to the amount determined for the Agency by the State Director of Finance.

Section 3. The amount of the Agency's required SERAF remittance for the 2009/2010 fiscal year is $2,063,811.

Section 4. Pursuant to Health and Safety Code Section 33690(c)(1), to make the full SERAF remittance required by Section 33690, the Agency, notwithstanding any other law, may borrow from either: (1) the amount required to be allocated to the Low and Moderate Income Housing Fund, pursuant to Health and Safety Code Sections 33334.2, 33334.3, and 33334.6, or (2) any moneys in that fund, or (3) both, unless such borrowing would impair existing executed contracts.

Section 5. Health and Safety Code Section 33690(c)(2) provides that as a condition of borrowing pursuant to Health and Safety Code Section 33690(c)(1), the Agency must make a finding that there are insufficient other moneys to meet the requirements of Health and Safety Code Section 33690(a).

Section 6. As set forth in the agenda report for this item, the total estimated payments on existing indebtedness required to be made in the 2009/10 fiscal year leaves insufficient funds to make the required SERAF payment.

Section 7. Based on the foregoing, the Agency hereby finds that there are insufficient funds to meet the requirements of Health and Safety Code Section 33690(a). Specifically, the Agency finds that: (a) the amount allocated to the Agency in the 2009/2010 fiscal year is needed to make payments on the Agency's existing indebtedness that are due or required to be committed, set aside, or reserved by the Agency during the 2009/2010 fiscal year and will be used by the Agency for such purpose, and the Agency has no other funds that can be used to pay this existing indebtedness and no other feasible method to reduce or avoid such indebtedness;

and (b) the Agency has no other funds that can be used to make the allocation required by Health and Safety Code Section 33690(a).

Section 8. The Agency hereby declares its intent to make the full SERAF remittance for the 2009/2010 fiscal year required by Section 33690 by borrowing from (1) the amount required to be allocated to the Low and Moderate Income Housing Fund pursuant to Health and Safety Code Sections 33334.2, 33334.3, and 33334.6, and (2) any moneys in that fund as of June 30, 2010.

Section 9. The Agency hereby finds that no existing executed contracts will be impaired if, in accordance with this resolution, the Agency reduces the amount allocated to the Low and Moderate Income Housing Fund or the amount of moneys in the fund, or both.

Section 10. The Agency hereby declares that funds borrowed pursuant to Section 33690(c) shall be repaid in full on or before June 30, 2015.

Section 11. The Executive Director, being the chief fiscal officer of the Agency, has reviewed the information set forth in this Resolution for accuracy.

PASSED, APPROVED, and ADOPTED this 19th day of January 2010.

Steven Veres, Chairman

ATTEST:

Elena G. Chávez, Secretary

APPROVED AS TO FORM:

Michael Estrada, Agency Counsel

STATE OF CALIFORNIA)
COUNTY OF LOS ANGELES) ss
CITY OF SAN FERNANDO)

I HEREBY CERTIFY that the foregoing Resolution was approved and adopted at a regular meeting of the San Fernando Redevelopment Agency held on the 19th day of January 2010, by the following vote to wit:

AYES: Veres, M. Hernández, De La Torre, Esqueda, E. Hernández – 5

NOES: None

ABSENT: None

Elena G. Chávez

Elena G. Chávez, Secretary

CITY OF
San Fernando
Historic & Visionary

January 28, 2010

VIA REGULAR MAIL AND E-MAIL
e-mail to: kburns@auditor.lacounty.gov

County of Los Angeles
Auditor-Controller's Office, CRA/Distribution Section
Attn: Kristina Burns, Manager
500 W. Temple St., Room 484
Los Angeles, CA 90012-2766

RE: FY 2009-10 Supplemental Educational Revenue Augmentation Funds ("SERAF")
Payment by the Redevelopment Agency of the City of San Fernando ("Agency")

Dear Ms. Burns:

With the passage of the FY 2009-10 State Budget, additional reporting and payment requirements were imposed upon California redevelopment agencies through Assembly Bill 26. The legislation requires that certain redevelopment agencies provide additional information related to their allocated SERAF payments by March 1, 2010.

Pursuant to recent action taken its legislative body, the Agency intends to remit funds in the amount of $2,063,811 prior to May 10, 2010 in accordance with State legislation. This payment will be made in full, with a loan from the Agency's housing fund.

The validity of the State's legislation mandating the SERAF transfer/payment is pending a Sacramento County Superior Court ("Court") decision from a class action lawsuit generally between the California Redevelopment Association and the State Department of Finance. The Agency reserves any rights it may have to withhold the payment of funds to your office under Health and Safety Code Section 33690 or to recover those funds after payment or transfer based on any Court order or judgment stemming from the lawsuit.

Should you have any questions, please call me at (818) 898-1225.

Sincerely,

Mary Strenn
Agency Executive Director

C: Andrea Mevik, Senior Accountant
Sonia Garcia, Junior Accountant

CITY ADMINISTRATION
117 MACNEIL STREET SAN FERNANDO, CALIFORNIA 91340-2993
PHONE 818.898.1201 • FAX 818.361.7631

Regarding email of 4-30-12 on Oversight Board.

1. Administrative budget, see attached Salary Breakdown for FY 2010-11, FY 2011-12 and proposed FY2012-13.

2. There are no other revenues to cover the Administrative expenses, if we do not receive the minimum overhead allocation of $250,000 either the General Fund will need to cover or we will need to lay staff off to make up the difference.

3. Resolution # 537 shows an amount of $483,000, this is the budgeted number and not the actual amount that was given. This amount will not show up on the ROPS or a future ROPS. Attached is a repayment schedule for the amount requested.

4. 1422 San Fernando Rd was a vacant lot at the time of this deal. The developer, LA Affordable Housing, has now broken ground and has started the project. Yes the $200,000 down payment was made on June 2011 as per the agreement. You are correct the payment should be $100,000 not $150,000.

5. Sewer Fund notes, included are signed copies of attachments I & J and amortization schedule is included in the book. Bonds were not issued in the traditional sense as this was to be a loan from the Sewer Fund to the RDA.

6. City Yard, the MOU was executed. The first payment was made in 2005, see attached schedule. Please note that additional principal payments were made in 2008 and 2009 as funds were available.

7. See attached email from LA County Tax Collector along with proof of payment and a copy of the prior year tax payments which covers the period January 2011 to June 2011 which provided us an estimate of expected tax revenues for the period February 2012 to May 2012.

8. I will follow up as soon as we have it updated.

City Note - 1994 Project Area #4 Formation

Loan Origination Date 6/6/1994	Payments	Principal Amount	8% Interest Rate	Interest		Total P & I Due	
6/6/1994		50,000				**50,000**	Note: On 6/20/1994 Reso #537
6/20/1994		90,000				**140,000**	amended loan for an additional $90k
6/19/1995		140,000	8.000%	11,200.00		151,200	from the General Fund.
6/19/1996			8.000%	12,096.00		163,296	
6/19/1997			8.000%	13,063.68		176,360	
6/19/1998			8.000%	14,108.77		190,468	
6/19/1999			8.000%	15,237.48		205,706	
6/19/2000			8.000%	16,456.47		222,162	
6/19/2001			8.000%	17,772.99		239,935	
6/19/2002			8.000%	19,194.83		259,130	
6/19/2003			8.000%	20,730.42		279,861	
6/19/2004			8.000%	22,388.85		302,249	
6/19/2005			8.000%	24,179.96		326,429	
6/19/2006			8.000%	26,114.36		352,544	
6/19/2007			8.000%	28,203.51		380,747	
6/19/2008			8.000%	30,459.79		411,207	
6/19/2009			8.000%	32,896.57		444,104	
6/19/2010	**211,478**					232,626	
6/19/2010			8.000%	18,610.05		251,236	
6/19/2011	**229,000**					22,236	
6/19/2011			8.000%	1,778.86		24,015	
6/19/2012	**24,015**			0.00			Payment in FY11/12 $1,778.86 & $22,236 towards principal
Total Interest				**322,714**			
				(211,478)			Payment in FY 09/10 for interest only
				111,236			remaining interest amount
				(229,000)			Payment in FY 10/11 $111,236 for int. & $117,764 towards principal
				(117,764)			

NOTE PURCHASE AGREEMENT

$231,500
San Fernando Redevelopment Agency
Redevelopment Project No. 2
Subordinate Tax Allocation Note Series 2010

This Note Purchase Agreement (this "Agreement") is made and entered into as of February 17, 2010, by and between the San Fernando Redevelopment Agency, a public body, corporate and politic, duly organized and validly existing under the laws of the State of California (the "Agency") and the San Fernando Public Financing Authority, a joint powers authority duly organized and validly existing under the laws of the State of California (the "Authority").

