



REPORT TO THE CITY COUNCIL OF THE CITY OF GUADALUPE
Agenda of November 28, 2023

Joy Otsuki

Todd Bodem

Prepared by:
Joy Otsuki, Special Counsel to the Successor Agency

Approved by:
Todd Bodem, City Administrator

SUBJECT: A resolution of the City Council of the City of Guadalupe approving a Compensation Agreement pursuant to Health and Safety Code Section 34180(f) for transfer of the Royal Theater properties for future development activities

RECOMMENDATION:

That the City Council adopt Resolution No. 2023-95 approving a Compensation Agreement pursuant to Health & Safety Code Section 34180(f) for Transfer of the Royal Theater Properties for Future Development Activities.

EXECUTIVE SUMMARY:

On August 22, 2013, the Oversight Board of the Successor Agency to the Redevelopment Agency of the City of Guadalupe adopted Resolution No. 2013-06 approving a Long-Range Property Management Plan (“LRPMP”) that provided for the disposition of six (6) real property parcels owned by the City’s former redevelopment agency. The California Department of Finance (“DOF”) subsequently approved the LRPMP. One of the properties (the water tower at 313 Obispo Street) was authorized to be transferred to the City from the Successor Agency for governmental uses. Two of the properties were to be retained by the Successor Agency (the Lantern Hotel and Al’s Union parcels) and sold, with the proceeds being distributed to the taxing entities. The remaining three properties (collectively, the “Property”) are the site of the former Royal Theater and the two adjacent vacant parcels. These three properties were approved pursuant to the LRPMP to be transferred to the City “for future development.”

The LRPMP provides that the City will enter into a compensation agreement with the taxing entities with respect to the Property pursuant to Health and Safety Code Section 34180(f).

The City Council approved a form of compensation agreement on June 12, 2018. The Property was subsequently transferred to the City, but a compensation agreement was only entered into between the City and the Guadalupe Cemetery District (“Cemetery District”) (“2018 Agreement”). As such, the City is proposing to enter into a new Compensation Agreement in the form attached hereto (the “Agreement”) with the taxing entities (including the Cemetery District) in accordance with applicable law. The Agreement provides that the taxing entities will be entitled to receive a portion of the net proceeds of the sale of the Property or a portion of the net proceeds of the interim use of the Property, if any, in amounts calculated in proportion to their shares of the base property tax, as determined

pursuant to Section 34188. The Agreement further provides that the Cemetery District may receive compensation once its share of compensation exceeds the compensation already received pursuant to the 2018 Agreement.

BACKGROUND:

All California redevelopment agencies were eliminated on February 1, 2012, pursuant to Abx1 26 and the ruling by the California Supreme Court issued on December 29, 2011, in the case of *California Redevelopment Assn. v. Matosantos* (2011) 53 Cal.4th 231 upholding the constitutionality of Abx1 26. As a result, all redevelopment agencies in California were succeeded by successor agencies subject to the authority of oversight boards charged with winding up the affairs of redevelopment agencies.

In June 2013, the California Legislature enacted AB 1484, which, among other things, required successor agencies to prepare an LRPMP for the disposition of all real properties owned by the former redevelopment agency. The LRPMP had to be approved by the oversight board and DOF.

The LRPMP of the Successor Agency was approved by resolution of the Oversight Board on February 26, 2015, and was approved by DOF by letter dated September 4, 2015. The LRPMP addressed the disposition of a total of six (6) properties owned by the City's former redevelopment agency, including:

1. The Property (the Royal Theater and two (2) vacant parcels adjacent to the Royal Theater);
2. 313 Obispo Street Water Tower;
3. The Lantern Hotel; and
4. Al's Union.

Al's Union is still held by the Successor Agency and the other Properties have been disposed of in accordance with the LRPMP.

The Property is the subject of the proposed Agreement. The other properties are not part of the proposed Agreement.

DISCUSSION:

The LRPMP approves the transfer of the Property to the City "for future development." The LRPMP further provides that the City will enter into a compensation agreement with the taxing entities pursuant to Health and Safety Code Section 34180(f) for the Property.

