



**CITY OF SAND CITY SUCCESSOR AGENCY
Oversight Board Meeting
Agenda for September 30, 2013**

**3:00 p.m., Monday, September 30, 2013,
City Hall, Council Chambers, 1 Sylvan Park, Sand City, CA 93955**

AGENDA ITEMS:

1. CALL TO ORDER

2. ROLL CALL & ESTABLISHMENT OF QUORUM

John McPherson, Monterey County Office of Education
Jane Parker, Monterey County Board of Supervisors
Sandra Miles, Monterey County Board of Supervisors (Public Member)
Stephen Ma, Monterey Peninsula College
Linda Scholink, City of Sand City Successor Agency
Steve Matarazzo, City of Sand City Successor Agency
Jayanti Addleman, Monterey County Libraries

3. PLEDGE OF ALLEGIANCE

4. COMMUNICATIONS FROM THE FLOOR: At this time, any person may comment on any item which is not on the agenda. Please state your name and address for the record. Action will not be taken on an item that is not on the agenda. If it requires action, it will be referred to staff and/or placed on the next agenda. In order that all interested parties have an opportunity to speak, please limit comments to a maximum of three (3) minutes. Any member of the public may comment on any matter listed on this agenda at the time the matter is being considered by the Board.

5. BOARD MEMBER COMMENTS: Board Members may ask a question for clarification; make a brief report or announcement on his/her activities. Board members may provide a referral to Staff or other resources for factual information, or direct Staff to agendaize a matter of business on a future agenda. Any item not listed on the Agenda after the posting of the Agenda and that must be acted upon (2/3rds vote required to place on agenda) prior to the next Board meeting may be addressed at this time. (G.C. 54954.2)

6. ACTION/DISCUSSION ITEMS

- A. Consideration of Oversight Board RESOLUTION Approving the Oversight Board Minutes of August 26, 2013
- B. Consideration of Oversight Board RESOLUTION Approving Settlement Agreement and Mutual Release among the Successor Agency, Monterey County Office of Education, Monterey Peninsula College District and Monterey Peninsula Unified School District



**CITY OF SAND CITY SUCCESSOR AGENCY
Oversight Board Meeting Agenda for September 30, 2013**

- C. Approval of Oversight Board RESOLUTION Approving the Recognized Obligations Payment Schedule for January 2014 through June 2014 (ROPS 13-14B)
 - D. Approval of Oversight Board RESOLUTION Related to State Controller's Office (SCO) Review of Other Funds Asset Transfer Due Diligence Review
 - E. Update regarding *Seaside v. Sand City* –Indemnification of Oversight Board (Verbal Report)
7. REQUEST FROM BOARD MEMBERS FOR FUTURE AGENDA ITEMS
8. ADJOURNMENT:

{There will not be a meeting in October}
The Next Scheduled Oversight Board Meeting:
Monday, November 18, 2013
3:00 P.M.
Sand City Council Chambers
1 Sylvan Park, Sand City

ALL MEETINGS ARE OPEN TO THE PUBLIC. The City of Sand City does not discriminate against persons with disabilities. City Hall and the Council Chambers are accessible facilities. Any person with a disability who requires a modification or accommodation to be able to participate in this meeting is asked to contact the office of the City Clerk at (831) 394-3054 no fewer than two business days prior to the meeting to allow for reasonable arrangements.

SAND CITY SUCCESSOR AGENCY OVERSIGHT BOARD

RESOLUTION OB ____, 2013

**RESOLUTION OF THE OVERSIGHT BOARD FOR THE SAND CITY SUCCESSOR
AGENCY APPROVING THE OVERSIGHT BOARD MEETING MINUTES OF
AUGUST 26, 2013**

WHEREAS, the Oversight Board at its regular meeting of September 30, 2013 reviewed the Oversight Board draft meeting minutes of August 26, 2013; and

WHEREAS, based on its review of said minutes, the Oversight Board finds the draft minutes to be an accurate summary of the major points and actions taken during the meeting of August 26, 2013.

NOW, THEREFORE, THE OVERSIGHT BOARD hereby finds the subject minutes to be adequate and they are hereby approved as the approved meeting minutes of August 26, 2013.

PASSED AND ADOPTED by the Sand City Successor Agency Oversight Board on this 30th, day of September, 2013 by the following vote:

AYES:

NOES:

ABSENT:

ABSTAIN:

APPROVED:

John McPherson, Board Chair

ATTEST:

Connie Horca, Board Secretary



**CITY OF SAND CITY SUCCESSOR AGENCY
Oversight Board Meeting Minutes
August 26, 2013**

The meeting was called to order by Chair McPherson at 3:03 P.M.

AGENDA ITEM 2, ROLL CALL & ESTABLISHMENT OF QUOROM

John McPherson, Monterey County Office of Education
Jane Parker, Monterey County Board of Supervisors {**Excused absence**}
Sandra Miles, Monterey County Board of Supervisors Public Member
Stephen Ma, Monterey Peninsula College
Linda Scholink, City of Sand City Successor Agency
Steve Matarazzo, City of Sand City Successor Agency
Jayanti Addleman, Monterey County Libraries

AGENDA ITEM 3, PLEDGE OF ALLEGIANCE

The pledge of allegiance was led by Board Member Matarazzo.

AGENDA ITEM 4, COMMUNICATIONS FROM THE FLOOR

3:04 P.M. Floor opened for Public Comment.

There were no comments from the Public.

3:04 P.M. Floor closed to Public Comment.

AGENDA ITEM 5, BOARD MEMBER COMMENTS

There were no comments from the Board.

AGENDA ITEM 6, ACTION/ DISCUSSION ITEMS

A. Consideration of Oversight Board Resolution approving the Oversight Board Minutes of July 22, 2013

Motion to approve the Oversight Board **Resolution** approving the Oversight Board Minutes of July 22, 2013 was made by Board Member Ma, seconded by Board Member Matarazzo. AYES: Board Members Addleman, Ma, Matarazzo, McPherson, Scholink, Miles. NOES: None. ABSENT: Board Member Parker. ABSTAIN: None. Motion carried.

B. Update on Claims by the Local Educational Agencies (LEAs) regarding Pass-through Payment Obligations of the Successor Agency (SA)

Board member Matarazzo reported that Successor Agency staff met with Local Educational Agency representatives on August 9th to discuss a possible

settlement. The meeting concluded in a reasonable compromise, resulting in the Successor Agency to pay the Monterey County Office of Education (MCOE), and ongoing discussions in regard to amounts owed to Monterey Peninsula Unified School District (MPUSD) and Monterey Peninsula College (MPC). LEA Counsel Clarissa Canady communicated that MPC and MPUSD would be getting back to the Successor Agency after their representatives talk to their respective Boards.

Board Member Ma concurred with Board Member Matarazzo's comments regarding the meeting, and requested Successor Agency Attorney Jim Heisinger summarize the discussion concerning a possible court validation.

3:06 P.M. Floor opened for Public Comment.

Successor Agency Attorney Jim Heisinger reiterated that a few sections of the law defining Enforceable Obligations may be applicable. These included a continuation of a contract, and a settlement. The provision with respect to a settlement indicates that it may need to be confirmed by court. In terms of timing, the LEAs and Successor Agency will try to have this resolved so that some payable amounts appear on the next ROPS, due October 1st.

3:11 P.M. Floor closed to Public Comment.

Chair McPherson concluded that the timing of discussions between the LEA's and the reporting of the enforceable obligation would be dependent upon the outcome of future LEA Board meetings.

C. Update regarding State Controller's Office (SCO) Other Funds Asset Transfer Due Diligence Review Meeting with County Auditor *{this item was moved for discussion}*

Board Member Scholink reported that the Successor Agency Auditor is presently at another meeting and will be present immediately following. Chair McPherson suggested that this item be moved toward the end of the agenda so the Successor Agency Auditor may be present. The Board was in agreement to move this item.

D. Update on Successor Agency Budget for Oversight Board Legal Counsel Services

Board Member Matarazzo reported that at the last Oversight Board meeting, the Board requested confirmation of funds expensed for Outside Counsel. The Administrative Budget for Outside Counsel indicates that a reasonable amount of funds is still available for legal services.

E. Preliminary Review of Recognized Obligations Payment Schedule for January 2014-June 2014 (ROPS 13-14B)

Board Member Matarazzo reported that the Department of Finance has

prepared a new form for reporting of the Recognized Obligations Payment Schedule (ROPS 13-04B) that is presently unavailable online. Staff has prepared an abbreviated form of what would be included in this ROPS reporting period. The administrative budget was already approved as part of ROPS 13-14A. Payment for the tax allocation bonds would leave a small residual to be allocated towards either a settlement payment to the LEA's or a Supplemental Education Relief Augmentation Fund (SERAF) payment.

Board Member Ma requested that Staff research whether enforceable obligations on the ROPS would have priority before administrative costs.

F. Update regarding *Seaside v. Sand City*-Verbal Report, and Indemnification of Oversight Board

Successor Agency Attorney Jim Heisinger reported that in February, the Successor Agency received a letter from the Oversight Board requesting indemnity against any claims/judgments that could arise from the *Seaside v. Sand City* lawsuit. OB Legal Counsel, Judd Jordan was contacted and communication regarding indemnification of the Oversight Board had been discussed. A Successor Agency Board meeting also occurred with no action taken. According to Mr. Jordan, the primary concern regarding the indemnification is an on-going issue. .

3:37 P.M. Floor opened for Public Comment.

Christy Markey, representing Jane Parkers office, expressed their concern that the sales tax increment not be used towards any potential settlement payment to Seaside. Per their interpretation of the agreement, any settlement payments should come from sales tax revenue. The revenue stream for that obligation, sales tax, is now being received by the City meaning that if there is an obligation deemed by the court, it should be paid by the City.

3:39 P.M. Floor closed to Public Comment.

In response to Chair McPherson's question regarding what is presently happening with the litigation, Board Member Matarazzo commented that settlement talks continue and seem to be promising.

Successor Agency Counsel Jim Heisinger added that Sand City's representatives continue ongoing settlement discussions with representatives of the Seaside City Council. Seaside's Legal Counsel requested the case management conference be scheduled for November to allow discussions occurring between the two Cities to continue.

The Board returned to agenda item 6C

C. Update regarding State Controller's Office (SCO) Other Funds Asset Transfer Due Diligence Review Meeting with County Auditor

Successor Agency Auditor, Therese Courtney of Hayashi and Wayland reported that they performed the Due Diligence review approved by the Successor Agency as well as the Oversight Board. The State Controller's Office (SCO) also conducted a review and came up with a different number. This was due to assets being accounted for that were not actual assets. Under the old Governmental Accounting Standards Board (GASB) accounting method, it was required that financial statements depict a long-term account group that showed all the long term liability (debt). To offset and make the fund balance, a debit had to be made as an amount to be provided for long term debt; however, the SCO picked it up as an asset. It is unclear why the SCO did this, and a meeting was scheduled with the County Auditor to discuss this issue. The County Auditor is in agreement with the Successor Agency, and will contact the State to communicate the results of the meeting.