Recitals

A. The Agency is a redevelopment agency, a public body, corporate and politic, duly created, established and authorized to transact business and exercise its powers, all under and pursuant to the Community Redevelopment Law of the State of California, being Part 1 of Division 24 (commencing with Section 33000) of the California Health and Safety Code, as amended, and the powers of the Agency include the power to issue bonds, notes and other obligations for any of its corporate purposes.

B. The Agency has determined to issue its $231,500 aggregate principal amount of Redevelopment Project No. 2 Subordinate Tax Allocation Note, Series 2010 (the "Note") pursuant to its Resolution entitled "A Resolution of the San Fernando Redevelopment Agency Authorizing the Issuance of Its Redevelopment Project No. 2 Subordinate Tax Allocation Note, Series 2010, to Finance a Portion of the Cost of a Redevelopment Project and Providing for the Sale of Said Note to the San Fernando Public Financing Authority" (the "Agency Resolution").

C. Pursuant to the Marks-Roos Local Bond Pooling Act of 1985 (found in Article 4, Chapter 5, Division 7, Title 1 of the California Government Code), the San Fernando Public Financing Authority (the "Authority") has the authority to purchase and resell the Note.

D. The Agency has determined to sell, and the Authority has determined to purchase, the Note pursuant to the terms of this Agreement.

E. To provide the moneys required to acquire the Note, the Authority intends to resell the Note to an investor.

F. All acts and proceedings required by law necessary to make this Agreement, when executed by the Agency and the Authority, the valid, binding and legal obligation of the Agency and the Authority, and to constitute this Agreement a valid and binding agreement for the uses and purposes herein set forth in accordance with its terms, have been done and taken, and the execution and delivery of this Agreement have been in all respects duly authorized.

NOW, THEREFORE, in consideration of the premises and the mutual agreements herein contained, the parties hereto do hereby agree as follows:

Section 1. Definitions. Unless the context clearly requires or unless otherwise defined herein, the capitalized terms in this Agreement shall have the respective meanings which such terms are given in the Agency Resolution.

Section 2. Purchase of the Note. Upon the terms and conditions herein set forth, the Authority hereby agrees to purchase, and the Agency hereby agrees to sell, execute and deliver the Note to the Authority. The purchase price to be paid by the Authority for the Note shall be the par value thereof.

Section 3. The Note. The Note will be delivered in definitive, fully registered form, registered in the name of the Authority (or such assignee of the Authority as the Treasurer of the Authority shall designate to the Agency), and may be typewritten. The Note shall be dated, shall be payable in the year and in the principal amount, and interest thereon shall be payable on the dates and at the rates, shown in the Agency Resolution, and shall otherwise be as described in, and shall be secured as set forth in, the Agency Resolution.

Section 4. Closing. At 10:00 A.M., California time, on February 17, 2010, or at such other time or date as shall have been mutually agreed upon by the Agency and the Authority (the "Closing"), the Agency will, subject to the terms and conditions hereof, deliver to the Authority, at the office of the Treasurer in the City of San Fernando, California, the Note in fully registered form, duly executed and registered; and, subject to the terms and conditions hereof, the Authority will accept such delivery and cause the purchase price of the Note to be paid by check or draft or by interfund transfer, as the case may be.

Section 5. Condition of Closing. The Authority's obligation to purchase the Note is conditioned upon (a) the delivery to the Authority, on or prior to the date of Closing, of a Consultant's Report which concludes that Pledged Tax Revenues will be sufficient to pay the principal and interest on the Note as the same become due on each Principal Payment Date and each Interest Payment Date, respectively; and (b) the resale and delivery of the Note to an investor on the date of Closing.

Section 6. Termination. If the conditions to the Authority's obligations contained in this Agreement cannot be satisfied at or prior to the date of the Closing, this Agreement may be canceled by the Authority. Notice of such cancellation shall be given to the Agency in writing. Upon any such termination neither the Agency nor the Authority shall be under any further obligation hereunder.

Section 7. Parties in Interest. This Agreement shall constitute the entire agreement between the Agency and the Authority and is made solely for the benefit of the Agency and the Authority (including their successors or assigns). No other person shall acquire or have any right hereunder or by virtue hereof.

[Remainder of Page Intentionally Left Blank]

Section 8. Governing Law. This Agreement shall be construed and governed in accordance with the laws of the State of California.

IN WITNESS WHEREOF, the San Fernando Public Financing Authority and the San Fernando Redevelopment Agency have each caused this Agreement to be signed in its name by its duly authorized officer, all as of the day and year first above written.

SAN FERNANDO PUBLIC FINANCING AUTHORITY

By_____
Chair

ATTEST:

By_____
Secretary

SAN FERNANDO REDEVELOPMENT AGENCY

By_____
Executive Director

SAN FERNANDO REDEVELOPMENT AGENCY
FY 2010-11 ADOPTED BUDGET
SALARY BREAKDOWN

POSITION	TOTAL COMP. W/ PERS	TOTAL RDA ALLOCATION		RDA FUND ALLOCATION BREAKDOWN (%)		RDA FUND ALLOCATION					
						80	86	92		94	
		%	$	PAs	HSG. FUND	PA 1	PA 2	PA 3A	SUBTOTAL	HSG. FUND	TOTAL
Assistant Planner 155	$80,000	50%	$40,000	100%		5,805	12,774	21,421	$40,000		$40,000
Assistant Planner (HSG.) - 191	$86,934	75%	$65,201		100%					65,201	$65,201
Assistant to the City Administrator - 105 & 191	$136,082	90%	$122,474	67%	33%	11,849	26,075	43,725	$81,649	40,825	$122,474
City Administrator (EXISTING) - 191	$10,900	100%	$10,900		100%					10,900	$10,900
City Administrator (NEW) - 105 & 191	$225,615	40%	$90,246	50%	50%	6,561	14,439	24,213	$45,213	45,033	$90,246
Community Development Director - 191	$210,288	64%	$134,584		100%					134,584	$134,584
Executive Asst. to the City Admin. - 105 & 191	$93,869	30%	$28,161	44%	56%	1,816	3,997	6,703	$12,516	15,645	$28,161
Senior Planner - 155 & 191	$133,822	80%	$107,058	25%	75%	3,884	8,547	14,333	$26,764	80,293	$107,057
Senior Planner (REORG.) 191	$20,220	100%	$20,220		100%					20,220	$20,220
		TOTAL:	$618,843			$29,916	$65,832	$110,394	$206,142	$412,700	$618,842

**The salary breakdown for project areas by position was based on a proportion of position costs over total costs, factored by the specific project area fund total.*