The Agreement provides for a twenty-five year period during which the taxing entities will have the right to receive either a portion of the net proceeds of the sale of the Property (subject to certain conditions set forth in the Agreement) or a portion of the net proceeds of the interim use of the Property, if any. If the City sells the Property during this period, the taxing entities would receive monetary compensation in the percentages set forth in the Agreement (based on the respective proportion of base property tax, as determined pursuant to Section 34188), multiplied by the net proceeds of the sale of the Property.

The Royal Theater Property is designated as a historical building, is currently vacant and was red-tagged due to an electrical fire that occurred in 2011. On March 16, 2020, the City issued a Request for Proposals for the Property to renovate the Property for mixed use possibly including performances, concerts,

community gatherings, educational and job training courses, and other uses in accordance with the City's General Plan and applicable laws. No responses were received by the deadline of May 1, 2020. In order to alleviate the blight of an abandoned building, the City has commenced rehabilitation of the Property. The Agreement provides that if the Property is used for an interim use, the taxing entities will receive a portion of the net proceeds of the interim use of the Property, if any, based on the percentages set forth in the Agreement (based on the respective proportion of base property tax, as determined pursuant to Section 34188), multiplied by the net proceeds of the operation of the Property.

City staff has not yet presented the proposed terms of the Agreement to the taxing entities. The Resolution presented herewith provides the City Administrator with authority to negotiate modifications to the Agreement to accommodate requests received from taxing entities. In the event certain taxing entities are not willing to accept the Agreement in substantially the form presented at this meeting, staff would return to the City Council to propose an alternative arrangement with such taxing entities.

ALTERNATIVE:

The City Council may decline to take any action at this time.

FISCAL IMPACT:

If the City sells the Property during the Term of the Agreement or realizes net proceeds from an interim use of the Property, the City will be required to remit the net proceeds to the County-Auditor Controller for distribution to the taxing entities, pursuant to the terms of the Agreement.

CONCLUSION:

Staff recommends that the City Council adopt Resolution No. 2023-95.

ATTACHMENTS:

1. Resolution No. 2023-95 entitled "A Resolution of the City Council of the City of Guadalupe, California Approving a Compensation Agreement pursuant to Health and Safety Code Section 34180(f) for the Transfer of the Royal Theater Properties for future Development Activities."
2. Form of Compensation Agreement.

RESOLUTION NO. 2023-95

A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF GUADALUPE, CALIFORNIA APPROVING A COMPENSATION AGREEMENT PURSUANT TO HEALTH AND SAFETY CODE SECTION 34181(f) FOR TRANSFER OF THE ROYAL THEATER PROPERTIES FOR FUTURE DEVELOPMENT ACTIVITIES

WHEREAS, the City of Guadalupe (“City”) is a municipal corporation organized and operating under the laws of the State of California; and

WHEREAS, the Successor Agency to the Redevelopment Agency of the City of Guadalupe (“Successor Agency”) is a public body corporate and politic, organized and operating under Parts 1.8 and 1.85 of Division 24 of the California Health and Safety Code, and the successor the former Redevelopment Agency of the City of Guadalupe (“former Agency”) that was previously a community redevelopment agency organized and existing pursuant to the Community Redevelopment Law, Health and Safety Code Section 33000, et seq.; and

WHEREAS, Assembly Bill xl 26 (“AB xl 26”) added Parts 1.8 and 1.85 to Division 24 of the California Health & Safety Code and which laws were modified, in part, and determined constitutional by the California Supreme Court in the petition *California Redevelopment Association, et al. v. Ana Matosantos, et al.*, Case No. S194861 (“Matosantos Decision”), which laws and court opinion caused the dissolution of all redevelopment agencies and winding down of the affairs of former redevelopment agencies; thereafter, such laws were amended further by Assembly Bill 1484 (“AB 1484”) (together AB xl 26, the Matosantos Decision, and AB 1484 are referred to as the “Dissolution Laws”); and

WHEREAS, as of February 1, 2012, the former Agency was dissolved pursuant to the Dissolution Laws and as a separate public entity, corporate and politic, the Successor Agency administers the enforceable obligations of the former Agency and otherwise unwinds the former Agency’s affairs, all subject to the review and approval by a seven-member oversight board (“Oversight Board”); and

