

AMENDED AND RESTATED MASTER AGREEMENT
FOR TAXING ENTITY COMPENSATION

This AMENDED AND RESTATED MASTER AGREEMENT FOR TAXING ENTITY COMPENSATION (this “**Agreement**”), dated as of October 18, 2016, is entered into by and among the City of South San Francisco, a municipal corporation (the “**City**”), and the following public agencies (each, a “**Taxing Entity**,” collectively referred to herein as the “**Taxing Entities**,” and together with the City the “**Parties**”):

County of San Mateo, a political subdivision of the State of California (“**County**”)
San Mateo County Community College District
San Mateo County Flood Control District
San Mateo County Harbor District
San Mateo County Resource Conservation District
San Mateo County Office of Education
South San Francisco Unified School District
Willow Gardens Parks and Parkways Maintenance District
Bay Area Air Quality Management District

RECITALS

A. The Successor Agency to the Redevelopment Agency of the City of South San Francisco (“**Successor Agency**”) is the owner of certain real property (“**Agency Properties**”) located in the City of South San Francisco (“**City**”); and,

B. On June 29, 2011, the Legislature of the State of California (the “**State**”) adopted Assembly Bill x1 26 (“**AB 26**”), which amended provisions of the State’s Community Redevelopment Law (Health and Safety Code sections 33000 et seq.); and,

C. Pursuant to AB 26 and the California Supreme Court decision in *California Redevelopment Association, et al. v. Ana Matosantos, et al.*, which upheld AB 26 (together with AB 1484, the “**Dissolution Law**”), the former Redevelopment Agency of the City of South San Francisco was dissolved on February 1, 2012; and,

D. Pursuant to the Dissolution Law, the Agency Properties were transferred to the Successor Agency; and,

E. Pursuant to the Dissolution Law, the Successor Agency prepared a Long Range Property Management Plan, which was approved by a resolution of the Oversight Board for the Successor Agency to the Redevelopment Agency of the City of South San Francisco (“**Oversight Board**”) on November 19, 2013, and on May 21, 2015, the Oversight Board approved the Amended Long Range Property Management Plan (“**LRPMP**”), which was approved by the California Department of Finance (“**DOF**”) on October 1, 2015; and,

F. The approved LRPMP identifies nineteen (19) properties to be transferred from the Successor Agency for disposition and development consistent with the LRPMP; and,

G. Fourteen (14) of the nineteen (19) properties are to be conveyed by the Successor Agency to the City for the redevelopment activities consistent with the Redevelopment Plan and the LRPMP, and the remaining five (5) (315 Airport Blvd, 401, 411, 421 Airport Blvd, and 405 Cypress Ave) of the nineteen (19) properties are slated for redevelopment activities that are currently under contract with a private developer through an Oversight Board-approved Purchase and Sale Agreement (PSA) and will be conveyed by the Successor Agency directly to the third-party purchaser pursuant to the Oversight Board-approved agreement; and,

H. The LRPMP also identifies nine (9) parcels to be transferred from the Successor Agency to the City or the County for governmental uses; and,

I. Pursuant to the LRPMP, the Successor Agency's transfer of real property assets to the City for future development is subject to entering into this Agreement with the Taxing Entities for the distribution of any funds received from the sale of such properties; and,

J. The Oversight Board-approved Purchase and Sale Agreement (PSA) for the conveyance of six (6) properties by the Successor Agency to the third-party purchaser (216 Miller Ave, 315 Airport Blvd, 401, 411, 421 Airport Blvd, 405 Cypress Ave) provides for the distribution to the Taxing Entities of the net funds received, if any, from the sale of the six (6) properties.

NOW THEREFORE, the Parties agree as follows:

1. Purpose. This Agreement is executed with reference to the facts set forth in the foregoing Recitals which are incorporated into this Agreement by this reference. The purpose of this Agreement is to address the allocation of certain prospective revenues among the Taxing Entities that share in the property tax increment ("**Tax Increment**") for property located within the City of South San Francisco, South San Francisco Redevelopment Project (the "**Project Area**") formerly administered by the Redevelopment Agency.

2. Special Districts and Funds. The governing boards of certain of the Taxing Entities administer certain special districts and funds that receive allocations of property taxes from the Tax Increment, and are authorized to execute this Agreement on behalf of such special districts and funds as described below.

3. Parcels to be Conveyed for Development Consistent with Plans. Pursuant to the LRPMP, fourteen (14) parcels formerly owned by the Redevelopment Agency will be transferred by the Successor Agency to the City for disposition consistent with the Redevelopment Plan adopted for the Project Area, the Implementation Plans adopted in connection with the Redevelopment Plan, and the City of South San Francisco General Plan (all of the foregoing, collectively, the "**Plans**"). These 14 parcels (each individually, "**Property**," and collectively, the "**Properties**") are more fully described in Exhibit A (numbers 1 through 14).