PROJECT AREA SUBTOTAL: ***$206,143***
HOUSING FUND SUBTOTAL: ***$412,700***

SAN FERNANDO REDEVELOPMENT AGENCY
FY 2011-12 ADOPTED BUDGET
SALARY BREAKDOWN

NAME	POSITION	TOTAL COMP. W/ PERS	TOTAL RDA ALLOCATION			RDA FUND ALLOCATION BREAKDOWN (%)		RDA FUND ALLOCATION					
								80	86	92		94	
			%	$		PAs	HSG. FUND	PA 1	PA 2	PA 3A	SUBTOTAL	HSG. FUND	TOTAL
E. Arroyo	Assistant Planner 155	$83,127	50%	$41,564		50%	50%	10,391		10,391	$20,782	20,782	$41,564
R. Lara	Assistant Planner (HSG.) - 191	$90,009	75%	$67,507			100%				$0	67,507	$67,507
Vacant	Assistant to the City Administrator - 105 & 191	$93,727	90%	$84,354	*	50%	50%	21,088		21,089	$42,177	42,177	$84,354
A. Hernandez	City Administrator (NEW) - 105 & 191	$228,867	30%	$68,660		50%	50%	17,165	-	17,165	$34,330	34,330	$68,660
J. Fernandez	Executive Asst. to the City Admin. - 105 & 191	$109,974	20%	$21,995		44%	56%	4,839	-	4,839	$9,678	12,317	$21,995
F. Ramirez	City Planner - 155 & 191	$173,709	80%	$138,967		25%	75%	17,371		17,371	$34,742	104,225	$138,967
			TOTAL:	$423,047				$70,854	$0	$70,855	$141,709	$281,338	$423,047

*The salary breakdown for project areas by position was based on a proportion of position costs over total costs, factored by the specific project area fund total.

*The Assistant to the City Administrator total Salary with PERS $138,856. Budgeted for 9 months only $93,727.

PROJECT AREA SUBTOTAL: ***$141,709***

HOUSING FUND SUBTOTAL: ***$281,338***

SAN FERNANDO REDEVELOPMENT AGENCY
FY 2012-13 Proposed BUDGET
SALARY BREAKDOWN

NAME	POSITION	TOTAL COMP. W/ PERS	TOTAL RDA ALLOCATION		RDA FUND ALLOCATION BREAKDOWN (%)		RDA FUND ALLOCATION					
							80	86	92		94	
			%	$	PAs	HSG. FUND	PA 1	PA 2	PA 3A	SUBTOTAL	HSG. FUND	TOTAL
E. Arroyo	Assistant Planner 155	$83,127	50%	$41,564	50%	50%	10,391		10,391	$20,782	20,782	$41,564
A. Hernandez	City Administrator (NEW) - 105 & 191	$228,867	30%	$68,660	50%	50%	17,165	-	17,165	$34,330	34,330	$68,660
J. Fernandez	Executive Asst. to the City Admin. - 105 & 191	$109,974	20%	$21,995	44%	56%	4,839	-	4,839	$9,678	12,317	$21,995
F. Ramirez	City Planner - 155 & 191	$173,709	80%	$138,967	25%	75%	17,371		17,371	$34,742	104,225	$138,967
			TOTAL:	$271,186			$49,766	$0	$49,766	$99,532	$171,654	$271,186

**The salary breakdown for project areas by position was based on a proportion of position costs over total costs, factored by the specific project area fund total.*

PROJECT AREA SUBTOTAL: ***$99,532***
HOUSING FUND SUBTOTAL: ***$171,654***

Employees Salaries & Medical Cost for RDA Project Areas & LMHF		
	FY 2010-2011 Actuals	FY 2011-2012 Estimated Actuals
Project Area 1		
Salaries	20,113.37	31,041.50
Medical Benefits	1,132.50	3,431.72
Total	$ 21,245.87	34,473.21
Project Area 2		
Salaries	41,977.75	
Medical Benefits	2,496.76	
Total	44,474.51	
Project Area 3		
Salaries	-	
Medical Benefits		
Total	-	
Project Area 3A		
Salaries	86,830.67	50,756.59
Medical Benefits	5,539.03	3,191.72
Total	92,369.70	53,948.32
Project Area 4		
Salaries	627.33	
Medical Benefits	-	
Total	627.33	
LMHF		
Salaries	363,007.39	236,195.17
Medical Benefits	24,872.42	20,234.85
Total	$ 387,879.81	$ 256,430.01
Total Salaries & Medical Benefits for All Project Areas and LMHF	$ 546,597.22	$ 344,851.54

$231,500 Each Loan Repayment Schedule for PA2 and PA4				
Payment Date	Principal Payment	Assumed LAIF Interest Rate	Interest Payment	Principal and Interest Payment
3/1/2010	-	0.00%	-	-
5/14/2010	-	0.00%	469	469
11/14/2010	-	0.00%	1,158	1,158
5/14/2011	-	0.00%	1,158	1,158
11/14/2011	-	0.00%	1,158	1,158
5/14/2012	76,400	1.00%	1,158	77,558
11/14/2012	-	0.00%	776	776
5/14/2013	77,164	1.00%	776	77,940
11/14/2013	-	0.00%	390	390
5/14/2014	77,936	1.00%	390	78,325
Total	**231,500**		**7,430**	**238,930**

NOTE PURCHASE AGREEMENT

$231,500 Redevelopment Agency
Redevelopment Project Area No. 4
Subordinate Tax Allocation Note Series 2010

This Note Purchase Agreement (this "Agreement") is made and entered into as of February 17, 2010, by and between the San Fernando Redevelopment Agency, a public body, corporate and politic, duly organized and validly existing under the laws of the State of California (the "Agency") and the San Fernando Public Financing Authority, a joint powers authority duly organized and validly existing under the laws of the State of California (the "Authority").

Recitals

A. The Agency is a redevelopment agency, a public body, corporate and politic, duly created, established and authorized to transact business and exercise its powers, all under and pursuant to the Community Redevelopment Law of the State of California, being Part 1 of Division 24 (commencing with Section 33000) of the California Health and Safety Code, as amended, and the powers of the Agency include the power to issue bonds, notes and other obligations for any of its corporate purposes.

B. The Agency has determined to issue its $231,500 aggregate principal amount of Redevelopment Project Area No. 4 Subordinate Tax Allocation Note, Series 2010 (the "Note") pursuant to its Resolution entitled "A Resolution of the San Fernando Redevelopment Agency Authorizing the Issuance of Its Redevelopment Project Area No. 4 Subordinate Tax Allocation Note, Series 2010, to Finance a Portion of the Cost of a Redevelopment Project and Providing for the Sale of Said Note to the San Fernando Public Financing Authority" (the "Agency Resolution").

C. Pursuant to the Marks-Roos Local Bond Pooling Act of 1985 (found in Article 4, Chapter 5, Division 7, Title 1 of the California Government Code), the San Fernando Public Financing Authority (the "Authority") has the authority to purchase and resell the Note.

D. The Agency has determined to sell, and the Authority has determined to purchase, the Note pursuant to the terms of this Agreement.

E. To provide the moneys required to acquire the Note, the Authority intends to resell the Note to an investor.

F. All acts and proceedings required by law necessary to make this Agreement, when executed by the Agency and the Authority, the valid, binding and legal obligation of the Agency and the Authority, and to constitute this Agreement a valid and binding agreement for the uses and purposes herein set forth in accordance with its terms, have been done and taken, and the execution and delivery of this Agreement have been in all respects duly authorized.

NOW, THEREFORE, in consideration of the premises and the mutual agreements herein contained, the parties hereto do hereby agree as follows:

Section 1. Definitions. Unless the context clearly requires or unless otherwise defined herein, the capitalized terms in this Agreement shall have the respective meanings which such terms are given in the Agency Resolution.

