

TO: JAMES L. APP, CITY MANAGER
FROM: BOB LATA, COMMUNITY DEVELOPMENT DIRECTOR
SUBJECT: RECONVEYANCE OF DEED - FAÇADE IMPROVEMENT PROGRAM
DATE: MARCH 15, 2005

Needs: For the City Council and Redevelopment Agency to consider authorizing reconveyance of a trust deed related to the City / Agency Façade Improvement Program.

Facts:

1. When the City / Agency Façade Improvement Program was initiated, the Mastagni Family was the first property owner to sign up for the program.
2. In signing up for the Façade Improvement Program, the Mastagni's received one (1) \$25,000 loan to cover the improvements to both of their buildings (the NE and NW corners of 12th and Park Streets). The obligation to repay the funds was placed on both properties.
3. When the City Council / Agency recently agreed to subordinate its loan to the primary financing to reconstruct the two properties, there was no action taken to split the loan or assign the loan to one of the two properties. In retrospect, it would have been clearer to assign the loan to one of the two properties.
4. The Mastagni Family is requesting that the loan be assigned to the NW corner of 12th and Park (the building that is currently under construction) and that the loan obligation be released from the property at the NE corner of 12th and Park. Their concern is that if the loan is not attached to one of the two properties, it could appear that there is a \$25,000 loan obligation on each of the two properties.
5. Attached is an excerpt from the Title Report for the property at the NW corner of 12th and Park Streets, documenting that the obligation to repay the City / Agency has been attached to that property.

Analysis
and

Conclusion: Approval of the attached “Substitution of Trustee and Full Reconveyance” will release the loan obligation from the NE corner of 12th and Park Streets.

The obligation to repay the \$25,000 City / Agency loan would remain in place for the property at the NW corner of 12th and Park Streets. Since a building on that property is currently under construction, the City / Agency interest would be secure.

Policy

Reference: Redevelopment Agency Façade Improvement Program

Fiscal

Impact: None

- Options:
- a. That the City Council and Redevelopment Agency authorize execution of the “Substitution of Trustee and Full Reconveyance” with regard to the NE corner of 12th and Park Streets.
 - b. Amend, modify or reject the foregoing option.

4. **A deed of trust to secure an indebtedness in the amount shown below, and any other obligations secured thereby**

Amount: \$25,000.00
Dated: August 13, 1990
Trustor: Armand Mastagni and Mary E. Mastagni, husband and wife
Trustee: First American Title Insurance Company, a California Corporation
Beneficiary: Redevelopment Agency of the City of El Paso de Robles
Address: P.O. Box 307
Paso Robles, CA 93447
Loan No.: None shown
Recorded: August 31, 1990, Instrument No. 60977, Book 3573, Page 91, of Official Records

5. **The fact that said land is included within a project area of the Redevelopment Agency shown below, and that proceedings for the redevelopment of said project have been instituted under the Redevelopment Law (such redevelopment to proceed only after the adoption of the redevelopment plan) as disclosed by a document.**

Redevelopment

Agency: City of Paso Robles
Recorded: May 4, 1995, Instrument/File No. 1995-18929, of Official Records

6. **A deed of trust to secure an indebtedness in the amount shown below, and any other obligations secured thereby**

Amount: \$200,000.00
Dated: May 12, 2004
Trustor: Mark A. Mastagni, Karen Horzen and Sandra E. Keller, as Co-Trustees of the Mastagni Children's Trust 1, dated December 28, 1995, as to an undivided 3.0% interest; Mary E. Mastagni, Trustee of the Mastagni Family Trust UTD December 6, 1995, as to an undivided 97.0% interest.
Trustee: Heritage Oaks Bancorp, a California Corporation
Beneficiary: Heritage Oaks Bank
Address: 545 Twelfth Street, P.O. Box 7012
Paso Robles, CA 93447-7012
Loan No.: not shown
Recorded: May 18, 2004, Instrument No. 2004-042349, of Official Records

RECORDING REQUESTED BY:
WHEN RECORDED MAIL TO:



SUBSTITUTION OF TRUSTEE AND FULL RECONVEYANCE

WHEREAS, **Armand Mastagni and Mary E. Mastagni, husband and wife**, the original Trustor, and **Redevelopment Agency of the City of El Paso de Robles** the Beneficiary, Under that certain Deed of Trust dated **August 13, 1990**, recorded as Instrument no. **60977** on **August 31, 1990**, Official Records of the county of **San Luis Obispo**, State of **California**, and

WHEREAS, the undersigned Beneficiary desires to substitute a new Trustee under said Deed of Trust in place and stead of **First American Title Insurance Company, a California Corporation** Now therefore, the undersigned hereby substitutes **Redevelopment Agency of the City of El Paso de Robles** as Trustee

Under said Deed of Trust and **Redevelopment Agency of the City of El Paso de Robles** as the substituted Trustee

Does hereby reconvey, without warranty, to the person or persons legally entitled thereto, the Estate now held there under as described as:

Lots 11 and 12 in Block 30 of the City of El Paso de Robles, in the City of Paso Robles, County of San Luis Obispo, State of California, according to map filed for record October 25, 1889 in Book A, Page 169 of Maps, in the office of the County Recorder of said County.

The Assessor's Parcel number is 009-044-007

Dated this 28th day of February, 2005

City of El Paso de Robles

STATE OF CALIFORNIA
COUNTY OF SAN LUIS OBISPO
on _____ before me, _____ Notary
Public, personally appeared _____ and
_____, personally known to me to be the
persons whose names are subscribed to the within
instrument and acknowledged to me that they executed
the same in their authorized capacities, and that by their
signatures on the instrument the persons, or the entity
upon behalf of which the persons acted, executed the
instrument.
Witness my hand and official seal.
Signature _____