4. Parcels to be Conveyed to the City for Governmental Uses. The LRPMP also provides that nine (9) parcels formerly owned by the Redevelopment Agency will be transferred by the Successor Agency to the City or County for continued governmental uses, as described more fully in Exhibit A (letters A through I). No compensation will be paid to the City or to the Taxing Entities in connection with the foregoing transfers. The properties and their uses, and the applicable deed restrictions are described in the LRPMP, a copy of which has been provided to each Taxing Entity. As set forth in the LRPMP and the applicable deed restrictions, in the event that a governmental use

ceases, the entity holding the formerly governmental use property will remit any Net Unrestricted Proceeds (defined below) associated with that property to the Taxing Entities in accordance with the procedure outlined in Section 5 below.

5. Compensation to Taxing Entities. The City agrees that, upon the approval by the Oversight Board of the sale price, and consistent with the LRPMP, in connection with the conveyance of any of the parcels comprising the Properties, the City will remit the Net Unrestricted Proceeds (defined below) to the Taxing Entities within 60 days of the consummation of the sale in accordance with each Taxing Entity's proportionate contribution to the Redevelopment Property Tax Trust Fund ("RPTTF") of the former Redevelopment Agency of the City of South San Francisco pursuant to California Health and Safety Code Section 34188, as provided by the San Mateo County Controller's Office in connection with the most recent RPTTF distribution.

For purposes of this Agreement, "**Net Unrestricted Proceeds**" means the sale proceeds received by the City for the sale of any parcel included in the Properties, less: (i) costs incurred by the City for expenses incurred in connection with the management and disposition of the Properties, including reasonable and actual costs incurred for property management, maintenance, insurance, marketing, appraisals, brokers' fees, escrow, closing costs, survey, attorneys' and consultants' fees, and other reasonable costs incurred, including reasonable compensation for City staff performing functions associated with the management, maintenance and disposition of the Properties provided that the City shall first apply any revenue generated from license, permit, lease, right-of-entry, or similar agreements received by the City to offset the management, insurance and maintenance costs of the Properties (collectively, "Permissible Expenditures"), and (ii) any proceeds of sale that are restricted by virtue of the source of funds (e.g. grant funds or the proceeds of bonds) that were used for the original acquisition of the Properties. Upon sale of any parcel included in the Properties, along with each Taxing Entity's pro-rata share of the Net Unrestricted Proceeds, the City shall deliver to the Taxing Entities an accounting of all such costs, expenses and restricted proceeds related to that particular parcel ("Sale Accounting").

6. Annual Report. Within ninety (90) days after the end of each fiscal year, the City will provide a report to the Taxing Entities that identifies those Properties, or any portion thereof, still held by the City pursuant to the LRPMP ("Annual Report"). This Annual Report will include an accounting of all revenue and Permissible Expenditures related to the Properties for the most recent fiscal year, including funding source (revenue) transactions and expense transactions. In the event that the revenue for any Property exceeds its Permissible Expenditures for a given fiscal year, the City will distribute to each Taxing Entity its pro-rata share of the net revenue for that fiscal year, as described in Section 5, along with the Annual Report. In the event that Permissible Expenditures exceeds revenue for a particular Property for a given year, the City will account for the net deficit and apply any such deficit balance to future years or to the sale of the parcel as set forth in Section 5 of this Agreement.

7. Request for Audit. Within sixty days (60) from the issuance of (a) an Annual Report, or (b) a Sale Accounting pursuant to the disposition of one of the Properties, any Taxing Entity (other than the City) may submit a written request to the City for an audit of the accounting of revenue and Permissible Expenditures contained in the Annual Report or the Sale Accounting, as applicable. Only one such audit on behalf of the Taxing Entities may be requested for any given Annual Report

or Sale Accounting. Such audit pursuant to this Section 7 shall include a review of accounting records and other supporting documentation and compliance with sections 5 and 6 of this Agreement. In the event that a request for audit pursuant to this Section 7 is received by the City within sixty (60) days of transmittal of the applicable report, a qualified third-party accounting firm will be retained to conduct the audit as envisioned by this Section, the conclusions of which, and any report associated therewith, will be shared among all Taxing Entities. The cost of the third-party audit will be paid by the City and included as a Permissible Expenditure against the subject Property (or if the Property has already been sold, against an unsold Property) as contemplated in Sections 5 and 6 of this Agreement. To support any audit envisioned by this Section, City shall maintain all records of any revenues, sales, or Permissible Expenditures incurred in connection with any Property for at least one year after the consummation of the sale of that Property.