Section 2. Purchase of the Note. Upon the terms and conditions herein set forth, the Authority hereby agrees to purchase, and the Agency hereby agrees to sell, execute and deliver the Note to the Authority. The purchase price to be paid by the Authority for the Note shall be the par value thereof.

Section 3. The Note. The Note will be delivered in definitive, fully registered form, registered in the name of the Authority (or such assignee of the Authority as the Treasurer of the Authority shall designate to the Agency), and may be typewritten. The Note shall be dated, shall be payable in the year and in the principal amount, and interest thereon shall be payable on the dates and at the rates, shown in the Agency Resolution, and shall otherwise be as described in, and shall be secured as set forth in, the Agency Resolution.

Section 4. Closing. At 10:00 A.M., California time, on February 17, 2010, or at such other time or date as shall have been mutually agreed upon by the Agency and the Authority (the "Closing"), the Agency will, subject to the terms and conditions hereof, deliver to the Authority, at the office of the Treasurer in the City of San Fernando, California, the Note in fully registered form, duly executed and registered; and, subject to the terms and conditions hereof, the Authority will accept such delivery and cause the purchase price of the Note to be paid by check or draft or by interfund transfer, as the case may be.

Section 5. Condition of Closing. The Authority's obligation to purchase the Note is conditioned upon (a) the delivery to the Authority, on or prior to the date of Closing, of a Consultant's Report which concludes that Pledged Tax Revenues will be sufficient to pay the principal and interest on the Note as the same become due on each Principal Payment Date and each Interest Payment Date, respectively; and (b) the resale and delivery of the Note to an investor on the date of Closing.

Section 6. Termination. If the conditions to the Authority's obligations contained in this Agreement cannot be satisfied at or prior to the date of the Closing, this Agreement may be canceled by the Authority. Notice of such cancellation shall be given to the Agency in writing. Upon any such termination neither the Agency nor the Authority shall be under any further obligation hereunder.

Section 7. Parties in Interest. This Agreement shall constitute the entire agreement between the Agency and the Authority and is made solely for the benefit of the Agency and the Authority (including their successors or assigns). No other person shall acquire or have any right hereunder or by virtue hereof.

Section 8. Governing Law. This Agreement shall be construed and governed in accordance with the laws of the State of California.

IN WITNESS WHEREOF, the San Fernando Public Financing Authority and the San Fernando Redevelopment Agency have each caused this Agreement to be signed in its name by its duly authorized officer, all as of the day and year first above written.

SAN FERNANDO PUBLIC FINANCING AUTHORITY

By_____
Chair

ATTEST:

By_____
Secretary

SAN FERNANDO REDEVELOPMENT AGENCY

By_____
Executive Director

CITY OF SAN FERNANDO 117 MACNEIL ST., SAN FERNANDO, CA 91340 WARRANT NO. 97257

INVOICE NUMBER	DATE	P.O. NUMBER	DESCRIPTION		AMOUNT
550	12/30/2011		ANNUAL REDEVELOPMENT REPORTS	0.00	2,000.00
					2,000.00

PLEASE DETACH BEFORE DEPOSITING

CITY OF San Fernando Historic & Visionary

CITY HALL, 117 MACNEIL STREET
SAN FERNANDO, CALIFORNIA 91340
(818)898-1200

Payable through
Pacific Western Bank
400 San Fernando Mission Blvd
San Fernando, CA 91340

90-3977
1222

VENDOR NUMBER	DATE	WARRANT NUMBER	WARRANT AMOUNT
890011	02/06/2012	97257	2,000.00

PAY Two Thousand Dollars and No Cents

VOID 6 MONTHS FROM DATE OF ISSUE

NON-NEGOTIABLE
MAYOR

TO THE ORDER OF
THALES CONSULTING INC.
SOLUTIONS FOR GOVERNMENT
980 NINTH STREET 16TH FLOOR
SACRAMENTO, CA 95814

NON-NEGOTIABLE
FINANCE DIRECTOR OR DEPUTY

CITY TREASURER OR DEPUTY

COPY COPY COPY COPY COPY

V#890011

THALES CONSULTING INC.

Solutions for Government

980 Ninth Street, Sixteenth Floor
Sacramento, CA 95814

Invoice

Date	Invoice #
12/30/2011	550
Terms	**Due Date**
NET 30 Days	01/29/2012

Bill To

Joe Lillio
City of San Fernando
San Fernando, CA

Date	Activity	Amount
12/30/2011	Annual Redevelopment Report	2,000.00
	Total	$2,000.00

PROCESSED FOR PAYMENT
DATE 01/05/12
DEPARTMENT
WARRANT DATE 01/17/12
FINANCE APPROVAL
ONLY ORIGINALS ARE PROCESSED FOR PAYMENT

2/06/18

RESOLUTION NO. 1630

A RESOLUTION OF THE COUNCIL OF THE CITY OF SAN FERNANDO DECLARING THE RESULT OF THE GENERAL MUNICIPAL ELECTION HELD IN SAID CITY ON APRIL 9TH, 1946.

The Council of the City of San Fernando does resolve as follows:

WHEREAS, a General Municipal Election was held and conducted in the City of San Fernando, California, on Tuesday, the 9th day of April, 1946, as required by law; and

WHEREAS, it appears that notice of said election was duly and legally given, that voting precincts were properly established, and that in all respects said election was held and conducted, and the votes cast thereat canvassed, and the returns thereof made and declared in the time, form and manner as required by the General Laws of the State of California governing elections in cities of the Sixth Class; and

WHEREAS, the Council of the City of San Fernando met at the Council Chamber of said Council on Tuesday, April 16th, 1946, at the hour of 7:30 o'clock p.m. to canvass the returns of said election and install the newly elected officers, as a result of which the said Council finds the number of votes cast, the names of the persons voted for, the votes for and against the propositions submitted to the electors, and the other matters required by law, to be as hereinafter stated:

NOW, THEREFORE, the City Council of the City of San Fernando, California, DOES HEREBY RESOLVE, DETERMINE AND ORDER as follows:

SECTION 1: That the General Municipal Election for the purpose of electing three City Councilmen and for the purpose of submitting to the voters of the City of San Fernando three propositions hereinafter set forth was duly held on April 9th, 1946, and the votes cast thereat were duly and regularly canvassed and returns thereof made at the time and in the form and manner required by law.

SECTION 2: That the propositions voted upon at said election were as follows; to-wit:

"PROPOSITION 1: Shall the City of San Fernando adopt the City Management form of Government?"

"PROPOSITION 2: Shall the City Council hereafter appoint the City Clerk and City Treasurer of the City of San Fernando?"

"PROPOSITION 3: As City Employees are not included within any present social security legislation or other form of retirement program, shall the City of San Fernando provide retirement benefits for all City employees under the State Retirement Act?"