WHEREAS, Health and Safety Code Section 34191.5(b) requires the Successor Agency to prepare a “long-range property management plan” addressing the disposition and use of all real property of the former Agency no later than six months following the issuance by the California Department of Finance (“DOF”) to the Successor Agency of a finding of completion pursuant to Health and Safety Code Section 34179.7; and

WHEREAS, DOF issued a finding of completion to the Successor Agency on March 18, 2013; and

WHEREAS, pursuant to Health and Safety Code Section 34191.5, the Successor Agency prepared a Long-Range Property Management Plan (“LRPMP”) that addresses disposition of the real property formerly owned by the former Agency; and

WHEREAS, on February 26, 2015, the LRPMP was approved by OB Resolution No. 2015-02 of

the Oversight Board; and

WHEREAS, by letter dated September 4, 2015, DOF approved the LRPMP; and

WHEREAS, the LRPMP provides that certain property held by the Successor Agency (the Royal Theatre located at 848 Guadalupe Street, APN 126-143-012, and two adjacent vacant parcels located at 836 Guadalupe Street, APN 115-101-011 and APN 115-113-001) will be transferred to the City for future development pursuant to Health and Safety Code Section 34191.5, subdivisions (c)(2) and (c)(2)(A) (the "Property"); and

WHEREAS, the Property is designated as a historical building, but is currently vacant and red-tagged due to an electrical fire that occurred in 2011; and

WHEREAS, the LRPMP and applicable law provide that the City will enter into an agreement providing for compensation to the affected taxing entities (the "Taxing Entities") with respect to the Property, pursuant to Health and Safety Code Section 34180(f); and

WHEREAS, the City has prepared the attached "Compensation Agreement Pursuant To Health and Safety Code Section 34180(f) for Transfer of Royal Theater Properties For Future Development Activity" (the "Agreement") to be entered into between the City and the Taxing Entities, a form of which is attached hereto; and

WHEREAS, the Agreement provides that if the City sells the Property during the Term of the Agreement, the City will remit the Net Proceeds to the County-Auditor-Controller for distribution to each of the Taxing Entities; and

WHEREAS, the Agreement further provides for interim use of the Property during the Term and, if the City so desires, it may renovate the Property, subject to certain conditions, and the Taxing Entities will be entitled to a share of Net Proceeds (defined in the Agreement) resulting from such interim use during the Term of the Agreement; and

WHEREAS, the City Council desires to approve the Agreement in substantially the form submitted herewith.

NOW, THEREFORE, BE IT RESOLVED BY THE CITY COUNCIL OF THE CITY OF GUADALUPE:

SECTION 1. The foregoing recitals are true and correct and constitute a substantive part of this Resolution.

SECTION 2. The City Council hereby approves the Agreement in substantially the form presented at this meeting. The Mayor, City Administrator and City Clerk are authorized to execute the Agreement with such revisions as the Mayor, City Administrator, City Attorney, and Special Counsel to the City deem appropriate to further the City's interests consistent with the intent of the Agreement. The City

Administrator and her or his authorized designees are authorized and directed to take such actions as may be necessary or appropriate to implement the Agreement, including executing further instruments and agreements, issuing warrants, and taking other appropriate actions to perform the obligations and exercise the rights of the City under the Agreement. A copy of the Agreement when executed shall be placed on file in the office of the City Clerk.

SECTION 3. The City Administrator or his or her designee is authorized and directed to present the Agreement to the Taxing Entities in substantially the form presented at this meeting, and to seek agreement by each of the Taxing Entities to the terms of the Agreement. Upon execution of the Agreement by the City and the Taxing Entities, the Agreement shall become effective as between the City and the Taxing Entities.

SECTION 4. The Mayor shall sign the passage and adoption of this Resolution and thereupon the same shall take effect and be in force.

SECTION 5. The City Clerk shall certify to the adoption of this Resolution.