8. Sales Procedure and Proceeds. The Parties acknowledge that City is obligated to convey the Properties for development consistent with the Plans.

9. City as Taxing Entity. The Parties hereby acknowledge that the City is also a Taxing Entity for purposes of receiving funds pursuant to Sections 5 and 6 of this Agreement.

10. LRPMP. Health and Safety Code Section 34191.3 provides that once an LRPMP has been approved by DOF, the LRPMP supersedes all other provisions of the statute relating to the disposition and use of the former redevelopment agency's real property assets.

11. Memorandum of Agreement. A memorandum of this agreement, substantially in the form attached hereto as Exhibit B, shall be recorded against the title of each of the Properties. Upon the sale of a Property and distribution of Net Unrestricted Proceeds to the Taxing Entities, the City shall cause to be recorded in the Official Records of San Mateo County a release of the memorandum of this agreement so that the memorandum of this agreement shall be removed from title for the Property sold.

12. Miscellaneous Provisions.

12.1 Notices. Except as otherwise specified in this Agreement, all notices to be sent pursuant to this Agreement shall be made in writing, and sent to the Parties at their respective addresses specified on the signature pages to this Agreement or to such other address as a Party may designate by written notice delivered to the other Parties in accordance with this Section. All such notices shall be sent by: (i) personal delivery, in which case notice is effective upon delivery; (ii) certified or registered mail, return receipt requested, in which case notice shall be deemed delivered on receipt if delivery is confirmed by a return receipt; or (iii) nationally recognized overnight courier, with charges prepaid or charged to the sender's account, in which case notice is effective on delivery if delivery is confirmed by the delivery service.

12.2 Headings; Interpretation. The section headings and captions used herein are solely for convenience and shall not be used to interpret this Agreement. The Parties agree that this Agreement shall not be construed as if prepared by one of the Parties, but rather according to its fair meaning as a whole, as if all Parties had prepared it.

12.3 Action or Approval. Whenever action or approval by City is required under this Agreement, the City Manager or his or her designee may act on or approve such matter unless specifically provided otherwise, or unless the City Manager determines in his or her discretion that such action or approval requires referral to City Council for consideration.

12.4 Entire Agreement. This Agreement, including Exhibit A attached hereto and incorporated herein by this reference, contains the entire agreement among the Parties with respect to the subject matter hereof, and supersedes all prior written or oral agreements, understandings, representations or statements between the Parties with respect to the subject matter hereof.

12.5 Counterparts. This Agreement may be executed in counterparts, each of which shall be an original and all of which taken together shall constitute one instrument. The signature page of any counterpart may be detached therefrom without impairing the legal effect of the signature(s) thereon provided such signature page is attached to any other counterpart identical thereto having additional signature pages executed by the other Parties. Any executed counterpart of this Agreement may be delivered to the other Parties by facsimile and shall be deemed as binding as if an originally signed counterpart was delivered.

12.6 Severability. If any term, provision, or condition of this Agreement is held by a court of competent jurisdiction to be invalid or unenforceable, the remainder of this Agreement shall continue in full force and effect unless an essential purpose of this Agreement is defeated by such invalidity or unenforceability.

12.7 No Third Party Beneficiaries. Except as expressly set forth herein, nothing contained in this Agreement is intended to or shall be deemed to confer upon any person, other than the Parties and their respective successors and assigns, any rights or remedies hereunder.

12.8 Parties Not Co-Venturers; Independent Contractor; No Agency Relationship. Nothing in this Agreement is intended to or shall establish the Parties as partners, co-venturers, or principal and agent with one another. The relationship of the Parties shall not be construed as a joint venture, equity venture, partnership or any other relationship.

12.9 Governing Law; Venue. This Agreement shall be governed by and construed in accordance with the laws of the State of California without regard to principles of conflicts of laws. Any action to enforce or interpret this Agreement shall be filed and heard in the Superior Court of San Mateo County, California or in the Federal District Court for the Northern District of California.

SIGNATURES ON FOLLOWING PAGES.

IN WITNESS WHEREOF, the Parties have executed this Agreement by their authorized representatives as indicated below.

CITY OF SOUTH SAN FRANCISCO, A MUNICIPAL CORPORATION

By: _____
City Manager

Attest by: _____
City Clerk

Approved as to form:

City Attorney

Address for Notices:
City of South San Francisco
400 Grand Avenue
South San Francisco, California
Attention: City Manager

SIGNATURES CONTINUE ON FOLLOWING PAGES.