SECTION 3: All absent voter ballots issued had been received by April 10, 1946, and the same were duly and regularly counted and canvassed on said April 10th, 1946, and were tabulated in the manner provided by law, and the result of such count is hereinafter stated. That this City Council has duly

canvassed the returns of said election and from said returns it appears, and this City Council finds, that the total number of votes cast in each of the respective election precincts established for said election for each of the persons so voted for and upon each of said propositions, and the number of votes therein for and against each of said propositions, and the total number of votes cast in said City for each person and upon each of said propositions and for and against said propositions in said City are as follows:

PREC. NO.	JOHN J. BROOKS	CLIFFORD D. JOHNSON	BRYCE E. SCHURR	MARION E. SMITH	WARREN F. SWEM	JOHN J. VARNI	LEE A. WARD	TOTAL VOTES CAST
1	64	44	37	68	25	34	25	103
2	120	188	24	134	17	32	91	225
3	48	54	38	66	26	51	48	114
4	57	42	78	70	58	59	39	138
5	63	42	96	82	67	87	40	164
6	68	53	58	87	52	64	40	145
7	56	35	116	75	96	122	28	181
8	40	35	40	59	29	53	65	112
9	65	41	63	68	52	75	44	139
10	53	33	82	63	55	72	42	138
11	56	38	56	68	46	52	35	121
12	49	36	79	62	56	72	38	142
13	68	35	95	72	69	98	43	165
	807	676	862	974	648	871	578	1887
Absent Vote			2		2	2		2
	807	676	864	974	650	873	578	1889

PRECINCT NUMBER	PROPOSITION NUMBER 1 YES	PROPOSITION NUMBER 1 NO	PROPOSITION NUMBER 2 YES	PROPOSITION NUMBER 2 NO	PROPOSITION NUMBER 3 YES	PROPOSITION NUMBER 3 NO
1	31	56	20	68	61	31
2	66	94	68	101	113	58
3	41	45	37	57	68	29
4	52	66	40	76	102	22
5	47	94	34	110	108	41
6	39	74	35	85	91	32
7	86	76	62	107	132	35
8	36	63	23	75	78	26
9	49	70	32	88	105	19

PRECINCT NUMBER (Cont'd)	PROPOSITION NUMBER 1 (Cont'd) YES	NO	PROPOSITION NUMBER 2 (Cont'd) YES	NO	PROPOSITION NUMBER 3 (Cont'd) YES	NO
10	56	65	44	79	94	33
11	49	55	32	75	85	23
12	57	64	58	66	107	24
13	67	79	61	90	106	42
	676	901	546	1077	1250	415
Absent votes	1		1	1	2	
	677	901	547	1078	1252	415

That at said General Municipal Election Bryce E. Schurr, Marion F. Smith, and John J. Varni were elected to the office of Councilmen for the full term of four (4) years.

That the votes of a majority of all of the voters voting at said election were cast against the adoption of Proposition 1, and said Proposition is hereby declared to be defeated.

That the votes of a majority of all of the voters voting at said election were cast against the adoption of Proposition 2, and said proposition is hereby declared to be defeated.

That the votes of more than a majority of all of the voters voting at said election were cast in favor of the adoption of Proposition 3, and said proposition is hereby declared to be carried.

SECTION 4: The City Clerk shall enter on the records of the Council a statement of the result of said election showing:

a. The whole number of votes cast in the City;

b. The names of the persons voted for;

c. The measures voted upon;

d. For what office each person was voted for;

e. The number of votes given at each precinct to each person, and for and against each measure, and

f. The number of votes given in the City to each person, and for and against each measure.

The City Clerk shall immediately make delivery to each of said persons elected a Certificate of Election signed by him and duly authenticated; he shall also administer to each person elected the oath of office prescribed in the State Constitution, whereupon they shall be inducted into their respective office to which they have been elected.

SECTION 5: The City Clerk shall certify to the passage of this Resolution and thereupon the same shall be in full force and effect.

ADOPTED, SIGNED AND APPROVED this 16th day of April, 1946.

J. O. MOFFETT
MAYOR

ATTEST:

I. A. SWARTOUT
CITY CLERK OF THE CITY OF SAN FERNANDO

STATE OF CALIFORNIA)
COUNTY OF LOS ANGELES } SS
CITY OF SAN FERNANDO)

I, I. A. SWARTOUT, City Clerk of the City of San Fernando, do hereby certify that the foregoing Resolution was adopted by the Council of the City of San Fernando, and signed by the Mayor of said City, at a regular meeting thereof held on the 16th day of April, 1946, and that the same was passed by the following vote, to-wit:

AYES: Toone, Waite and Moffett-3

NOES: None.

ABSENT: Dill and Sprouse-2.

I. A. SWARTOUT
I. A. SWARTOUT, CITY CLERK OF THE
CITY OF SAN FERNANDO

STATE OF CALIFORNIA)
COUNTY OF LOS ANGELES } SS
CITY OF SAN FERNANDO)

I, I. A. SWARTOUT, City Clerk of the City of San Fernando do hereby certify that the foregoing Resolution was adopted by the Council of the City of San Fernando, and signed by the Mayor of said City at a regular meeting thereof held on the 16th day of April, 1946.

I. A. SWARTOUT
I. A. SWARTOUT, CITY CLERK OF THE
CITY OF SAN FERNANDO

FINANCE DEPARTMENT

MEMORANDUM

TO: Mayor Mario Hernández and Councilmembers

FROM: Al Hernández, City Administrator
By: Joseph Lillio, Senior Accountant

DATE: August 15, 2011

SUBJECT: Adoption of Annual Resolution Required by County Regarding City's Obligation to the California Public Employees' Retirement System (PERS) for Fiscal Year (FY) 2011-2012

RECOMMENDATION:

It is recommended that the City Council adopt a Resolution (Attachment "A"), which will establish the amount necessary to be raised by taxation for the City's annual payment to the California Public Employees' Retirement System (PERS) which is estimated at $3,861,693 for FY 2011-2012, and fix the property tax rate for FY 2011-2012 at $0.28420 per $100 of assessed valuation and levies that tax rate upon all taxable property in the City.

BACKGROUND:

1. On April 9, 1946, the voters of the City of San Fernando (City) approved a ballot measure authorizing the levying of an additional property tax rate to raise the funds necessary to pay for the annual obligation of the City to the California Public Employees' Retirement System (PERS) for the retirement benefits of City employees. This system has remained unchanged even after Proposition 13 was passed in the late 1970's.

2. In 1980, the Legislature adopted California Revenue and Taxation Code Section 93, which authorizes local agencies to levy ad valorem property taxes equal to the amount needed to make annual payments for the interest and principal on indebtedness approved by the voters prior to July 1, 1978.

3. For FY 1982-1983, in order to pay for the City's annual PERS obligation, the City imposed the property tax rate of $0.28420 for each $100 of assessed value of all property in the City subject to taxation (Resolution No. 5252, Adopted August 18, 1982).

4. For FY 1983-1984, in order to pay for the City's annual PERS obligation, the City imposed the property tax rate of $0.26420 for each $100 of assessed value of all property in the City subject to taxation (Resolution No. 5326, Adopted August 15, 1983).

5. In 1985, the Legislature adopted Revenue and Taxation Code Section 96.31, which provides that for FY 1985-1986 and each fiscal year thereafter, a jurisdiction may impose a property tax rate to make payments in support of pension programs approved by the voters before July 1, 1978, provided that the jurisdiction imposed the property tax rate in either FY 1982-1983 or FY 1983-1984.

   Section 96.31 further provides a cap or maximum on the tax rate that a jurisdiction may levy; specifically, the tax rate may not exceed the rate imposed by that jurisdiction in the 1982-1983 or 1983-1984 fiscal years, pursuant to a budget resolution adopted on or before July 1, 1983. Therefore, because the City of San Fernando adopted its FY 1983-1984 Resolution on August 15, 1983, the maximum rate it can levy is $0.28420, which was established in FY 1982-1983.

6. In order to pay for the dramatic increases in the City's PERS obligation for FY 2004-2005, the City increased the rate to the maximum amount allowed of $0.28420 from $0.184199 (which is the rate it had been for the previous eight fiscal years).

7. On November 7, 2005, the City Council adopted Ordinance No. U-1568 which lowered retirement costs to the City by creating two tiers of benefits (3% @ 60 for employees hired before November 12, 2005 and 2% @ 55 for employees hired after this date). In addition, the Ordinance decreased the annual cost of living adjustment for retirees from 5% to 3% which was applicable to employees hired after November 12, 2005.