PASSED, APPROVED AND ADOPTED at a regular meeting the 28th day of November 2023 by the following vote:

MOTION:

AYES:

NOES:

ABSENT:

ABSTAINED:

I, Amelia M. Villegas, City Clerk of the City of Guadalupe DO HEREBY CERTIFY that the foregoing Resolution, being C.C. Resolution No. 2023-95, has been duly signed by the Mayor and attested by the City Clerk, all at a regular meeting of the City Council, held November 28, 2023, and that same was approved and adopted.

ATTEST:

Amelia M. Villegas, City Clerk

Ariston Julian, Mayor

APPROVED AS TO FORM:

Philip F. Sinco, City Attorney

COMPENSATION AGREEMENT PURSUANT TO HEALTH AND SAFETY CODE SECTION 34180(f) FOR TRANSFER OF THE ROYAL THEATER PROPERTIES FOR FUTURE DEVELOPMENT ACTIVITY

This Agreement, dated for reference purposes as of _____, 202__ [INSERT DATE OF TRANSFER OF PROPERTY TO CITY] is entered into by and among the following public agencies (all of which are sometimes referred to individually as a **“Party”** and collectively as the **“Parties”**):

City of Guadalupe (**“City”**);
County of Santa Barbara (**“County”**);
Santa Maria Public Airport District (**“Airport District”**);
Guadalupe Cemetery District (**“Cemetery District”**);
Cachuma Resource Conservation District (**“Resource Conservation District”**);
Santa Maria Valley Water Conservation District (**“Water Conservation District”**);
Guadalupe Union School District (**“Guadalupe USD”**);
Santa Maria Joint Union High School District (**“Santa Maria JUHSD”**);
Allan Hancock Community College District (**“Allan Hancock CCD”**); and
Santa Barbara County Education Office (**“Office of Education”**).

The Parties to this Agreement (other than the City) are sometimes referred to individually as a **“Taxing Entity”** and collectively as the **“Taxing Entities.”**

RECITALS

A. These Recitals refer to and utilize certain capitalized terms which are defined in Section 1 of this Agreement. The Parties intend to refer to those definitions in connection with the use thereof in this Agreement.

B. Pursuant to Assembly Bill xl 26, effective February 1, 2012, the Redevelopment Agency of the City of Guadalupe (**“Redevelopment Agency”**) was dissolved, and pursuant to Health and Safety Code Section 34173, the City serves as the successor agency to the dissolved Redevelopment Agency (the **“Successor Agency”**).

C. Pursuant to Health and Safety Code Section 34191.5, the Successor Agency prepared a Long-Range Property Management Plan (**“LRPMP”**) that addresses disposition of the real property formerly owned by the Redevelopment Agency.

D. On February 26, 2015, the LRPMP was approved by OB Resolution No. 2015-02 of the Oversight Board to the Successor Agency (the **“Oversight Board”**).

E. On September 4, 2015, the State Department of Finance (**“DOF”**) approved the LRPMP.

F. For properties designated in the LRPMP to be transferred to the City for future development, Health and Safety Code Section Code 34180(f) requires execution of a

compensation agreement among the City and the Taxing Entities providing for specified proceeds of the City's subsequent disposition of the properties to be distributed to the Taxing Entities in accordance with their proportional shares of the base property tax revenues.

G. The LRPMP provides that (1) certain property held by the Successor Agency (the Royal Theatre located at 848 Guadalupe Street, APN 115-101-001, and two adjacent vacant parcels located at 836 Guadalupe Street, APN 115-101-011 and APN 115-113-001) will be transferred to the City for future development pursuant to Health and Safety Code Section 34191.5, subdivisions (c)(2) and (c)(2)(A) (collectively the "**Property**") and (2) the City will enter into a compensation agreement with the Taxing Entities pursuant to Health and Safety Code Section 34180(f). This Agreement constitutes such compensation agreement. The Property was transferred to the City on [REDACTED], 20__.

H. The Property is designated as a historical building, is currently vacant and was red-tagged due to an electrical fire that occurred in 2011. The Property is not compliant with the Americans with Disabilities Act and requires seismic upgrades. On March 16, 2020, the City issued a Request for Proposals to renovate the Property for mixed use, possibly including performances, concerts, community gatherings, educational and job training courses, and other uses in accordance with the City's General Plan and applicable laws. No responses were received by the deadline of May 1, 2020. In order to alleviate the blight of an abandoned building, the City has commenced rehabilitation of the Property.