Chair McPherson suggested that the next agenda include an item approving a resolution, with instructions to forward to the County Auditor in hopes of concluding this issue.

3:41 P.M. Floor opened for Public Comment.

Christy Markey, representing Jane Parkers office, commented that the resolution should include a "whereas" stating that Staff spoke to the County Auditor who said he could not take action on this without prior action of the Oversight Board first; and therefore, the Oversight Board is taking action today. By placing this on the resolution, it would explain the genesis of the resolution.

3:42 P.M. Floor closed to Public Comment.

The Board resumed Agenda item 6G

G. Tour of Successor Agency Properties following adjournment of Oversight Board Meeting (as time permits)

Board Member Matarazzo reported that three of the properties are within walking distance. Property 3 is the sewer pump site, property 4 is the McDonald Coastal Site, being planned for development by King Ventures, and property 5 is the public plaza located at the Independent. The Successor Agency also owns a portion of the easement and the water well surrounding the Independent. The Carroll Property is being used for temporary City events, as approved by the Oversight Board.

The Board discussed the future development to occur on the McDonald Coastal Site, the disposition and development agreement associated with the property, and the possibility of the property's disposition should the developer not proceed with the planned development for the site.

AGENDA ITEM 7, REQUEST FROM BOARD MEMBERS FOR FUTURE AGENDA ITEMS

There was Board discussion in regard to holding a meeting prior to the next scheduled meeting of September 30, 2013. This was left open pending discretion of the Board, and the need to review the Recognized Obligations Payment Schedule (ROPS 13-14B) prior to approval. Chair McPherson requested that the next agenda include the update regarding Seaside v. Sand City, and approval of the memo regarding the Due Diligence Review.

Board Members Scholink, Addleman and Miles indicated that they would not attend the tour of properties, and were excused from the meeting.

AGENDA ITEM 8, ADJOURNMENT


The Board adjourned at 3:54 P.M. Board Members Ma, McPherson and Matarazzo proceeded to tour the properties.

Connie Horca, Board Secretary

SAND CITY SUCCESSOR AGENCY OVERSIGHT BOARD
staff memorandum

DATE: September 27, 2013 (for Oversight Board Meeting of September 30, 2013)

TO: Sand City Oversight Board

FROM: Staff 

SUBJECT: Consideration of Resolution Approving Settlement and Mutual Release with Local Educational Agencies (LEAs)

The successor agency, with the assistance of legal counsel of the LEAs (Monterey Peninsula College District (MPCD); Monterey Peninsula Unified School District (MPUSD) and the Monterey County Office of Education (MCOE), prepared the attached settlement agreement pertaining to monies owed by the successor agency resulting from previous pass-through agreements with the former redevelopment agency (MPUSD, MPCD), or by the operation of law (MCOE). The agreement basically requires the SA, through the real property tax trust fund (RPTTF), over time, to pay the following amounts to the respective LEAs: \$18,856 to MCOE; \$42,172 to the MPCD; and \$390,641 to the MPUSD. Exhibit C of the agreement illustrates the general flow of property tax funds to pay off the entire amounts, which should conclude by the end of 2015. It is anticipated that the RPTTF will have a residual amount (funds not committed to other enforceable obligations) of approximately \$160,000 for the upcoming ROPS period (January - June 2014). Therefore, payments to MCOE and MPCD should be fully funded within that term.

The agreement requires all affected parties to approve its terms to become effective. As of September 27, 2013, all of the LEAs have agreed. The Successor Agency Board will deliberate on the agreement at noon on September 30th and it is anticipated there will also be an agreement with the SA board based on prior direction to SA staff.

RECOMMENDATION

It is therefore RECOMMENDED that the attached resolution be adopted by the Oversight Board.

ATTACHMENTS:

1. Draft Resolution of Approval
2. Proposed Settlement and Mutual Release

SAND CITY SUCCESSOR AGENCY OVERSIGHT BOARD

RESOLUTION OB _____, 2013

RESOLUTION OF THE OVERSIGHT BOARD FOR THE SAND CITY SUCCESSOR AGENCY APPROVING A SETTLEMENT AND MUTUAL RELEASE AGREEMENT WITH THE LOCAL EDUCATIONAL AGENCIES (LEAs)

WHEREAS, the Monterey County Office of Education (MCOE), the Monterey Peninsula Unified School District (MPUSD) and the Monterey Peninsula College District (MPCD), collectively know as the local educational agencies (LEAs), have filed claims related to past due payments from the former Sand City Redevelopment Agency (RDA) arising from pass-through agreements with the former RDA and by operation of law; and

WHEREAS, said monetary claims have been disputed by the Successor Agency to the former Sand City RDA in both substance and amounts; and, all parties of the dispute desire to cooperate and settle the claims without filing lawsuits, thereby avoiding court costs, and legal costs; and

WHEREAS, in a mutual effort of cooperation and settlement, all parties have met and conferred with each other and their respective legislative bodies and have agreed to the terms of the settlement and mutual release agreement attached hereto as Exhibit A, and incorporated herein by this reference.

NOW, THEREFORE, BE IT RESOLVED that the Sand City Successor Agency Oversight Board (OB) to the Sand City Successor Agency (SA) hereby approves the attached settlement agreement (Exhibit A).

PASSED AND APPROVED by the Sand City Successor Agency OB on this 30th day of September, 2013 by the following vote:

- AYES:
- NOES:
- ABSENT:
- ABSTAIN:

ATTEST:

APPROVED:

Connie Horca, Board Secretary

John McPherson, Board Chair

DRAFT**SETTLEMENT AGREEMENT AND MUTUAL RELEASE**

This Settlement Agreement and Mutual Release ("**Settlement Agreement**") is made and entered into as of the ____ day of September, 2013 (the "**Effective Date**"), by and between the following parties:

1. Monterey Peninsula Unified School District, a California public school district ("**MPUSD**"); and
2. Monterey Peninsula Community College District, a California public community college district ("**MPC**"); and
3. Monterey County Office of Education, a California public education entity ("**MCOE**"); and
4. City of Sand City, as Successor Agency to the former Sand City Redevelopment Agency ("**Sand City SA**").

MPUSD, MPC, MCOE and Sand City SA may be referred to herein individually and/or collectively as "Party" or "Parties."

RECITALS

WHEREAS, on or about August 3, 1987, MPUSD entered into that certain Agreement for Cooperation ("**MPUSD Pass-through Agreement**") with the City of Sand City ("**City**") and the former Sand City Redevelopment Agency ("**Sand City RDA**"). A true and correct copy of the MPUSD Pass-through Agreement is attached hereto and incorporated herein as Exhibit "A;" and

WHEREAS, on or about July 14, 1987, MPC entered into that certain Agreement for Cooperation with the City and the former Sand City RDA ("**MPC Pass-through Agreement**"). A true and correct copy of the MPC Pass-through Agreement is attached hereto and incorporated herein as Exhibit "B;" and

WHEREAS, Section 3.2 and Section 3.1, respectively, of the MPUSD and MPC Pass-through Agreements provide: "Upon the request of the School District the Agency shall provide as a minimum an amount equal to the projected portion of the tax irevenues generated by the incremental two percent (2%) increase in the base year assessed valuation of the property within the redevelopment area during the period of the project, including any amendments" ("**Contractual Pass-through Payments**"); and

WHEREAS, provisions of the Health and Safety Code required the former Sand City RDA to make tax increment payments to MCOE as a local taxing entity within the former Sand City RDA project area ("**Statutory Pass-through Payments**");

WHEREAS, by letters dated in January 2012, MPUSD, MPC and MCOE each made a request to the former Sand City RDA for unpaid pass-through payments; and

WHEREAS, pursuant to ABX 1-26, on February 1, 2012, the former Sand City RDA was dissolved, and the City subsequently assumed the role of the Sand City SA to wind-down the operations and business of the former Sand City RDA; and

WHEREAS, the Parties have been working cooperatively to identify and reach an amicable, full and final settlement relating to the amount of any Contractual Pass-through Payments that remain due and owing to MPUSD and MPC, and Statutory Pass-through Payments due and owing to MCOE; and

WHEREAS, the Parties acknowledge that the provisions of the Health and Safety Code now require the Monterey County Auditor-Controller to make all pass-through payments, whether contractual or statutory, and that except as otherwise set forth herein, nothing in this Settlement Agreement is intended to affect or waive the rights of any of the Parties in relation to future pass-through payments.

TERMS OF SETTLEMENT

NOW, THEREFORE, in consideration of the premises and covenants contained herein, the Parties agree as follows:

1. **Governing Board Approval:** The Parties agree that this Settlement Agreement is contingent upon approval by each Party's governing board ("**Board**"). In the event that any Board rejects this Settlement Agreement, this Settlement Agreement shall be of no force and effect and none of the Parties shall be deemed to have waived any rights with respect to the Disputes.
2. **Settlement of Claims:** The Parties hereby agree to resolve all disputes related to the amount of pass-through payments due to MPUSD, MPC and MCOE as follows:
 - a) The Sand City SA shall pay from funds it receives from the Real Property Tax Transfer Fund ("**RPTTF**") a Statutory Pass-through Payment to MCOE for fiscal years 2008/2009 thru 2010/2011 in total amount of Eighteen Thousand Eight Hundred Fifty Six Dollars (\$18,856.00) (the "**MCOE Obligation**").
 - b) The Sand City SA shall pay from funds it receives from the RPTTF a Contractual Pass-through Payment to MPC for fiscal years 2007/2008 thru 2010/2011 in the total amount of Forty Two Thousand One Hundred Seventy Two Dollars (\$42,172.00) (the "**MPC Obligation**").
 - c) The Sand City SA shall pay from funds it receives from the RPTTF a Contractual Pass-through Payment to MPUSD for fiscal years 2007/2008 thru 2010/2011 in the total amount of Three Hundred Ninety Thousand Six Hundred Forty One Dollars (\$390,641.00) (the "**MPUSD Obligation**").
3. **Claims on RPTTF.** The Sand City SA shall satisfy the MCOE Obligation, the MPC Obligation and the MPUSD Obligation (collectively, the "**LEA Obligations**") exclusively from monies it receives from its RPTTF. The Parties acknowledge that any payments from the RPTTF to the Sand City SA must be approved by the Oversight Board for the Sand City SA (the "**OB**")

and the State Department of Finance ("DOF"). Subject to approval of the OB, the Sand City SA shall schedule payment of the LEA Obligations as "recognized obligations" on the Recognized Obligation Payment Schedules ("ROPS") for the period beginning on January 1, 2014 and continuing until the LEA Obligations are paid in full.