The undersigned authorized signatory hereby executes this Agreement on behalf of the County of San Mateo:

By: _____

Name: _____

Title: _____

Attest by: _____

Approved as to form:

County Counsel

Address for Notices:

San Mateo County
400 County Center
Redwood City, CA 94063
Attention:

SIGNATURES CONTINUE ON FOLLOWING PAGES.

The undersigned authorized signatory hereby executes this Agreement on behalf of the San Mateo County Flood Control District:

By: _____

Name: _____

Title: _____

Attest by: _____

Approved as to form:

County Counsel

Address for Notices:

County of San Mateo
Department of Public Works
555 County Center, 5th Floor
Redwood City, CA 94063
Attention: James C. Porter, Director

SIGNATURES CONTINUE ON FOLLOWING PAGES.

The undersigned authorized signatory hereby executes this Agreement on behalf of the San Mateo County Harbor District:

By: _____

Name: _____

Title: _____

Attest by: _____

Approved as to form:

General Counsel

Address for Notices:
General Manager
400 Oyster Point Boulevard, Suite 300
South San Francisco, CA 94080

SIGNATURES CONTINUE ON FOLLOWING PAGES.

The undersigned authorized signatory hereby executes this Agreement on behalf of the San Mateo County Community College District:

By: _____

Name: _____

Title: _____

Attest by: _____

Approved as to form:

District Counsel

Address for Notices:
Director of Community/Government Relations
San Mateo Community College District
3401 CSM Drive
San Mateo, Ca 94402-3651

SIGNATURES CONTINUE ON FOLLOWING PAGES.

The undersigned authorized signatory hereby executes this Agreement on behalf of the South San Francisco Unified School District:

By: _____

Name: _____

Title: _____

Attest by: _____

Approved as to form:

District Counsel

Address for Notices:

Assistant Superintendent, Business Services South San Francisco USD
398 B Street
South San Francisco, CA 94080

SIGNATURES CONTINUE ON FOLLOWING PAGES.

The undersigned authorized signatory hereby executes this Agreement on behalf of the Willow
Parks and Parkways Maintenance District

By: _____

Name: _____

Title: _____

Attest by: _____

Approved as to form:

District Counsel

Address for Notices:
Willow Parks and Parkways Maintenance District

SIGNATURES CONTINUE ON FOLLOWING PAGES.

The undersigned authorized signatory hereby executes this Agreement on behalf of the Bay Area Air Quality Management District:

By: _____

Name: _____

Title: _____

Attest by: _____

Approved as to form:

District Counsel

Address for Notices:

Bay Area Air Quality Management District

939 Ellis St.

San Francisco, CA 94109

Attention: Executive Director

SIGNATURES CONTINUE ON FOLLOWING PAGES.

The undersigned authorized signatory hereby executes this Agreement on behalf of the San Mateo County Resource Conservation District:

By: _____

Name: _____

Title: _____

Attest by: _____

Approved as to form:

District Counsel

Address for Notices:
Kellyx Nelson
San Mateo County Resource Conservation District
625 Miramontes Street, #103
Half Moon Bay, CA 94019

SIGNATURES CONTINUE ON FOLLOWING PAGES.

The undersigned authorized signatory hereby executes this Agreement on behalf of the San Mateo County Office of Education:

By: _____

Name: _____

Title: _____

Attest by: _____

Approved as to form:

Counsel

Address for Notices:
Cheryl Agrawal
San Mateo County Office of Education
101 Twin Dolphin Drive
Redwood City, CA 94065

EXHIBIT A
PROPERTIES

Parcels to be conveyed consistent with the Plans:

<u>Number</u>	<u>Disposition</u>	<u>Address</u>	<u>APN</u>
1. 2. 3.	Future Development	Former PUC Properties	093-312-050 093-312-060 011-326-030
4.	Future Development	1 Chestnut Avenue	011-322-030
5.	Future Development	201 Grand Avenue	012-316-110
6.	Future Development	207 Grand Avenue	012-316-100
7.	Future Development	217-219 Grand Avenue	012-316-090 012-316-080
8.	Future Development	227 Grand Avenue	012-316-060
9.	Future Development	200 Linden	012-334-130
10.	Future Development	212 Baden Avenue	012-334-040
11.	Future Development	216 Baden Avenue	012-334-030
12.	Future Development	905 Linden Avenue	012-101-100
13.	Future Development	616 Linden Avenue	012-174-300
14.	Future Development	700 Linden Avenue	012-145-370
A. B.	Governmental Use	Former PUC Properties	093-331-050 093-331-060
C.	Governmental Use	80 Chestnut Avenue	011-324-190
D.	Governmental Use	480 N. Canal	014-061-110
E.	Governmental Use	296 Airport Blvd.	012-338-160
F.	Governmental Use	323 Miller Avenue	012-312-070
G.	Governmental Use	356 Grand Avenue	012-312-300
H.	Governmental Use	306 Spruce Avenue	012-302-140
I.	Governmental Use	468 Miller Avenue	012-301-020