I. City and the Taxing Entities desire to enter into this Agreement to provide for the distribution of net proceeds upon (i) the interim use of the Property, if any, and (ii) the sale of the Property to a third party developer for future development.

J. The Parties further desire to enter into this Agreement to provide for the execution of an appropriate compensation agreement in accordance with Health and Safety Code Section 34180(f).

NOW, THEREFORE, the Parties agree as follows:

Section 1. Definitions. The following definitions shall apply in this Agreement:

(a) "Agreement" means this Compensation Agreement Pursuant To Health and Safety Code Section 34180(f) for Transfer of Royal Theater Properties For Future Development Activity, as may be amended from time to time.

(b) "Applicable Fiscal Year" means each Fiscal Year of the City in which the City receives Interim Municipal Use Annual Operating Proceeds from an Interim Municipal Use of one or more of the Properties, as more fully described in Section 7.

(c) "Applicable Shares" has the meaning given in Section 6(a).

(d) "Auditor-Controller" means the Santa Barbara County Auditor-Controller.

(e) "City" means the City of Guadalupe.

(f) “DDA” means, with respect to each Property, the disposition and development agreement between the City and a Developer for that Property.

(g) “Developer” means, with respect to each Property, the developer to which the City disposes of that Property pursuant to a DDA.

(h) “Disposition Proceeds” means, with respect to each Property, the gross purchase price and other compensation, if any, actually received by the City from the Developer in consideration for the disposition of the Property pursuant to the DDA, less the sum of the City’s actual costs for the following items (but only to the extent paid from City funds and not from funds provided by the Successor Agency, a Developer, or another separate entity), each to be documented in reasonable detail in the Disposition Proceeds Statement for the Property:

(1) the City’s actual, reasonable costs for normal maintenance, management and insurance of the applicable Property from the date the Property was transferred by the Successor Agency to the City to the date the Property is disposed of by the City to the Developer pursuant to the DDA;

(2) the City’s actual costs of any rehabilitation, improvement to alleviate blight, and capital improvements or repairs to maintain the Property in a safe and lawful condition incurred from the date the Property is transferred by the Successor Agency to the City to the date the Property is disposed of by the City to the Developer pursuant to the DDA;

(3) the City’s actual costs of site preparation, including hazardous materials remediation and pollution legal liability insurance premiums, if any, required to be paid by the City under the DDA for the applicable Property to prepare the Property for disposition;

(4) the City’s actual, reasonable costs to pay third party vendors for appraisal, legal, real estate consultant and marketing, title company, title insurance and other costs related to Developer selection, DDA preparation and approval, and closing costs for disposition of the Property; plus

(5) any broker’s commissions payable by the City pursuant to the DDA for the Property.

(i) “Disposition Proceeds Receipt Date” means, with respect to each Property, the date on which the City receives the proceeds from the disposition of that Property to the Developer pursuant to the DDA.

(j) “Disposition Proceeds Statement” means, with respect to each Property, the statement prepared by the City and delivered to the Taxing Entities in accordance with Section 5(b).

(k) “DOF” means the California Department of Finance.

(l) “Effective Date” has the meaning given in Section 2.

(m) “ERAF” means the Educational Revenue Augmentation Fund maintained by the Auditor-Controller.

(n) “Fiscal Year” means the fiscal year of the City in effect from time to time. The current Fiscal Year period of the City commences on July 1 of each calendar year and ends on the following June 30.

(o) “Former RDA” means the Redevelopment Agency of the City of Guadalupe.

(p) “Interim Municipal Use” means an interim use by the City of a Property, such as for a theater, community space, landscape features, parking lots available for community events, and other similar uses.

(q) “Interim Municipal Use Annual Operating Proceeds” means, for each Applicable Fiscal Year, the gross revenue actually received by the City from Interim Municipal Use of the Properties, as documented in reasonable detail in the Operating Proceeds Statement for the Applicable Fiscal Year.