4. **Priority of Payments from RPTTF.** All funds received by the Sand City SA from the RPTTF shall be used to pay the enforceable obligations shown on Exhibit "C" attached hereto and by this reference incorporated herein until the LEA Obligations have been paid in full. In the event funding from the RPTTF for one or more of the LEA Obligations shown on Exhibit "C" is not approved by the OB or the DOF prior to full payment of all LEA Obligations, the Parties agree that the Sand City SA may substitute funding of the enforceable obligation shown next lower in priority on Exhibit "C" until such LEA Obligation is subsequently approved for funding by the OB and the DOF. Notwithstanding the foregoing, in the event the State creates a deadline for repayment of Supplemental Education Revenue Augmentation Fund ("SERAF") loan, repayment of that portion of the SERAF loan necessary to avoid any penalty for late or non-payment by the State will take priority over payment of any then outstanding LEA Obligation.

b)

c)

5. **Release and Waiver of Claims:**

Excepting the obligations arising out of this Settlement Agreement, each Party, on behalf of itself, and all present or former Board members, officers, employees, agents, attorneys and representatives, successors and assigns, and each of them (the "**Party Representatives**"), does hereby fully and finally settle, release, relieve, acquit and forever discharges all other Parties and their Party Representatives from any and all claims, claims for indemnification or contribution, complaints, causes of action, demands, liabilities, losses, or damages, including attorneys' fees and costs, experts' and consultants' fees and costs, whether asserted, or could have been asserted, known or unknown, which the Party or Party Representatives may now or hereafter have against any other Party and their Party Representatives, arising out of or in any way related to the matters herein.

- d) Each of the Parties hereto acknowledges that it is familiar with Section 1542 of the California Civil Code which provides as follows:

A general release does not extend to claims which the creditor does not know or suspect to exist in his or her favor at the time of executing the release, which if known by him or her must have materially affected his or her settlement with the debtor.

Except as provided for specifically in this Settlement Agreement, the Parties waive and relinquish any and all rights and benefits which they may have under, or which may be conferred upon them by the provisions of Section 1542 of the California Civil Code, to the fullest extent that they may lawfully waive such rights or benefits pertaining to the subject matter of this Settlement Agreement. In connection with such waiver and relinquishment, the Parties hereby acknowledge that they are aware that they or their attorneys may hereafter discover claims or facts in addition to or different from those which they now know or believe to exist with respect to the subject matter of this Settlement Agreement, but that it is the intention of each of the Parties to this Settlement Agreement to hereby fully, finally and forever waive said claims, whether known or unknown, suspected or unsuspected, which concern, arise out of, or are in any way connected with the matters set forth in this Settlement Agreement.

MPUSD

MPC

Sand City SA

MCOE

- e) Except for proceedings to enforce the terms of this Settlement Agreement and proceedings related to matters not released by this Settlement Agreement, the Parties covenant and agree that at no time subsequent to the date of their respective executions of this Settlement Agreement will they file or maintain or cause or knowingly permit the filing or maintenance of, in any state, federal or foreign court, or before any local, state, federal or foreign administrative agency, or any other tribunal, any charge, claim, or action of any kind, nature or character whatsoever, known or unknown, which they may now have, or have ever had, or which they may later discover, against another Party or Parties, which is based in whole or in part on any act, omission or event relating to the matters herein. The Parties agree that this Settlement Agreement shall constitute a full and complete defense to, and may be used as a basis for a permanent injunction against, any action, suit, or other proceeding which may be instituted, prosecuted, or attempted by any of them in breach of this Settlement Agreement. Any damages suffered by any of the Parties by reason of any breach of the provisions of this Settlement Agreement by any of the other Parties shall be recoverable including attorneys' fees and costs reasonably incurred in instituting, prosecuting or defending any action, grievance, or proceeding resulting from said breach of this Settlement Agreement.

3. **No Admission of Liability:** This Settlement Agreement embodies a compromise of disputed issues and is made in good faith. The Parties understand that no Party hereto admits any negligence, breach of contract, or any wrongdoing in connection with the matters herein referred to, and that the compromise embodied in this Settlement Agreement is not an admission of any fault, liability, or culpability by any Party.
4. **Attorneys' Fees:** Except in any proceeding to enforce this Settlement Agreement, each Party shall bear its own fees and costs.
5. **Enforcement of Settlement:** In any proceeding to enforce any rights and/or construe any obligations under this Settlement Agreement, the

prevailing party in such proceeding shall be entitled to recover its reasonable attorneys' fees and costs incurred, including compensation paid to experts.

6. **Authority:** Each Party represents and warrants that it has full power and authority to enter into and perform this Agreement and that the person executing this Settlement Agreement on behalf of that Party has been properly authorized and empowered to enter into this Settlement Agreement and bind that Party hereto.
7. **Interpretation:** This Settlement Agreement shall be interpreted and enforced in accordance with the laws of the State of California, provided that no provision of this Settlement Agreement shall be interpreted for or against a Party because that Party or Parties' legal representative drafted such provision, and that this Settlement Agreement shall be construed as if jointly prepared by the Parties.
8. **Independent Counsel:** Each of the Parties to this Settlement Agreement warrants that it has, through its representatives, carefully read and understood the terms and conditions of this Settlement Agreement, and that it has not relied upon the representations or advice of any other Party or any attorney not its own.
9. **Amendments:** No modification, waiver, or amendment to this Settlement Agreement shall be valid unless the same is in writing and executed by the Party against which the enforcement of such modification, waiver or amendment is or may be sought.
10. **Counterparts:** This Settlement Agreement may be executed in one or more counterparts, each of which shall be deemed an original. A facsimile or electronic signature shall be deemed to be the equivalent of the actual original signature. All counterparts so executed shall constitute one Settlement Agreement binding all the Parties hereto.
11. **Severability:** The Parties agree that should any provision of this Settlement Agreement, or any portion of any provision, be declared or determined by any court of competent jurisdiction to be illegal, invalid or unenforceable, the remainder of the provision and the Settlement Agreement shall nonetheless remain binding in effect, unless this would result in a substantial failure of consideration.
12. **Waiver:** Except as may be provided expressly in writing by each Party, no action or want of action on the part of any Party hereto at any time to exercise any rights or remedies conferred upon it under this Settlement Agreement shall be, or shall be asserted to be, a waiver on the part of any such Party of any of its rights or remedies hereunder.
13. **Performance of Settlement:** The Parties agree to perform any further acts and execute and deliver any further documents that may reasonably be necessary to carry out the provisions of this Settlement Agreement.
14. **Entire Agreement:** There are no representations, warranties, agreements, arrangements, or undertakings, oral or written, between or among the Parties hereto relating to the subject matter of this Settlement Agreement which are not fully expressed herein. This Settlement Agreement shall be interpreted

according to its own terms, as defined in this Settlement Agreement or otherwise according to their ordinary meaning without any parol evidence. This is an integrated Settlement Agreement.

IN WITNESS HEREOF the Parties have caused this Settlement Agreement to be executed in the day and year first written above.

<p>Approved as to Form</p> <hr/> <p>DANNIS WOLIVER KELLEY Clarissa R. Canady Attorneys for Monterey Peninsula Unified District and Monterey Peninsula Community College District</p>	<p>MONTEREY PENINSULA UNIFIED SCHHOL DISTRICT</p> <hr/> <p>Leslie Codianne Interim Superintendent</p>
	<p>MONTEREY PENINSULA COMMUNITY COLLEGE DISTRICT</p> <hr/> <p>Dr. Walter Tribley Superintendent/President</p>
	<p>MONTEREY COUNTY OFFICE OF EDUCATION</p> <hr/> <p>Dr. Nancy Kotowski Superintendent of Schools</p>
<p>Approved as to Form</p> <hr/> <p>HEISINGER, BUCK & MORRIS Jim Heisinger Attorneys for the Sand City Successor Agency</p>	<p>SAND CITY SUCCESSOR AGENCY</p> <hr/> <p>Name _____ Title _____</p>

EXHIBIT "A"

MPUSD PASS-THROUGH AGREEMENT

SAND CITY REDEVELOPMENT AGENCY

RESOLUTION NO. RA-17 (1987)

A RESOLUTION OF THE SAND CITY REDEVELOPMENT AGENCY AUTHORIZING ENTERING INTO A TAX INCREMENT PASS THROUGH AGREEMENT WITH THE MONTEREY PENINSULA UNIFIED SCHOOL DISTRICT.

WHEREAS, the Sand City City Council has approved the creation of a Redevelopment Agency, and

WHEREAS, the City Redevelopment Agency has prepared a Redevelopment Plan for adoption by the Agency and City Council, and

WHEREAS, the Redevelopment Plan proposes to use tax increment financing as authorized under Section 33670 of the California Community Redevelopment Law, and

WHEREAS, the California Community Redevelopment Law allows for the creation of a Fiscal Review Committee to determine fiscal detriment to affected taxing agencies and said Committee was called for by the County of Monterey to determine fiscal detriment to taxing agencies, and

WHEREAS, after meeting with the Fiscal Review Committee on May 22, 1987 and June 5, 1987 as well as meeting on an individual basis with members of the Fiscal Review Committee it has been determined that it is in the best interest of the Agency to mitigate fiscal detriment to avoid lengthy and expensive litigation.

THEREFORE BE IT RESOLVED, DETERMINED AND ORDERED BY THE SAND CITY REDEVELOPMENT AGENCY AS FOLLOWS:


Section 1: The Chairman and Executive Director of the Redevelopment Agency are hereby authorized and directed to enter into the pass through agreement attached as Exhibit A by and between the Sand City Redevelopment Agency and the Monterey Peninsula Unified School District.

Section 2: The Executive Director is hereby authorized and directed to forward a copy of the Agreement to the County of Monterey Auditor for his use in distributing future tax increments.

PASSED AND ADOPTED BY THE REDEVELOPMENT AGENCY OF THE CITY OF SAND CITY THIS 9th day of July, 1987 by the following vote:


AYES : RITTER, LEWIS, MORRIS, HARPER, PENDERGRASS
NOES : NONE
ABSENT : NONE


Chairman

ATTEST: 
MARY ANN WEEMS
Secretary

I am the Secretary of the Redevelopment Agency of the City of Sand City and hereby certify that the within document is a true and correct copy of documents on file with the City.

Dated: 7-9-87


MARY ANN WEEMS
Secretary

AGREEMENT FOR COOPERATION BETWEEN
THE MONTEREY PENINSULA UNIFIED SCHOOL DISTRICT,
THE REDEVELOPMENT AGENCY FOR THE CITY OF SAND CITY
AND THE CITY OF SAND CITY

1. PARTIES & DATE

1.1 This agreement entered into in the City of Sand City, County Monterey, State of California, this 3rd day of AUGUST, 1987, between the Monterey Peninsula Unified School District, a Public Agency (School District), and the Redevelopment Agency for the City of Sand City, a Public Body (Agency).