8. After the close of the budget for FY 2009-2010, union groups representing the miscellaneous employees, conceded in paying a portion of the retirement cost, up to 50% of the employee portion. This, over time, will help to relieve the burden on the City to cover retirement cost which increased due to the overall economic condition.

9. During FY 2008-2009 through 2010-2011, the U.S. housing market was devalued across the country. This resulted in the Assessed Valuation of land and property declining in the City of San Fernando from $942,476,270 in FY 2008-2009 to $850,096,051 in FY 2009-2010. This decline continued into FY 2010-11 with assessed values at $816,124.818. For FY 2011-12, assessed values have somewhat stabilized and are projected at $810,003,882.

ANALYSIS:

Each year at this time, the City needs to establish the amount that is to be raised from property taxes to cover the City's obligation to PERS, and to fix the tax rate in order to raise the necessary amount of money. The funds raised pursuant to this property tax provide for a portion of the City's retirement expenses, except for Social Security taxes, which are funded with other City General Fund resources. Since FY 2005-2006, all Special, Enterprise and Redevelopment Agency funds have been paying their respective share of PERS expenditures; this was necessary

because the amount raised from taxation was not sufficient to cover the City's entire obligation to PERS.

Pursuant to California Revenue and Taxation Code Section 96.31, the City is authorized to impose a maximum tax rate of $0.28420 per $100 of assessed valuation of all taxable property in the City, which was the property tax rate imposed by the City in FY 1982-1983. Since PERS rates and cost have not decreased for FY 2011-2012 and assessed values are beginning to stabilize after a few years of dramatic decreases, the City would have to set the rate at $0.4576041 in order to generate sufficient revenues to offset the estimated costs; however, the City is only authorized to impose a rate at $0.28420, the maximum allowed (see Exhibit "A" to the attached Resolution). The maximum tax rate only pays for a portion of the $3,899,529 PERS obligation; the remainder is paid from other City Funds.

The City has maintained the same maximum tax rate since FY 2004-2005 due to the high cost of retirement expenditures that are incurred on an annual basis. In order to reduce the tax rate in the future, the City would need to decrease its retirement expenditures or pay for these expenditures from the General Fund (the other Special Funds are already paying a portion of these expenditures). In addition, the miscellaneous groups will pay 50% of the employee portion of retirement cost.

The Los Angeles County Auditor Controller requires that the City Council approve a Resolution establishing the new tax rate on an annual basis. This information must be submitted before August 20, 2011, to allow the levy to be placed on the current tax bills.

CONCLUSION:

Adoption of the attached Resolution will fix the property tax rate at $0.28420 and will allow the City to fulfill a portion of the annual obligation to PERS, which is estimated at $3,899,529 for FY 2011-2012.

ATTACHMENT:

A. Resolution

RESOLUTION NO. 7451

A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF SAN FERNANDO FIXING A TAX RATE AND LEVYING TAXES FOR FISCAL YEAR (FY) 2011-2012 ON PROPERTY WITHIN THE CITY FOR THE OBLIGATION OF THE CITY TO THE CALIFORNIA PUBLIC EMPLOYEES' RETIREMENT SYSTEM FOR THE RETIREMENT BENEFITS OF CITY EMPLOYEES, AUTHORIZED AT AN ELECTION HELD ON APRIL 9, 1946

THE CITY COUNCIL OF THE CITY OF SAN FERNANDO DOES HEREBY RESOLVE, FIND, DETERMINE AND ORDER AS FOLLOWS:

SECTION 1: On April 9, 1946, the voters of the City of San Fernando ("City") approved a ballot measure authorizing the levying of an additional property tax rate to raise the funds necessary to pay for the annual obligation of the City to the California Public Employees' Retirement System ("PERS") for the retirement benefits of City employees.

SECTION 2: California Revenue and Taxation Code Section 96.31(a) provides that for FY 1985-1986 and each fiscal year thereafter, a jurisdiction may impose a property tax rate to make payments in support of pension programs approved by the voters before July 1, 1978, provided that the jurisdiction imposed the property tax rate in FY 1982-1983 or FY 1983-1984. Revenue and Taxation Code Section 96.31(b) provides that the tax rate imposed by a jurisdiction pursuant to Section 96.31(a) may not exceed the rate imposed by that jurisdiction in FY 1982-1983 or FY 1983-1984.

SECTION 3: For FY 1982-1983, in order to pay for the City's annual PERS obligation, the City imposed the property tax rate of $0.28420 for each one hundred dollars ($100.00) of assessed value of all property in the City subject to taxation (Resolution No. 5252). For FY 1983-1984, in order to pay for the City's annual PERS obligation, the City imposed the property tax rate of $0.26420 for each one hundred dollars ($100.00) of assessed value of all property in the City subject to taxation (Resolution No. 5326). Pursuant to California Revenue and Taxation Code Section 96.31(b), the City is authorized to impose a maximum tax rate of $0.28420, which is the property tax rate imposed by the City in FY 1982-1983.

SECTION 4: As set forth in Exhibit "A" to this Resolution, which is attached hereto and incorporated herein by this reference, the City Council has determined and fixed the sum of $3,899,529 as the amount of revenue from property taxes necessary to pay the City's PERS obligation for FY 2011-2012.

SECTION 5: Pursuant to Exhibit "A" to this Resolution, the City Council hereby fixes the tax rate of the City of San Fernando for FY 2011-2012 at $0.28420 and hereby levies such tax in that amount upon each one hundred dollars ($100.00) of property value of all property in the City subject to taxation, using as a basis the value of such property as assessed and equalized in a manner prescribed by law.

SECTION 6: The City Clerk is directed to transmit immediately to the Los Angeles County Auditor-Controller a certified copy of this Resolution, together with a statement of the tax rate fixed herein.

SECTION 7: The City Clerk shall certify to the adoption to this Resolution, which shall be in full force and effect immediately upon its adoption.

PASSED, APPROVED, AND ADOPTED this 15th day of August, 2011.

Mario F. Hernández, Mayor

ATTEST:

Julie M. Fernandez, Deputy City Clerk

I HEREBY CERTIFY that the foregoing Resolution was approved and adopted at a regular meeting of the City Council held on the 15th day of August, 2011, by the following vote to wit:

AYES: Hernandez, Esqueda, De La Torre, Ballin, Lopez - 5

NOES: None

ABSENT: None

Julie M. Fernandez, Deputy City Clerk

EXHIBIT "A"

CITY OF SAN FERNANDO

CALCULATION OF PROPERTY TAX FOR CITY'S OBLIGATION TO THE CALIFORNIA PUBLIC EMPLOYEES' RETIREMENT SYSTEM

The following calculations are based on the assessed valuation figures received from the Los Angeles County Assessor for tax area 240.01, as well as the fixed base valuations for each redevelopment area.

Assessed Valuation General City Area (240.01)	810,003,882
Redevelopment Fixed Base	106,520,156
Total Retirement Assessed Valuation	916,524,038
Estimated Retirement Cost (FY 2011-2012 Budget)	$3,899,529
Plus Prior Year Shortfall	294,523
Funding Required (FY 2011-2012)	$4,194,052

Funding Rate ($4,194,052 divided by $916,524,038)	$0.4576041

Maximum Funding Rate Allowed*	**$0.284200**

*The Funding Rate required is $0.4576041; however, the City is only authorized to impose a maximum amount of $0.284200 per Revenue and Taxation Code Section 96.31.

From: Janees Williams [JWilliams@kndinc.com]
Sent: Tuesday, May 08, 2012 10:45 AM
To: Lillio, Joseph; Sonia Garcia
Cc: Federico Ramirez
Subject: RE: Hi! Question regarding the Agency Bonds.