EXHIBIT B

FORM OF MEMORANDUM OF AGREEMENT

Recording Requested by
and when Recorded, return to:

City of South San Francisco
400 Grand Avenue
South San Francisco, CA 94080
Attention: City Manager

EXEMPT FROM RECORDING FEES PER
GOVERNMENT CODE §§6103, 27383

(SPACE ABOVE THIS LINE RESERVED FOR RECORDER'S USE)

MEMORANDUM OF MASTER AGREEMENT FOR TAXING ENTITY COMPENSATION

WHEREAS, on June 29, 2011, the Legislature of the State of California (the "State") adopted Assembly Bill x1 26 ("AB 26"), which amended provisions of the State's Community Redevelopment Law (Health and Safety Code sections 33000 et seq.); and,

WHEREAS, pursuant to AB 26 and the California Supreme Court decision in *California Redevelopment Association, et al. v. Ana Matosantos, et al.*, which upheld AB 26 (together with AB 1484, the "Dissolution Law"), the former Redevelopment Agency of the City of South San Francisco was dissolved on February 1, 2012; and,

WHEREAS, pursuant to the Dissolution Law, former Redevelopment Agency of the City of South San Francisco properties were transferred to the Successor Agency to the Redevelopment Agency of the City of South San Francisco ("Successor Agency"); and

WHEREAS, pursuant to the Dissolution Law, the Successor Agency prepared a Long Range Property Management Plan, which was approved by a resolution of the Oversight Board for the Successor Agency to the Redevelopment Agency of the City of South San Francisco ("Oversight Board") on November 19, 2013, and on May 21, 2015, the Oversight Board approved the Amended Long Range Property Management Plan ("LRPMP"), which was approved by the California Department of Finance ("DOF") on October 1, 2015; and,

WHEREAS, the approved LRPMP identifies properties to be transferred from the Successor Agency to the City of South San Francisco ("City") for the redevelopment activities consistent with the applicable redevelopment plan and the LRPMP; and

WHEREAS, the Successor Agency has transferred to the City the properties listed in Attachment 1 for redevelopment activities consistent with the Redevelopment Plan and the LRPMP ("Properties"); and

WHEREAS, pursuant to the LRPMP and the Dissolution Law, the City is required to enter into an agreement for the distribution of any net proceeds received from the sale of such Properties (“Agreement”) with the following taxing entities (collectively, “Taxing Entities”):

County of San Mateo, a political subdivision of the State of California
San Mateo County Community College District
San Mateo County Flood Control District
San Mateo County Harbor District
San Mateo County Resource Conservation District
San Mateo County Office of Education
South San Francisco Unified School District
Willow Gardens Parks and Parkways Maintenance District
Bay Area Air Quality Management District; and,

WHEREAS, the City and the Taxing Entities have entered into said Agreement.

NOW THEREFORE be it known that this Memorandum of Agreement will be recorded in the San Mateo County Recorder’s Office and shall become a record on those Properties, as more particularly described in Attachment 1. Said Memorandum of Agreement shall be released from a Property when such Property has been sold and the net unrestricted proceeds have been distributed to the Taxing Entities.

Dated: _____

Mike Futrell, City Manager
City of South San Francisco

Attest: _____
City Clerk,
City of South San Francisco

ATTACHMENT 1

PROPERTIES

Properties subject to the Master Agreement for Taxing Entity Compensation:

<u>Number</u>	<u>Disposition</u>	<u>Address</u>	<u>APN</u>
1.	Future Development	Former PUC Properties	093-312-050
2.			093-312-060
3.			011-326-030
4.	Future Development	1 Chestnut Avenue	011-322-030
5.	Future Development	201 Grand Avenue	012-316-110
6.	Future Development	207 Grand Avenue	012-316-100
7.	Future Development	217-219 Grand Avenue	012-316-090 012-316-080
8.	Future Development	227 Grand Avenue	012-316-060
9.	Future Development	200 Linden	012-334-130
10.	Future Development	212 Baden Avenue	012-334-040
11.	Future Development	216 Baden Avenue	012-334-030
12.	Future Development	905 Linden Avenue	012-101-100
13.	Future Development	616 Linden Avenue	012-174-300
14.	Future Development	700 Linden Avenue	012-145-370

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