2. RECITALS

2.1 Agency is proposing to undertake a program under the California Community Redevelopment Law (Health and Safety code Section 33000 et. seq.) replanning and redesign of blighted areas within the City which are stagnant, improperly utilized, and unproductive because of defective or inadequate street layout, faulty lot layout in relation to size, shape, accessibility, or usefulness, or for other causes and because the area requires replanning for reclamation or development in the interest of the general welfare because of various reasons.

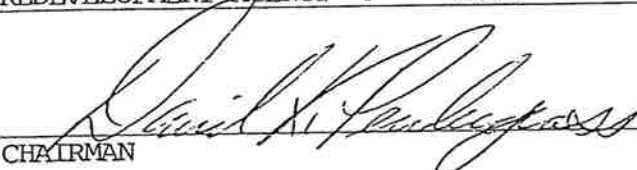
2.2 The School District is in receipt of Ordinance No. 87-6, adopted by the City Council of the City of Sand City, California, on JULY 20, 1987, authorizing the redevelopment of an area within the territorial limits of the City of Sand City Redevelopment Agency for the City of Sand City.

2.3 The Redevelopment Agency for the City of Sand City has found and declared that there exists in the City of Sand City blight areas which are characterized by one or more of those conditions set forth in Sections 33031 and 33032, causing a reduction of, or lack of, proper utilization of the area to such an extent that it constitutes a serious physical, social and economic burden on the community which cannot reasonably be expected to be reversed or alleviated by private enterprise acting alone.

2.4 As defined in Section 33353.2, the School District is an affected taxing entity which had bonded indebtedness and general purpose property taxes levied on its behalf by the County of Monterey of all the property located in the proposed Redevelopment Project Area in fiscal year 1987-1988.

2.5 The California Community Redevelopment Law authorized redevelopment agencies to pay to any taxing agency with territory located within a project area other than the community which has adopted the project, any amounts of money which in the agency determination is appropriate to alleviate any financial burden or detriment caused to any taxing agency by a redevelopment project.

REDEVELOPMENT AGENCY OF THE CITY OF SAND CITY


CHAIRMAN

ATTEST:


SECRETARY

MONTEREY PENINSULA UNIFIED SCHOOL DISTRICT


PRESIDENT

ATTEST:


SECRETARY

EXHIBIT "B"

MPC PASS-THROUGH AGREEMENT

SAND CITY REDEVELOPMENT AGENCY

RESOLUTION NO. RA-18 (1987)

A RESOLUTION OF THE SAND CITY REDEVELOPMENT AGENCY AUTHORIZING ENTERING INTO A TAX INCREMENT PASS THROUGH AGREEMENT WITH THE MONTEREY PENINSULA COMMUNITY COLLEGE DISTRICT.

WHEREAS, the Sand City City Council has approved the creation of a Redevelopment Agency, and

WHEREAS, the City Redevelopment Agency has prepared a Redevelopment Plan for adoption by the Agency and City Council, and

WHEREAS, the Redevelopment Plan proposes to use tax increment financing as authorized under Section 33670 of the California Community Redevelopment Law, and

WHEREAS, the California Community Redevelopment Law allows for the creation of a Fiscal Review Committee to determine fiscal detriment to affected taxing agencies and said Committee was called for by the County of Monterey to determine fiscal detriment to taxing agencies, and

WHEREAS, after meeting with the Fiscal Review Committee on May 22, 1987 and June 5, 1987 as well as meeting on an individual basis with members of the Fiscal Review Committee it has been determined that it is in the best interest of the Agency to mitigate fiscal detriment to avoid lengthy and expensive litigation.

THEREFORE BE IT RESOLVED, DETERMINED AND ORDERED BY THE SAND CITY REDEVELOPMENT AGENCY AS FOLLOWS:

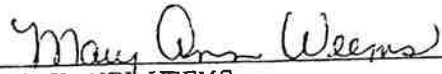
Section 1: The Chairman and Executive Director of the Redevelopment Agency are hereby authorized and directed to enter into the pass through agreement attached as Exhibit A by and between the Sand City Redevelopment Agency and the Monterey Peninsula Community College District.

Section 2: The Executive Director is hereby authorized and directed to forward a copy of the Agreement to the County of Monterey Auditor for his use in distributing future tax increments.

PASSED AND ADOPTED BY THE REDEVELOPMENT AGENCY OF THE CITY OF SAND CITY THIS
9th day of July, 1987 by the following vote:


AYES : RITTER, LEWIS, MORRIS, HARPER, PENDERGRASS
NOES : NONE
ABSENT : NONE


Chairman

ATTEST: 
MARY ANN WEEMS
Secretary

I am the Secretary of the Redevelopment Agency of the City of Sand City and hereby certify that the within document is a true and correct copy of documents on file with the City.

Dated: 7-9-87


MARY ANN WEEMS
Secretary

AGREEMENT FOR COOPERATION BETWEEN
THE MONTEREY PENINSULA COMMUNITY COLLEGE DISTRICT,
THE REDEVELOPMENT AGENCY FOR THE CITY OF SAND CITY
AND THE CITY OF SAND CITY

1. PARTIES & DATE

1.1 This Agreement entered into in the City of Sand City, County of Monterey, State of California, this 14 day of JULY, 1987, between the Monterey Peninsula Community College District, a Public Agency (School District), and the Redevelopment Agency for the City of Sand City, a Public Body (Agency), and the City of Sand City, a Municipal Corporation (City).

2. RECITALS

2.1 Agency is proposing to undertake a program under the California Community Redevelopment Law (Health and Safety code Section 33000 et. seq.) replanning and redesign of blighted areas within the City which are stagnant, improperly utilized, and unproductive because of defective or inadequate street layout, faulty lot layout in relation to size, shape, accessibility, or usefulness, or for other causes and because the area requires replanning for reclamation or development in the interest of the general welfare because of various reasons.

2.2 The School District is in receipt of Ordinance No. 87-6, adopted by the City Council of the City of Sand City, California, on JULY 20, 1987, authorizing the redevelopment of an area within the territorial limits of the City of Sand City Redevelopment Agency for the City of Sand City.

2.3 The Redevelopment Agency for the City of Sand City has found and declared that there exists in the City of Sand City blight areas which are characterized by one or more of those conditions set forth in Sections 33031 and 33032, causing a reduction of, or lack of, proper utilization of the area to such an extent that it constitutes a serious physical, social and economic burden on the community which cannot reasonably be expected to be reversed or alleviated by private enterprise acting alone.

2.4 As defined in Section 33353.2, the School District is an affected taxing entity which had bonded indebtedness and general purpose property taxes levied on its behalf by the County of Monterey of all of the property located in the proposed Redevelopment Project Area in fiscal year 1986-1987.

2.5 The California Community Redevelopment Law authorized redevelopment agencies to pay to any taxing agency with territory located within a project area other than the community which has adopted the project, any amounts of money which in the agency determination is appropriate to alleviate any financial burden or detriment caused to any taxing agency by a redevelopment project.

2.6 School District and Agency wish to enter a Cooperative Agreement between themselves to provide mutual aid and assistance in the redevelopment, development, and physical improvements in certain areas inside or outside the Project Area and Agency and School District have a common interest in and wish to facilitate redevelopment and to provide for the cooperation of School District and Agency in carrying out the redevelopment activities, goals and objectives set forth in the Redevelopment Plan.

Now therefore in consideration of the foregoing and the mutual promises and covenants contained herein, the parties hereto agree as follows:

3. AGREEMENT

3.1 Upon the request of the School District the Agency shall provide as a minimum an amount equal to the projected portion of the tax revenues generated by the incremental two percent (2%) increase in the base year assessed valuation of the property within the redevelopment area during the period of the project, including any amendments.

3.2 The City and Agency agrees to assist the School District by providing meeting and classroom space within the existing City Hall and or the proposed police and fire facility for the use of the School District. Said use to allow the School District to conduct classes, forums, lectures and other related School District activities within the City.

Both parties mutually agree to meet to determine a time schedule for the providing of the space and the times said space will be made available.

3.3 The School District to have the option as early as the fifth year from adoption of the Redevelopment Plan to open negotiations with the Agency to review and discuss fiscal detriment the plan may have caused and both parties agree to negotiate in good faith mitigation measures to eliviate said fiscal detriment.

3.4 Agreement shall be binding and considered in force only if mutually agreed upon by Agency and School District.

CITY OF SAND CITY

David H. Pauligies
MAYOR

ATTEST:

May Ann Weems
CITY CLERK

REDEVELOPMENT AGENCY OF THE CITY OF SAND CITY

David H. Pauligies
CHAIRMAN

ATTEST:

May Ann Weems
SECRETARY

MONTEREY PENINSULA COMMUNITY COLLEGE DISTRICT

J. J. Carcault Business Manager
for PRESIDENT

ATTEST:

Terika N. Patterson
SECRETARY

MSC Duran, Eldred

RESOLUTION 86-140

BE IT RESOLVED, That the Superintendent or the Business Manager of the Monterey Peninsula Community College District be allowed to enter into agreements with redevelopment agencies as redevelopment plans are put into motion.

RESOLUTION
Agreements with
redevelopment agencies
authorized

MSC Freeman, Smith

RESOLUTION 86-141

BE IT RESOLVED, That the Business Office be authorized to advertise for bids for the acquisition of computer equipment and for seeking a lease-purchase agreement.

RESOLUTION
Advertisement for
bids for computer
equipment authorized

MSC Freeman, Eldred

RESOLUTION 86-142

BE IT RESOLVED, That authorization be given to advertise for bids to resurface five (5) tennis courts.

RESOLUTION
Advertisement for
bids to resurface
tennis courts
authorized

MSC Eldred, Freeman

RESOLUTION 86-143

BE IT RESOLVED, That an election be held on November 3, 1987, for the purpose of electing three members to the Governing Board of the Monterey Peninsula Community College District; that all costs of the candidates' statements be paid by the candidates; that no candidate may submit a statement of over 400 words; and that in the event of a tie vote for a position on the Board, the winner will be determined by the drawing of lots as specified in the Education Code.

RESOLUTION
Board member
election approved

MSC Freeman, Smith

RESOLUTION 86-144

BE IT RESOLVED, That the claim submitted by Ms. Katheryn J. Harrison be denied.