Attachments: Cashflows 4-4-12.pdf

Good Morning

Before Joe left he asked me back in April to look at refunding the Series 2006 bonds for savings keeping the same maturity – unfortunately the Series 2006 bonds are not callable until September 2016, because the escrow is for so long and reinvestment rates are low there is approximately ($667,600.73) in negative arbitrage and a net present loss of 9.916% or ($847,808). I have attached the cashflows for you review.

If you have any other questions or would like some different scenarios please let me know and I would be happy to help.

Thank you,

Kinsell, Newcomb & De Dios, Inc

Janees Williams

Vice President

760-444-1000 - General

760-444-1012 - Direct

760-444-1031 - Fax

Preliminary

Independent Cities Finance Authority

(San Fernando Redevelopment Agency)

Refunding Tax Allocation Bonds

Series 2012 "BBB Rated"

Sources & Uses

Dated 06/01/2012 | Delivered 06/01/2012

Sources Of Funds

Par Amount of Bonds	$9,055,000.00
Transfers from Prior Issue Debt Service Funds	507,240.83
Transfers from Prior Issue DSR Funds	1,149,000.00
Total Sources	**$10,711,240.83**

Uses Of Funds

Total Underwriter's Discount (1.500%)	135,825.00
Costs of Issuance	150,000.00
Deposit to Debt Service Reserve Fund (DSRF)	905,500.00
Deposit to Net Cash Escrow Fund	9,518,146.46
Rounding Amount	1,769.37
Total Uses	**$10,711,240.83**

Independent Cities Finance Authority

(San Fernando Redevelopment Agency)

Refunding Tax Allocation Bonds

Series 2012 "BBB Rated"

Debt Service Schedule

Date	Principal	Coupon	Interest	Total P+I
09/15/2012	-	-	-	-
09/15/2013	820,000.00	1.250%	322,125.56	1,142,125.56
09/15/2014	905,000.00	2.000%	239,675.00	1,144,675.00
09/15/2015	1,500,000.00	2.500%	221,575.00	1,721,575.00
09/15/2016	1,535,000.00	2.750%	184,075.00	1,719,075.00
09/15/2017	1,580,000.00	3.000%	141,862.50	1,721,862.50
09/15/2018	1,065,000.00	3.250%	94,462.50	1,159,462.50
09/15/2019	810,000.00	3.500%	59,850.00	869,850.00
09/15/2020	840,000.00	3.750%	31,500.00	871,500.00
Total	**$9,055,000.00**	**-**	**$1,295,125.56**	**$10,350,125.56**

Yield Statistics

Bond Year Dollars	$42,565.89
Average Life	4.701 Years
Average Coupon	3.0426372%
Net Interest Cost (NIC)	3.3617307%
True Interest Cost (TIC)	3.3762953%
Bond Yield for Arbitrage Purposes	3.0256610%
All Inclusive Cost (AIC)	3.7719280%

IRS Form 8038

Net Interest Cost	3.0426372%
Weighted Average Maturity	4.701 Years

Independent Cities Finance Authority

(San Fernando Redevelopment Agency)

Refunding Tax Allocation Bonds

Series 2012 "BBB Rated"

Gross Debt Service Comparison

Date	Principal	Coupon	Interest	New D/S	OLD D/S	Savings
09/15/2012	-	-	-	-	841,722.50	841,722.50
09/15/2013	820,000.00	1.250%	322,125.56	1,142,125.56	1,005,495.00	(136,630.56)
09/15/2014	905,000.00	2.000%	239,675.00	1,144,675.00	1,006,701.26	(137,973.74)
09/15/2015	1,500,000.00	2.500%	221,575.00	1,721,575.00	1,581,881.26	(139,693.74)
09/15/2016	1,535,000.00	2.750%	184,075.00	1,719,075.00	1,580,331.26	(138,743.74)
09/15/2017	1,580,000.00	3.000%	141,862.50	1,721,862.50	1,582,206.26	(139,656.24)
09/15/2018	1,065,000.00	3.250%	94,462.50	1,159,462.50	1,018,081.26	(141,381.24)
09/15/2019	810,000.00	3.500%	59,850.00	869,850.00	731,081.26	(138,768.74)
09/15/2020	840,000.00	3.750%	31,500.00	871,500.00	734,081.26	(137,418.74)
Total	**$9,055,000.00**	**-**	**$1,295,125.56**	**$10,350,125.56**	**$10,081,581.32**	**(268,544.24)**

PV Analysis Summary (Gross to Gross)

Gross PV Debt Service Savings	(98,836.59)
Transfers from Prior Issue Debt Service Fund	(507,240.83)
Transfers from Prior Issue DSR Fund	(1,149,000.00)
Amount deposited into new DSR Fund	905,500.00
Contingency or Rounding Amount	1,769.37
Net Present Value Loss	$(847,808.05)
Net PV Loss / $8,550,000 Refunded Principal	(9.916%)
Net PV Loss / $9,055,000 Refunding Principal	(9.363%)

Refunding Bond Information

Refunding Dated Date	6/01/2012
Refunding Delivery Date	6/01/2012

Independent Cities Finance Authority

(San Fernando Redevelopment Agency)

Refunding Tax Allocation Bonds

Series 2012 "BBB Rated"

Pricing Summary

Maturity	Type of Bond	Coupon	Yield	Maturity Value	Price	Dollar Price
09/15/2013	Serial Coupon	1.250%	1.250%	820,000.00	100.000%	820,000.00
09/15/2014	Serial Coupon	2.000%	1.999%	905,000.00	100.000%	905,000.00
09/15/2015	Serial Coupon	2.500%	2.499%	1,500,000.00	100.000%	1,500,000.00
09/15/2016	Serial Coupon	2.750%	2.749%	1,535,000.00	100.000%	1,535,000.00
09/15/2017	Serial Coupon	3.000%	2.999%	1,580,000.00	100.000%	1,580,000.00
09/15/2018	Serial Coupon	3.250%	3.249%	1,065,000.00	100.000%	1,065,000.00
09/15/2019	Serial Coupon	3.500%	3.499%	810,000.00	100.000%	810,000.00
09/15/2020	Serial Coupon	3.750%	3.749%	840,000.00	100.000%	840,000.00
Total	-	-	-	**$9,055,000.00**	-	**$9,055,000.00**

Bid Information

Par Amount of Bonds	$9,055,000.00
Gross Production	$9,055,000.00
Total Underwriter's Discount (1.500%)	$(135,825.00)
Bid (98.500%)	8,919,175.00
Total Purchase Price	$8,919,175.00
Bond Year Dollars	$42,565.89
Average Life	4.701 Years
Average Coupon	3.0426372%
Net Interest Cost (NIC)	3.3617307%
True Interest Cost (TIC)	3.3762953%

Independent Cities Finance Authority

(San Fernando Redevelopment Agency)

Refunding Tax Allocation Bonds

Series 2012 "BBB Rated"

Escrow Fund Cashflow

Date	Principal	Rate	Interest	Receipts	Disbursements	Cash Balance
06/01/2012	-	-	-	0.46	-	0.46
09/15/2012	824,784.00	0.070%	16,938.60	841,722.60	841,722.50	0.56
03/15/2013	120,974.00	0.170%	29,273.56	150,247.56	150,247.50	0.62
09/15/2013	826,136.00	0.230%	29,111.86	855,247.86	855,247.50	0.98
03/15/2014	110,188.00	0.300%	28,161.81	138,349.81	138,350.63	0.16
09/15/2014	840,354.00	0.370%	27,996.53	868,350.53	868,350.63	0.06
03/15/2015	99,499.00	0.460%	26,441.88	125,940.88	125,940.63	0.31
09/15/2015	1,429,728.00	0.580%	26,213.04	1,455,941.04	1,455,940.63	0.72
03/15/2016	80,599.00	0.710%	22,066.83	102,665.83	102,665.63	0.92
09/15/2016	5,185,884.00	0.840%	21,780.71	5,207,664.71	5,207,665.63	-
Total	**$9,518,146.00**	**-**	**$227,984.82**	**$9,746,131.28**	**$9,746,131.28**	**-**