RESOLUTION
Claim denied

EXHIBIT "C"

**2007/2008 THRU 2010/2011 PASS-THOUGH PAYMENT
BREAKDOWN BY PARTY**

Exhibit C

ROPS Period 1/1/14-6/30/14	Anticipated RPTTF: \$588,306
2008A Bond: \$252,981	
2008B Bond: 110,325	
Admin Expense: 65,329	
MCOE Obligation: 18,858	
MPC Obligation: 42,172	
MPUSD Obligation: 138,641	

ROPS Period 7/1/14-12/31/14	Anticipated RPTTF: \$588,306
2008A Bond: \$252,981	
2008B Bond: 110,325	
Admin Expense: 125,000	
MPUSD Obligation: 140,000	

ROPS Period 1/1/15-6/30/15	Anticipated RPTTF: \$607,858
2008A Bond: \$252,131	
2008B Bond: 109,181	
Admin Expense: 100,000	
MPUSD Obligation: 112,000	
SERAF: 74,547	

ROPS Period 7/1/15-12/31/15	Anticipated RPTTF: \$607,858
2008A Bond: \$252,131	
2008B Bond: 109,181	
Admin Expense: 100,000	
SERAF: 186,547	

ROPS Period 1/1/16-6/30/16	Anticipated RPTTF: \$626,358
2008A Bond: \$251,056	
2008B Bond: 110,000	
Admin Expense: 75,000	
SERAF: 229,971	

ROPS Period 7/1/16-12/31/16	Anticipated RPTTF: \$626,358
2008A Bond: \$251,056	
2008B Bond: 110,000	
Admin Expense: 75,000	
SERAF: 193,987	
City Loan: 35,984	

**Pass Through Calculations
Based on HDL Charts (4 Years)**

MCOE	MCOE Pass Through Obligation	Amount Paid by County	Amount Due MCOE	
				<i>Agreed to</i>
2010-2011	6,520.10	343.07	6,177.03	
2009-2010	7,276.06	787.38	6,488.68	
2008-2009	6,190.87	0.00	6,190.87	
Totals	19,987.03	1,130.45	18,856.58	<i>18,857.</i>
MPUSD	MPUSD Pass Through Obligation	Amount Paid by County	Amount Due MPUSD	
2010-2011	105,768.07	5,635.29	100,132.78	
2009-2010	106,582.66	11,220.91	95,361.75	
2008-2009	100,388.04	0.00	100,388.04	
2007-2008	94,758.39	0.00	94,758.39	
Totals	407,497.16	16,856.20	390,640.96	<i>391,000</i>
MPCD	MPCD Pass Through Obligation	Amount Paid by County	Amount Due MPCD	
2010-2011	11,422.24	620.43	10,801.81	
2009-2010	11,510.21	1,214.72	10,295.49	
2008-2009	10,841.23	0.00	10,841.23	
2007-2008	10,233.27	0.00	10,233.27	
Totals	44,006.95	1,835.15	42,171.80	<i>42,172.</i>
GRAND TOTAL	471,491.14	19,821.80	451,669.34	

**Sand City Redevelopment Project
 Monterey County Office of Education Adjusted Base Year Value Calculation and SB 211 Statutory Tax Sharing Obligation Analysis
 For Tax Years 2008-09 through 2012-13**

Year	Adjusted Base Year Value	Inflationary Rate	Taxable Value Over Base	General 1% Revenues	MCOE Percentage Share	MCOE 33576 Base Year Adjustment	MCOE SB 211 Statutory Tax Sharing	MCOE Total	Amount Paid by County	Amount Due MCOE
1986-87	46,508,088		46,508,088							
1987-88	47,438,250	1.02000								
1988-89	48,387,015	1.02000								
1989-90	49,354,755	1.02000								
1990-91	50,341,850	1.02000								
1991-92	51,348,687	1.02000								
1992-93	52,375,661	1.02000								
1993-94	53,423,174	1.02000								
1994-95	54,491,638	1.02000								
1995-96	55,140,088	1.01190								
1996-97	55,752,143	1.01110								
1997-98	56,867,186	1.02000								
1998-99	58,004,530	1.02000								
1999-00	59,079,354	1.01853								
2000-01	60,260,941	1.02000								
2001-02	61,466,159	1.02000								
2002-03	62,695,483	1.02000								
2003-04	63,949,392	1.02000								
2004-05	65,143,327	1.01867								
2005-06	66,446,194	1.02000								
2006-07	67,775,118	1.02000	22,622,532	226,225	2.55%	5,768.83	0.00	5,768.83		5,768.83
2007-08	69,130,620	1.02000	24,005,145	240,051	2.55%	6,111.55	79.32	6,190.87		6,190.87
2008-09	70,513,233	1.02000	25,415,409	254,154	2.55%	6,488.68	82.23	7,276.06	787.38	6,488.68
2009-10	71,923,497	1.02000	25,244,951	252,450	2.55%	6,439.09	81.01	6,520.10	343.07	6,177.03
2010-11	71,753,039	0.99763	25,785,251	257,853	2.53%	6,534.61	26.10	6,560.71	8,780.80	(2,220.09)
2011-12	72,293,339	1.00753	27,231,118	272,311	2.53%	6,892.21	61.13	6,953.34	7,091.22	(137.88)
2012-13	73,739,206	1.02000				32,466.14	329.79	33,501.08	17,002.47	16,498.61

Sand City Redevelopment Project
Monterey Peninsula Unified School District Pass-Through Obligation
For Tax Years 2008-09 through 2012-13

Year	Adjusted Base Year Value	Inflationary Rate	Taxable Value Over Base 46,508,088	General 1% Revenues	MPUSD Percentage Share	MPUSD Pass-Through Obligation	Amount Paid by County	Amount Due MPUSD
1986-87	46,508,088							
1987-88	47,438,250	1.02000						
1988-89	48,387,015	1.02000						
1989-90	49,354,755	1.02000						
1990-91	50,341,850	1.02000						
1991-92	51,348,687	1.02000						
1992-93	52,375,661	1.02000						
1993-94	53,423,174	1.02000						
1994-95	54,491,638	1.02000						
1995-96	55,140,088	1.01190						
1996-97	55,752,143	1.01110						
1997-98	56,867,186	1.02000						
1998-99	58,004,530	1.02000						
1999-00	59,079,354	1.01853						
2000-01	60,260,941	1.02000						
2001-02	61,466,159	1.02000						
2002-03	62,695,483	1.02000						
2003-04	63,949,392	1.02000						
2004-05	65,143,327	1.01867						
2005-06	66,446,194	1.02000						
2006-07	67,775,118	1.02000	22,622,532	226,225	41.89%	94,758.39	94,758.39	94,758.39
2007-08	69,130,620	1.02000	24,005,145	240,051	41.82%	100,388.04	100,388.04	100,388.04
2008-09	70,513,233	1.02000	25,415,409	254,154	41.94%	106,582.66	11,220.91	95,361.75
2009-10	71,923,497	1.02000	25,244,951	252,450	41.90%	105,768.07	5,635.29	100,132.78
2010-11	71,753,039	0.99763	25,785,251	257,853	41.63%	107,337.11	172,366.25	(65,029.14)
2011-12	72,293,339	1.00753	27,231,118	272,311	41.57%	113,211.00	116,481.04	(3,270.04)
2012-13	73,739,206	1.02000				533,286.88	305,703.49	227,583.39

Sand City Redevelopment Project
Monterey Community College District Pass-Through Obligation
For Tax Years 2008-09 through 2012-13

Year	Adjusted Base Year Value	Inflationary Rate	Taxable Value Over Base	General 1% Revenues	MPCD Percentage Share	MPCD Pass-Through Obligation	Amount Paid by County	Amount Due MPCD
1986-87	46,508,088	1.02000	46,508,088					
1987-88	47,438,250	1.02000						
1988-89	48,387,015	1.02000						
1989-90	49,354,755	1.02000						
1990-91	50,341,850	1.02000						
1991-92	51,348,687	1.02000						
1992-93	52,375,661	1.02000						
1993-94	53,423,174	1.02000						
1994-95	54,491,638	1.02000						
1995-96	55,140,088	1.01190						
1996-97	55,752,143	1.01110						
1997-98	56,867,186	1.02000						
1998-99	58,004,530	1.02000						
1999-00	59,079,354	1.01853						
2000-01	60,260,941	1.02000						
2001-02	61,466,159	1.02000						
2002-03	62,695,483	1.02000						
2003-04	63,949,392	1.02000						
2004-05	65,143,327	1.01867						
2005-06	66,446,194	1.02000						
2006-07	67,775,118	1.02000	22,622,532	226,225	4.52%	10,233.27		10,233.27
2007-08	69,130,620	1.02000	24,005,145	240,051	4.52%	10,841.23		10,841.23
2008-09	70,513,233	1.02000	25,415,409	254,154	4.53%	11,510.21	1,214.72	10,295.49
2009-10	71,923,497	1.02000	25,244,951	252,450	4.52%	11,422.24	620.43	10,801.81
2010-11	71,753,039	0.99763	25,785,251	257,853	4.50%	11,591.68	15,577.65	(3,985.97)
2011-12	72,293,339	1.00753	27,231,118	272,311	4.49%	12,226.02	12,579.19	(353.17)
2012-13	73,739,206	1.02000				57,591.38	29,991.99	27,599.39

SAND CITY SUCCESSOR AGENCY OVERSIGHT BOARD
staff memorandum

DATE: September 27, 2013 (for Oversight Board meeting of September 30, 2013)

TO: Oversight Board

FROM: Steve Matarazzo, Staff 

SUBJECT: Consideration of Resolution Approving the Recognized Obligations Payment Schedule (ROPS) for January - June, 2014 (ROPS 13-14B)

BACKGROUND

A resolution approving ROPS 13-14B is attached for the Board's review. The deadline for transmittal to the Department of Finance (DOF) is October 1, 2013. The Successor Agency (SA) and Oversight Board have delayed approval of this ROPS to accommodate a settlement of issues with the local educational agencies (LEAs). For the period of January through June, 2014, this ROPS recognizes the standard past obligations of the Successor Agency (Bond repayments and administrative charge) as payables, and adds obligations that have been approved in settlement between the SA and the local educational agencies (LEAs). The total request of funds from the Real Property Tax Trust Fund (RPTTF) is \$664, 663. This funding request should provide sufficient funding to pay off all of the monies owed to the Monterey County Office of Education (MCOE) and the Monterey Peninsula College District (MPCD) as shown respectively on lines 14 and 15 of the detail sheet. Partial payment of approximately \$175,000 (line 16) to the Monterey Peninsula Unified School District (MPUSD) will also be made until full payment is received over time.

With the finding of completion (FOC) received by the Successor Agency in August, 2013, the SA is now allowed to show the full amount of the City loan of administrative services to the former agency on the ROPS for eventual payoff under the terms of AB 1484. The loan amount is shown as a placeholder under line 12 of the detail sheet. Also shown as a placeholder is the supplemental educational revenue augmentation fund (SERAF) borrowing that the former agency made from its low to moderate income housing fund (LMIHF). Those loan amounts shown on lines 6 and 7 will have to be paid over time, however, in the settlement agreement with the LEAs, that funding is to be delayed until total payments owed to the LEAs are paid.

RECOMMENDATION

Following review and any public comment, it is RECOMMENDED that the attached resolution approving ROPS 13-14B be adopted.

Attachments:

**OVERSIGHT BOARD TO THE
SAND CITY SUCCESSOR AGENCY**

RESOLUTION OB _____, 2013

**RESOLUTION OF THE OVERSIGHT BOARD TO THE SUCCESSOR AGENCY OF THE
FORMER REDEVELOPMENT AGENCY, APPROVING THE
RECOGNIZED OBLIGATION PAYMENT SCHEDULE (ROPS) FOR
JANUARY 2014 THROUGH JUNE 2014 (ROPS 13-14B)**

WHEREAS, the Redevelopment Dissolution Act (AB xl 26 and AB 1484) requires Successor Agencies to prepare Recognized Obligation Payment Schedules (ROPS) and for Oversight Boards to approve them; and

WHEREAS, the City of Sand City has elected to be the Successor Agency for the former Sand City Redevelopment Agency and has therefore prepared ROPS 13-14B; and

WHEREAS, the fifth ROPS in this process is now known as ROPS 13-14B, the Recognized Obligation Payment Schedule for January 2014 through June 2014; and said ROPS has been reviewed by the Oversight Board; and

WHEREAS, ROPS 13-14B, includes previously approved fundamental payments that were included in previous ROPS which provide an administrative allowance for successor agency staffing; payment of bonded indebtedness and certain contingency payments which have been recognized by the Department of Finance and the Oversight Board.

NOW, THEREFORE, BE IT RESOLVED that the Oversight Board to the Sand City Successor Agency hereby approves the revised ROPS 13-14B attached hereto and incorporated herein by this reference as Exhibits A, respectively, and directs staff to forward ROPS 13-14B to the Department of Finance for further review and approval.

PASSED AND ADOPTED by the Oversight Board to the Sand City Successor Agency on this 30th day of September, 2013 by the following vote:

AYES:

NOES:

ABSENT:

ABSTAIN:

APPROVED:

ATTEST:

John McPherson, Board Chair

Connie Horca, Board Secretary

Recognized Obligation Payment Schedule (ROPS 13-14B) - Summary

Filed for the January 1, 2014 through June 30, 2014 Period

Name of Successor Agency: Sand City
 Name of County: Monterey

Current Period Requested Funding for Outstanding Debt or Obligation	Six-Month Total
Enforceable Obligations Funded with Non-Redevelopment Property Tax Trust Fund (RPTTF)	\$ -
A Funding Sources (B+C+D):	
B Bond Proceeds Funding (ROPS Detail)	-
C Reserve Balance Funding (ROPS Detail)	-
D Other Funding (ROPS Detail)	-
E Enforceable Obligations Funded with RPTTF Funding (F+G):	\$ 664,663
F Non-Administrative Costs (ROPS Detail)	599,334
G Administrative Costs (ROPS Detail)	65,329
H Current Period Enforceable Obligations (A+E):	\$ 664,663
Successor Agency Self-Reported Prior Period Adjustment to Current Period RPTTF Requested Funding	
I Enforceable Obligations funded with RPTTF (E):	664,663
J Less Prior Period Adjustment (Report of Prior Period Adjustments Column U)	(40,802)
K Adjusted Current Period RPTTF Requested Funding (I-J)	\$ 623,861
County Auditor Controller Reported Prior Period Adjustment to Current Period RPTTF Requested Funding	
L Enforceable Obligations funded with RPTTF (E):	664,663
M Less Prior Period Adjustment (Report of Prior Period Adjustments Column AB)	-
N Adjusted Current Period RPTTF Requested Funding (L-M)	664,663

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

_____	_____
Name	Title
<i>/s/</i> _____	_____
Signature	Date


Recognized Obligation Payment Schedule (ROPS) 13-14B - ROPS Detail
January 1, 2014 through June 30, 2014
 (Report Amounts in Whole Dollars)

A	B	C	D	E	F	G	H	I	J	K				L		M	N	O	P
										Funding Source			RPTTF		Six-Month Total				
Item #	Project Name / Debt Obligation	Obligation Type	Contract/Agreement Execution Date	Contract/Agreement Termination Date	Payee	Description/Project Scope	Project Area	Total Outstanding Debt or Obligation	Retired	Bond Proceeds	Reserve Balance	Other Funds	Non-Admin	Admin	Six-Month Total				
										\$	\$	\$	\$	\$	\$ 664,663				
1	2008A Exempt Tax Allocation Bonds	Bonds Issued On or Before 12/31/10	1/18/2008	7/19/2005	US Bank	Finance and Refinance RDA Activities	Sand City	8,726,710	N				599,334	65,329	\$ 664,663				
2	2008B Tax Allocation Bonds	Bonds Issued On or Before 12/31/10	1/18/2008	7/15/2005	US Bank	Finance Redevelopment Activities	Sand City	2,410,756	N				110,325		\$ 110,325				
3	Sand City	Admin Costs	2/1/2012	6/30/2014	City acting as Successor Agency	Administrative Cost Allowance	Sand City	125,000	N					65,329	\$ 65,329				
4	Sand City	Legal	8/13/2012	6/30/2014	City acting as Successor Agency	Oversight Board Counsel	Sand City	-	N						\$ -				
5	City of Sand City	Miscellaneous	4/1/1995	1/31/2012	City of Sand City	COP Reimbursement	Sand City	1,454,766	N						\$ -				
6	SERAF Payment	SERAF/ERAF	5/10/2010	6/30/2015	County Auditor 34177 (d)	Repay loan from LMIHF	Sand City	568,092	N						\$ -				
7	SERAF Payment	SERAF/ERAF	5/4/2011	6/30/2016	County Auditor 34177 (d)	Repay loan from LMIHF	Sand City	116,960	N						\$ -				
8	RDA LMIHF	Miscellaneous	6/30/2010	1/31/2012	County Auditor 34177 (d)	Trueup payment to Housing Account from FY 09-10	Sand City	-	Y						\$ -				
9	RDA LMIHF	Miscellaneous	6/30/2011	1/31/2012	County Auditor 34177 (d)	Trueup payment to Housing Account from FY 10-11	Sand City	-	Y						\$ -				
10	McDonald Coastal Project	OPA/DDA/Construction	6/20/2001	1/31/2012	John King - DDA	Contingency Reimbursement	Sand City	1,455,000	N						\$ -				
11	Tax Sharing Agreement	Litigation	5/18/1989	1/31/2012	City of Seaside	1989 tax sharing agreement contingent	Sand City	-	N						\$ -				
12	Sand City Redevelopment Project	City/County Loans On or Before 6/27/11	1/20/1987	1/31/2012	City of Sand City	Repay loans for Staff and Facilities ***	Sand City	3,626,058	N						\$ -				
13	Sand City Redevelopment Project	City/County Loans On or Before 6/27/11	1/20/1987	1/31/2012	City of Sand City	Repay for Monetary Loans (Seaside) ***	Sand City	4,650,000	N						\$ -				
14	Pass Through Payment-Statutory	Miscellaneous	7/1/1989	1/31/2012	MCOE	Statutory Pass Through Payment	Sand City	18,856	N				18,856		\$ 18,856				
15	Pass Through Payment	Miscellaneous	7/1/1989	1/31/2012	MPCCD	Pass Through Payment	Sand City	42,172	N				42,172		\$ 42,172				
16	Pass Through Payment	Miscellaneous	7/1/1989	1/31/2012	MPUSD	Pass Through Payment	Sand City	390,641	N				175,000		\$ 175,000				
17	Contingency Payments	Miscellaneous	7/1/1989	1/31/2012	Various	See Notes	Sand City	-	Y						\$ -				

SAND CITY SUCCESSOR AGENCY OVERSIGHT BOARD
staff memorandum

DATE: September 27, 2013 (for Oversight Board Meeting of September 30, 2013)

TO: Oversight Board

FROM: Steve Matarazzo, Staff 

SUBJECT: Consideration of Resolution Related to State Controller's Office (SCO) Review of Other Funds Asset Transfer Due Diligence Review

It is **RECOMMENDED** that the Oversight Board approve the attached resolution, as discussed at the last board meeting. Upon approval, the resolution will be sent to the County Auditor (CA) for his concurrence regarding the correct amount of asset value that was transferred to the Successor Agency from the former redevelopment agency. A draft of this resolution has been sent to the CA for his review and approval.

ATTACHMENT:

SAND CITY SUCCESSOR AGENCY OVERSIGHT BOARD

RESOLUTION OB _____, 2013

RESOLUTION OF THE OVERSIGHT BOARD FOR THE SAND CITY SUCCESSOR AGENCY RE-APPROVING THE DUE DILIGENCE REVIEW (DDR) OF SUCCESSOR AGENCY FUNDS AND ACCOUNT BALANCES WITH AGREEMENT FROM THE COUNTY AUDITOR

WHEREAS, in accordance with Sections 34179.5 et seq. Of the California Health and Safety Code (H&S Code), a due diligence review (DDR) has been prepared to determine other fund (other than housing funds) and account balances of the former Sand City Redevelopment Agency available for allocation to taxing entities and said DDR was approved by the Sand City Oversight Board on December 17, 2012 , specifying an estimated value of liquid and non-liquid assets to be \$8,764,375, and

WHEREAS, said DDR was transmitted for review to the California Department of Finance (DOF) and State Controllers Office (SCO) as required by law, and, in February 2013, the SCO issued its Asset Transfer Review disagreeing with the Successor Agency that approximately \$8.7 million of liquid assets (not including land and property assets) was transferred to the Successor Agency, and instead claiming that approximately \$34,265,487 was transferred to the Successor Agency; and

WHEREAS, the SCO Asset Transfer Review states that the estimated \$34,265,487 in alleged transfers was based on the accounting records provided by the Successor Agency in the form of a "Balance Sheet Report". However, the balance sheet report merely provides an accounting record in compliance with Government Accounting Standards Board (GASB) standards which required that long term debt funds have a debit account to balance the projected and existing liabilities - it does not reflect actual liquid and non-liquid assets; and

WHEREAS, on July 29, 2013, Successor Agency (SA) staff and the SA auditor met with the County Auditor (CA) to discuss the misinterpretation of assets stated by the SCO and the CA concurred with SA staff that the assets recorded in the DDR were correct; and that the CA required OB resolution approval of this fact prior to the CA's concurrence.

NOW, THEREFORE, BE IT RESOLVED that the Oversight Board to the Sand City Successor Agency hereby acknowledges the SCO asset transfer review which recommends "an agreement" between the Successor Agency, Oversight Board and the County Auditor Controller regarding distribution of assets. As such, this resolution: (1) verifies the liquid asset distribution approved by the DOF which reflects the assets specified in the DDR approved by the Oversight Board on December 17, 2012; and (2) directs Successor Agency staff to transmit this resolution to the County Auditor for letter approval.