Investment Parameters

Investment Model [PV, GIC, or Securities]	Securities
Default investment yield target	Bond Yield
Cash Deposit	0.46
Cost of Investments Purchased with Bond Proceeds	9,518,146.00
Total Cost of Investments	$9,518,146.46
Target Cost of Investments at bond yield	$8,850,545.73
Actual positive or (negative) arbitrage	(667,600.73)
Yield to Receipt	0.7338117%
Yield for Arbitrage Purposes	3.0256610%
State and Local Government Series (SLGS) rates for	4/04/2012

Independent Cities Finance Authority

(San Fernando Redevelopment Agency)

Refunding Tax Allocation Bonds

Series 2012 "BBB Rated"

Escrow Summary Cost

Maturity	Type	Coupon	Yield	$ Price	Par Amount	Principal Cost	+Accrued Interest	= Total Cost
Escrow								
09/15/2012	SLGS-CI	0.070%	0.070%	100.0000000%	824,784	824,784.00	-	824,784.00
03/15/2013	SLGS-CI	0.170%	0.170%	100.0000000%	120,974	120,974.00	-	120,974.00
09/15/2013	SLGS-NT	0.230%	0.230%	100.0000000%	826,136	826,136.00	-	826,136.00
03/15/2014	SLGS-NT	0.300%	0.300%	100.0000000%	110,188	110,188.00	-	110,188.00
09/15/2014	SLGS-NT	0.370%	0.370%	100.0000000%	840,354	840,354.00	-	840,354.00
03/15/2015	SLGS-NT	0.460%	0.460%	100.0000000%	99,499	99,499.00	-	99,499.00
09/15/2015	SLGS-NT	0.580%	0.580%	100.0000000%	1,429,728	1,429,728.00	-	1,429,728.00
03/15/2016	SLGS-NT	0.710%	0.710%	100.0000000%	80,599	80,599.00	-	80,599.00
09/15/2016	SLGS-NT	0.840%	0.840%	100.0000000%	5,185,884	5,185,884.00	-	5,185,884.00
Subtotal		**-**	**-**	**-**	**$9,518,146**	**$9,518,146.00**	**-**	**$9,518,146.00**
Total		**-**	**-**	**-**	**$9,518,146**	**$9,518,146.00**	**-**	**$9,518,146.00**

Escrow	
Cash Deposit	0.46
Cost of Investments Purchased with Bond Proceeds	9,518,146.00
Total Cost of Investments	$9,518,146.46

Delivery Date	6/01/2012

Debt Service To Maturity And To Call

Date	Refunded Bonds	Refunded Interest	D/S To Call	Principal	Coupon	Interest	Refunded D/S
09/15/2012	680,000.00	161,722.50	841,722.50	680,000.00	3.375%	161,722.50	841,722.50
03/15/2013	-	150,247.50	150,247.50	-	-	150,247.50	150,247.50
09/15/2013	705,000.00	150,247.50	855,247.50	705,000.00	3.375%	150,247.50	855,247.50
03/15/2014	-	138,350.63	138,350.63	-	-	138,350.63	138,350.63
09/15/2014	730,000.00	138,350.63	868,350.63	730,000.00	3.400%	138,350.63	868,350.63
03/15/2015	-	125,940.63	125,940.63	-	-	125,940.63	125,940.63
09/15/2015	1,330,000.00	125,940.63	1,455,940.63	1,330,000.00	3.500%	125,940.63	1,455,940.63
03/15/2016	-	102,665.63	102,665.63	-	-	102,665.63	102,665.63
09/15/2016	5,105,000.00	102,665.63	5,207,665.63	1,375,000.00	3.500%	102,665.63	1,477,665.63
03/15/2017	-	-	-	-	-	78,603.13	78,603.13
09/15/2017	-	-	-	1,425,000.00	4.500%	78,603.13	1,503,603.13
03/15/2018	-	-	-	-	-	46,540.63	46,540.63
09/15/2018	-	-	-	925,000.00	4.000%	46,540.63	971,540.63
03/15/2019	-	-	-	-	-	28,040.63	28,040.63
09/15/2019	-	-	-	675,000.00	4.000%	28,040.63	703,040.63
03/15/2020	-	-	-	-	-	14,540.63	14,540.63
09/15/2020	-	-	-	705,000.00	4.125%	14,540.63	719,540.63
Total	**$8,550,000.00**	**$1,196,131.28**	**$9,746,131.28**	**$8,550,000.00**	**-**	**$1,531,581.32**	**$10,081,581.32**

Yield Statistics

Base date for Avg. Life & Avg. Coupon Calculation	6/01/2012
Average Life	4.347 Years
Average Coupon	3.9373025%
Weighted Average Maturity (Par Basis)	4.347 Years

Refunding Bond Information

Refunding Dated Date	6/01/2012
Refunding Delivery Date	6/01/2012

From: Sonia Garcia
Sent: Tuesday, May 08, 2012 5:06 PM
To: Sonia Garcia
Subject: FW: LAUSD v. County of Los Angeles

From: Michael Estrada [mailto:MEstrada@rwglaw.com]
Sent: Tuesday, May 08, 2012 1:45 PM
To: Al Hernandez
Cc: Federico Ramirez
Subject: FW: LAUSD v. County of Los Angeles

Al-

Please see below re: the LAUSD case.

Mike Estrada
Richards, Watson & Gershon
213-626-8484/mestrada@rwglaw.com

From: Gregory M. Kunert
Sent: Tuesday, May 08, 2012 1:41 PM
To: Michael Estrada; Roxanne M. Diaz
Subject: LAUSD v. County of Los Angeles

This is an update on the status of the above-referenced case.

Following the effective date of ABx1 26 ("AB 26"), and in accordance with Judge Berle's prior rulings in the case, Judge Berle ordered issuance of a Writ of Mandate directed to the County Auditor-Controller ("CAC") for prospective relief, i.e., ordering that the CAC perform its pass-through obligation under AB 26 (H&S Code section 34183) in accordance with the ruling of the Court of Appeal in this case. That writ left unresolved LAUSD's claim for retrospective relief, i.e., reimbursement for past underpayments of statutory pass-through due to the County's failure to include ERAF in the schools' shares of property tax revenue.

Judge Berle allowed, over our objection, LAUSD to file an amended Petition naming the Successor Agencies under AB 26 as Respondents in place of the now dissolved redevelopment agencies. LAUSD filed its amended petition, along with a Motion for Issuance of a Writ for retrospective relief against the successor agencies. We filed a demurrer on behalf of our successor agencies, asserting the position that AB 26 did not transfer to successor agencies responsibility for past underpayments of statutory pass-through, but rather, legislatively extinguished LAUSD's claim for retrospective relief. We also assisted in drafting opposition to the motion for issuance of a writ, asserting that LAUSD did not receive any revenue from ERAF within the applicable statute of limitations period and, therefore, is not entitled to any additional retrospective pass-through under Judge Berle's ruling that only ERAF actually received by LAUSD must be included in computing the statutory pass-through. We have also joined in a demurrer filed by another successor agency asserting LAUSD's failure to name indispensable parties (oversight boards, state Department of Finance, State Controller).

The demurrers and motion for writ are set to be heard on May 23. We are hopeful for a favorable outcome.

In the event we do not prevail, however, we will need to seriously consider our strategy going forward, including the wisdom of maintaining a defense (or participating in an appeal) in light of AB 26.

We will continue to keep you advised of significant developments as they occur.

Greg Kunert