PASSED AND ADOPTED by the Sand City Oversight Board for the Successor Agency on this 30th day of September, 2013 by the following vote:

AYES:

NOES:

ABSENT:

ABSTAIN:

ATTEST:

APPROVED:

Connie Horca, Oversight Board Secretary

John McPherson, Board Chair

Handed
out @
meeting.
9/30/13

SETTLEMENT AGREEMENT AND MUTUAL RELEASE

This Settlement Agreement and Mutual Release ("**Settlement Agreement**") is made and entered into as of the _____ day of September, 2013 (the "**Effective Date**"), by and between the following parties:

1. Monterey Peninsula Unified School District, a California public school district ("**MPUSD**"); and
2. Monterey Peninsula Community College District, a California public community college district ("**MPC**"); and
3. Monterey County Office of Education, a California public education entity ("**MCOE**"); and
4. City of Sand City, as Successor Agency to the former Sand City Redevelopment Agency ("**Sand City SA**").

MPUSD, MPC, MCOE and Sand City SA may be referred to herein individually and/or collectively as "Party" or "Parties."

RECITALS

WHEREAS, on or about August 3, 1987, MPUSD entered into that certain Agreement for Cooperation ("**MPUSD Pass-through Agreement**") with the City of Sand City ("**City**") and the former Sand City Redevelopment Agency ("**Sand City RDA**"). A true and correct copy of the MPUSD Pass-through Agreement is attached hereto and incorporated herein as Exhibit "A;" and

WHEREAS, on or about July 14, 1987, MPC entered into that certain Agreement for Cooperation with the City and the former Sand City RDA ("**MPC Pass-through Agreement**"). A true and correct copy of the MPC Pass-through Agreement is attached hereto and incorporated herein as Exhibit "B;" and

WHEREAS, Section 3.2 and Section 3.1, respectively, of the MPUSD and MPC Pass-through Agreements provide: "Upon the request of the School District the Agency shall provide as a minimum an amount equal to the projected portion of the tax revenues generated by the incremental two percent (2%) increase in the base year assessed valuation of the property within the redevelopment area during the period of the project, including any amendments" ("**Contractual Pass-through Payments**"); and

WHEREAS, provisions of the Health and Safety Code required the former Sand City RDA to make tax increment payments to MCOE as a local taxing entity within the former Sand City RDA project area ("**Statutory Pass-through Payments**");

WHEREAS, by letters dated in January 2012, MPUSD, MPC and MCOE each made a request to the former Sand City RDA for unpaid pass-through payments; and

WHEREAS, pursuant to ABX 1-26, on February 1, 2012, the former Sand City RDA was dissolved, and the City subsequently assumed the role of the Sand City SA to wind-down the operations and business of the former Sand City RDA; and

WHEREAS, the Parties have been working cooperatively to identify and reach an amicable, full and final settlement relating to the amount of any Contractual Pass-through Payments that remain due and owing to MPUSD and MPC, and Statutory Pass-through Payments due and owing to MCOE; and

WHEREAS, the Parties acknowledge that the provisions of the Health and Safety Code now require the Monterey County Auditor-Controller to make all pass-through payments, whether contractual or statutory, and that except as otherwise set forth herein, nothing in this Settlement Agreement is intended to affect or waive the rights of any of the Parties in relation to future pass-through payments.

TERMS OF SETTLEMENT

NOW, THEREFORE, in consideration of the premises and covenants contained herein, the Parties agree as follows:

1. **Governing Board Approval:** The Parties agree that this Settlement Agreement is contingent upon approval by each Party's governing board ("**Board**"). In the event that any Board rejects this Settlement Agreement, this Settlement Agreement shall be of no force and effect and none of the Parties shall be deemed to have waived any rights with respect to the Disputes.
2. **Settlement of Claims:** The Parties hereby agree to resolve all disputes related to the amount of pass-through payments due to MPUSD, MPC and MCOE as follows:
 - a) The Sand City SA shall pay from funds it receives from the Real Property Tax Transfer Fund ("**RPTTF**") a Statutory Pass-through Payment to MCOE for fiscal years 2008/2009 thru 2010/2011 in total amount of Eighteen Thousand Eight Hundred Fifty Six Dollars (\$18,856.00) (the "**MCOE Obligation**").
 - b) The Sand City SA shall pay from funds it receives from the RPTTF a Contractual Pass-through Payment to MPC for fiscal years 2007/2008 thru 2010/2011 in the total amount of Forty Two Thousand One Hundred Seventy Two Dollars (\$42,172.00) (the "**MPC Obligation**").
 - c) The Sand City SA shall pay from funds it receives from the RPTTF a Contractual Pass-through Payment to MPUSD for fiscal years 2007/2008 thru 2010/2011 in the total amount of Three Hundred Ninety Thousand Six Hundred Forty One Dollars (\$390,641.00) (the "**MPUSD Obligation**").
3. **Claims on RPTTF.** The Sand City SA shall satisfy the MCOE Obligation, the MPC Obligation and the MPUSD Obligation (collectively, the "**LEA Obligations**") exclusively from monies it receives from its RPTTF. The Parties acknowledge that any payments from the RPTTF to the Sand City SA must be approved by the Oversight Board for the Sand City SA (the "**OB**") and the State Department of Finance ("**DOF**"). Subject to approval of the OB,

the Sand City SA shall schedule payment of the LEA Obligations as "recognized obligations" on the Recognized Obligation Payment Schedules ("**ROPS**") for the period beginning on January 1, 2014 and continuing until the LEA Obligations are paid in full.

4. **Priority of Payments from RPTTF.** All funds received by the Sand City SA from the RPTTF shall be used to pay the enforceable obligations shown on Exhibit "C" attached hereto and by this reference incorporated herein until the LEA Obligations have been paid in full. In the event funding from the RPTTF for one or more of the LEA Obligations shown on Exhibit "C" is not approved by the OB or the DOF prior to full payment of all LEA Obligations, the Parties agree that the Sand City SA may substitute funding of the enforceable obligation shown next lower in priority on Exhibit "C" until such LEA Obligation is subsequently approved for funding by the OB and the DOF. Notwithstanding the foregoing, in the event the State creates a deadline for repayment of Supplemental Education Revenue Augmentation Fund ("**SERAF**") loan, repayment of that portion of the SERAF loan necessary to avoid any penalty for late or non-payment by the State will take priority over payment of any then outstanding LEA Obligation.

5. **Release and Waiver of Claims:**

Excepting the obligations arising out of this Settlement Agreement, each Party, on behalf of itself, and all present or former Board members, officers, employees, agents, attorneys and representatives, successors and assigns, and each of them (the "**Party Representatives**"), does hereby fully and finally settle, release, relieve, acquit and forever discharges all other Parties and their Party Representatives from any and all claims, claims for indemnification or contribution, complaints, causes of action, demands, liabilities, losses, or damages, including attorneys' fees and costs, experts' and consultants' fees and costs, whether asserted, or could have been asserted, known or unknown, which the Party or Party Representatives may now or hereafter have against any other Party and their Party Representatives, arising out of or in any way related to the matters herein.

- a) Each of the Parties hereto acknowledges that it is familiar with Section 1542 of the California Civil Code which provides as follows:

A general release does not extend to claims which the creditor does not know or suspect to exist in his or her favor at the time of executing the release, which if known by him or her must have materially affected his or her settlement with the debtor.

Except as provided for specifically in this Settlement Agreement, the Parties waive and relinquish any and all rights and benefits which they may have under, or which may be conferred upon them by the provisions of Section 1542 of the California Civil Code, to the fullest extent that they may lawfully waive such rights or benefits pertaining to the subject matter of this Settlement Agreement. In connection with such waiver and relinquishment, the Parties hereby acknowledge

that they are aware that they or their attorneys may hereafter discover claims or facts in addition to or different from those which they now know or believe to exist with respect to the subject matter of this Settlement Agreement, but that it is the intention of each of the Parties to this Settlement Agreement to hereby fully, finally and forever waive said claims, whether known or unknown, suspected or unsuspected, which concern, arise out of, or are in any way connected with the matters set forth in this Settlement Agreement.

MPUSD

MPC

Sand City SA

MCOE

- b) Except for proceedings to enforce the terms of this Settlement Agreement and proceedings related to matters not released by this Settlement Agreement, the Parties covenant and agree that at no time subsequent to the date of their respective executions of this Settlement Agreement will they file or maintain or cause or knowingly permit the filing or maintenance of, in any state, federal or foreign court, or before any local, state, federal or foreign administrative agency, or any other tribunal, any charge, claim, or action of any kind, nature or character whatsoever, known or unknown, which they may now have, or have ever had, or which they may later discover, against another Party or Parties, which is based in whole or in part on any act, omission or event relating to the matters herein. The Parties agree that this Settlement Agreement shall constitute a full and complete defense to, and may be used as a basis for a permanent injunction against, any action, suit, or other proceeding which may be instituted, prosecuted, or attempted by any of them in breach of this Settlement Agreement. Any damages suffered by any of the Parties by reason of any breach of the provisions of this Settlement Agreement by any of the other Parties shall be recoverable including attorneys' fees and costs reasonably incurred in instituting, prosecuting or defending any action, grievance, or proceeding resulting from said breach of this Settlement Agreement.
6. **No Admission of Liability:** This Settlement Agreement embodies a compromise of disputed issues and is made in good faith. The Parties understand that no Party hereto admits any negligence, breach of contract, or any wrongdoing in connection with the matters herein referred to, and that the compromise embodied in this Settlement Agreement is not an admission of any fault, liability, or culpability by any Party.
7. **Attorneys' Fees:** Except in any proceeding to enforce this Settlement Agreement, each Party shall bear its own fees and costs.
8. **Enforcement of Settlement:** In any proceeding to enforce any rights and/or construe any obligations under this Settlement Agreement, the prevailing party in such proceeding shall be entitled to recover its reasonable attorneys' fees and costs incurred, including compensation paid to experts.
9. **Authority:** Each Party represents and warrants that it has full power and authority to enter into and perform this Agreement and that the person executing this Settlement Agreement on behalf of that Party has been properly authorized and empowered to enter into this Settlement Agreement and bind that Party hereto.

10. **Interpretation:** This Settlement Agreement shall be interpreted and enforced in accordance with the laws of the State of California, provided that no provision of this Settlement Agreement shall be interpreted for or against a Party because that Party or Parties' legal representative drafted such provision, and that this Settlement Agreement shall be construed as if jointly prepared by the Parties.
11. **Independent Counsel:** Each of the Parties to this Settlement Agreement warrants that it has, through its representatives, carefully read and understood the terms and conditions of this Settlement Agreement, and that it has not relied upon the representations or advice of any other Party or any attorney not its own.
12. **Amendments:** No modification, waiver, or amendment to this Settlement Agreement shall be valid unless the same is in writing and executed by the Party against which the enforcement of such modification, waiver or amendment is or may be sought.
13. **Counterparts:** This Settlement Agreement may be executed in one or more counterparts, each of which shall be deemed an original. A facsimile or electronic signature shall be deemed to be the equivalent of the actual original signature. All counterparts so executed shall constitute one Settlement Agreement binding all the Parties hereto.
14. **Severability:** The Parties agree that should any provision of this Settlement Agreement, or any portion of any provision, be declared or determined by any court of competent jurisdiction to be illegal, invalid or unenforceable, the remainder of the provision and the Settlement Agreement shall nonetheless remain binding in effect, unless this would result in a substantial failure of consideration.
15. **Waiver:** Except as may be provided expressly in writing by each Party, no action or want of action on the part of any Party hereto at any time to exercise any rights or remedies conferred upon it under this Settlement Agreement shall be, or shall be asserted to be, a waiver on the part of any such Party of any of its rights or remedies hereunder.
16. **Performance of Settlement:** The Parties agree to perform any further acts and execute and deliver any further documents that may reasonably be necessary to carry out the provisions of this Settlement Agreement.
17. **Entire Agreement:** There are no representations, warranties, agreements, arrangements, or undertakings, oral or written, between or among the Parties hereto relating to the subject matter of this Settlement Agreement which are not fully expressed herein. This Settlement Agreement shall be interpreted according to its own terms, as defined in this Settlement Agreement or otherwise according to their ordinary meaning without any parol evidence. This is an integrated Settlement Agreement.

IN WITNESS HEREOF the Parties have caused this Settlement Agreement to be executed in the day and year first written above.

<p>Approved as to Form</p> <hr/> <p>DANNIS WOLIVER KELLEY Clarissa R. Canady Attorneys for Monterey Peninsula Unified District and Monterey Peninsula Community College District</p>	<p>MONTEREY PENINSULA UNIFIED SCHHOL DISTRICT</p> <hr/> <p>Leslie Codianne Interim Superintendent</p> <hr/> <p>MONTEREY PENINSULA COMMUNITY COLLEGE DISTRICT</p> <hr/> <p>Dr. Walter Tribley Superintendent/President</p> <hr/> <p>MONTEREY COUNTY OFFICE OF EDUCATION</p> <hr/> <p>Dr. Nancy Kotowski Superintendent of Schools</p>
<p>Approved as to Form</p> <hr/> <p>HEISINGER, BUCK & MORRIS Jim Heisinger Attorneys for the Sand City Successor Agency</p>	<p>SAND CITY SUCCESSOR AGENCY</p> <hr/> <p>Name _____</p> <p>Title _____</p>

EXHIBIT "A"

MPUSD PASS-THROUGH AGREEMENT

AGREEMENT FOR COOPERATION BETWEEN
THE MONTEREY PENINSULA UNIFIED SCHOOL DISTRICT,
THE REDEVELOPMENT AGENCY FOR THE CITY OF SAND CITY
AND THE CITY OF SAND CITY

1. PARTIES & DATE

1.1 This agreement entered into in the City of Sand City, County Monterey, State of California, this 3rd day of AUGUST, 1987, between the Monterey Peninsula Unified School District, a Public Agency (School District), and the Redevelopment Agency for the City of Sand City, a Public Body (Agency).

2. RECITALS

2.1 Agency is proposing to undertake a program under the California Community Redevelopment Law (Health and Safety code Section 33000 et. seq.) replanning and redesign of blighted areas within the City which are stagnant, improperly utilized, and unproductive because of defective or inadequate street layout, faulty lot layout in relation to size, shape, accessibility, or usefulness, or for other causes and because the area requires replanning for reclamation or development in the interest of the general welfare because of various reasons.

2.2 The School District is in receipt of Ordinance No. 87-6, adopted by the City Council of the City of Sand City, California, on JULY 20, 1987, authorizing the redevelopment of an area within the territorial limits of the City of Sand City Redevelopment Agency for the City of Sand City.

2.3 The Redevelopment Agency for the City of Sand City has found and declared that there exists in the City of Sand City blight areas which are characterized by one or more of those conditions set forth in Sections 33031 and 33032, causing a reduction of, or lack of, proper utilization of the area to such an extent that it constitutes a serious physical, social and economic burden on the community which cannot reasonably be expected to be reversed or alleviated by private enterprise acting alone.

2.4 As defined in Section 33353.2, the School District is an affected taxing entity which had bonded indebtedness and general purpose property taxes levied on its behalf by the County of Monterey of all the property located in the proposed Redevelopment Project Area in fiscal year 1987-1988.

2.5 The California Community Redevelopment Law authorized redevelopment agencies to pay to any taxing agency with territory located within a project area other than the community which has adopted the project, any amounts of money which in the agency determination is appropriate to alleviate any financial burden or detriment caused to any taxing agency by a redevelopment project.

REDEVELOPMENT AGENCY OF THE CITY OF SAND CITY

David H. Paulsen
CHAIRMAN

ATTEST:

Mary Ann Weems
SECRETARY

MONTEREY PENINSULA UNIFIED SCHOOL DISTRICT

Edith Johnson
PRESIDENT

ATTEST:

James C. Davis
SECRETARY

EXHIBIT "B"

MPC PASS-THROUGH AGREEMENT

AGREEMENT FOR COOPERATION BETWEEN
THE MONTEREY PENINSULA COMMUNITY COLLEGE DISTRICT,
THE REDEVELOPMENT AGENCY FOR THE CITY OF SAND CITY
AND THE CITY OF SAND CITY

1. PARTIES & DATE

1.1 This Agreement entered into in the City of Sand City, County of Monterey, State of California, this 14 day of JULY, 1987, between the Monterey Peninsula Community College District, a Public Agency (School District), and the Redevelopment Agency for the City of Sand City, a Public Body (Agency), and the City of Sand City, a Municipal Corporation (City).

2. RECITALS

2.1 Agency is proposing to undertake a program under the California Community Redevelopment Law (Health and Safety code Section 33000 et. seq.) replanning and redesign of blighted areas within the City which are stagnant, improperly utilized, and unproductive because of defective or inadequate street layout, faulty lot layout in relation to size, shape, accessibility, or usefulness, or for other causes and because the area requires replanning for reclamation or development in the interest of the general welfare because of various reasons.

2.2 The School District is in receipt of Ordinance No. 87-6, adopted by the City Council of the City of Sand City, California, on JULY 20, 1987, authorizing the redevelopment of an area within the territorial limits of the City of Sand City Redevelopment Agency for the City of Sand City.

2.3 The Redevelopment Agency for the City of Sand City has found and declared that there exists in the City of Sand City blight areas which are characterized by one or more of those conditions set forth in Sections 33031 and 33032, causing a reduction of, or lack of, proper utilization of the area to such an extent that it constitutes a serious physical, social and economic burden on the community which cannot reasonably be expected to be reversed or alleviated by private enterprise acting alone.

2.4 As defined in Section 33353.2, the School District is an affected taxing entity which had bonded indebtedness and general purpose property taxes levied on its behalf by the County of Monterey of all of the property located in the proposed Redevelopment Project Area in fiscal year 1986-1987.

2.5 The California Community Redevelopment Law authorized redevelopment agencies to pay to any taxing agency with territory located within a project area other than the community which has adopted the project, any amounts of money which in the agency determination is appropriate to alleviate any financial burden or detriment caused to any taxing agency by a redevelopment project.

2.6 School District and Agency wish to enter a Cooperative Agreement between themselves to provide mutual aid and assistance in the redevelopment, development, and physical improvements in certain areas inside or outside the Project Area and Agency and School District have a common interest in and wish to facilitate redevelopment and to provide for the cooperation of School District and Agency in carrying out the redevelopment activities, goals and objectives set forth in the Redevelopment Plan.

Now therefore in consideration of the foregoing and the mutual promises and covenants contained herein, the parties hereto agree as follows:

3. AGREEMENT

3.1 Upon the request of the School District the Agency shall provide as a minimum an amount equal to the projected portion of the tax revenues generated by the incremental two percent (2%) increase in the base year assessed valuation of the property within the redevelopment area during the period of the project, including any amendments.

3.2 The City and Agency agrees to assist the School District by providing meeting and classroom space within the existing City Hall and or the proposed police and fire facility for the use of the School District. Said use to allow the School District to conduct classes, forums, lectures and other related School District activities within the City.

Both parties mutually agree to meet to determine a time schedule for the providing of the space and the times said space will be made available.

3.3 The School District to have the option as early as the fifth year from adoption of the Redevelopment Plan to open negotiations with the Agency to review and discuss fiscal detriment the plan may have caused and both parties agree to negotiate in good faith mitigation measures to eliviate said fiscal detriment.

3.4 Agreement shall be binding and considered in force only if mutually agreed upon by Agency and School District.

CITY OF SAND CITY

David H. Pineda
MAYOR

ATTEST:

May Ann Weems
CITY CLERK

REDEVELOPMENT AGENCY OF THE CITY OF SAND CITY

David H. Pineda
CHAIRMAN

ATTEST:

May Ann Weems
SECRETARY

MONTEREY PENINSULA COMMUNITY COLLEGE DISTRICT

J. J. Carrales Business Manager
for PRESIDENT

ATTEST:

Zarika N. Patterson
SECRETARY

Exhibit C

ROPS Period 1/1/14-6/30/14

2008A Bond: \$252,981
2008B Bond: 110,325
Admin Expense: 65,329
MCOE Obligation: 18,858
MPC Obligation: 42,172
MPUSD Obligation: 390,641

ROPS Period 7/1/14-12/31/14

2008A Bond: \$252,981
2008B Bond: 110,325
Admin Expense: 125,000
MPUSD Obligation: (balance of MPUSD Obligation)

ROPS Period 1/1/15-6/30/15

2008A Bond: \$252,131
2008B Bond: 109,181
Admin Expense: 100,000
MPUSD Obligation: (balance of MPUSD Obligation)

ROPS Period 7/1/15-12/31/15

2008A Bond: \$252,131
2008B Bond: 109,181
Admin Expense: 100,000
MPUSD Obligation: (balance of MPUSD Obligation)
SERAF: 525,052

ROPS Period 1/1/16-6/30/16

2008A Bond: \$251,056
2008B Bond: 110,000
Admin Expense: 75,000
SERAF: (balance of SERAF)

ROPS Period 7/1/16-12/31/16

2008A Bond: \$251,056
2008B Bond: 110,000
Admin Expense: 75,000
SERAF: (balance of SERAF)
City Loan: (Total amount of City loan to former RDA)