(r) “LRPMP” means the Long-Range Property Management Plan of the Successor Agency.

(s) “Operating Proceeds Statement” means, with respect to each Applicable Fiscal Year, the statement prepared by the City and delivered to the Taxing Entities in accordance with Section 7(c).

(t) “Oversight Board” means the Successor Agency’s oversight board established and acting in accordance with the Redevelopment Dissolution Statutes.

(u) “Parties” means all of the parties to this Agreement as set forth in the opening paragraph of this Agreement. “Party” means one of the Parties individually.

(v) “Properties” mean collectively, the following three adjacent parcels of real property that are owned by the City and that are subject to the terms of this Agreement:

(1) “Property 1”: an approximately 7,200 square foot property located at 848 Guadalupe Street identified as APN 115-101-001;

(2) “Property 2”: property located at 836 Guadalupe Street identified as APN 115-101-011; and

(3) “Property 3”: property located at 836 Guadalupe Street identified as APN 115-113-001.

Each of the above Properties is referred to individually as a “Property”.

(w) “Redevelopment Dissolution Statutes” means collectively ABxl 26 enacted in June 2011, as amended to date.

(x) “Redevelopment Plan” means the [Consolidated Amended and Restated Redevelopment Plan for the Guadalupe Merged Redevelopment Project] adopted by the City Council of the City by Ordinance No. [REDACTED] on [REDACTED].

(y) “Successor Agency” means the Successor Agency to the Guadalupe Redevelopment Agency.

(z) “Taxing Entities” means, collectively, the following entities that comprise affected taxing entities for purposes of the Redevelopment Dissolution Statutes:

- City of Guadalupe (“**City**”);
- County of Santa Barbara (“**County**”);
- Santa Maria Public Airport District (“**Airport District**”);
- Guadalupe Cemetery District (“**Cemetery District**”);
- Cachuma Resource Conservation District (“**Resource Conservation District**”);
- Santa Maria Valley Water Conservation District (“**Water Conservation District**”);
- Guadalupe Union School District (“**Guadalupe USD**”);
- Santa Maria Joint Union High School District (“**Santa Maria JUHSD**”);
- Allan Hancock Community College District (“**Allan Hancock CCD**”); and
- Santa Barbara County Education Office (“**Office of Education**”).

Section 2. Effectiveness of Agreement. This Agreement shall become effective only upon satisfaction of the following conditions:

(a) Approval of this Agreement by the City and direction by the City Council to execute and implement this Agreement pursuant to Health and Safety Code Section 34180(f) (the “City Action”);

(b) Approval by the Oversight Board of the LRPMP for transfer of the Properties to the City for future development. The LRPMP was approved by the Oversight Board on February 26, 2015.

(c) Notification to DOF of the Oversight Board action and approval by DOF of the Oversight Board action approving the LRPMP. DOF notified the Oversight Board and Successor Agency of its approval of the LRPMP by letter dated September 4, 2015.

(d) Signature of this Agreement by each of the parties hereto. Promptly following the effectiveness of this Agreement, the City and the Successor Agency shall transmit notice to all the other Parties that the Agreement is effective and specifying the date the Agreement became effective (the “Effective Date”).

Once effective, the terms and conditions of this Agreement shall apply retroactively to the date the Properties were transferred to the City by the Successor Agency.

Section 3. Signatories With Respect To Certain Funds.

(a) **City.** The City of Guadalupe administers the following funds, and in addition to entering into this Agreement for the City itself, the City is authorized to, and has entered into and executed this Agreement on behalf of the following:

- Fund #0640 City of Guadalupe (12.8351938% of 22-23 Tax Base)
- Fund #0680 Guadalupe Lighting (3.8440946% of 22-23 Tax Base)

(b) **County.** The County administers the following special districts and funds, and in addition to entering into this Agreement for the County itself, the County is authorized to, and has entered into and executed this Agreement on behalf of the following:

- Fund #0001 General (15.9892704% of 22-23 Tax Base)
- Fund #2280 Fire Protection District (0% of 22-23 Tax Base)
- Fund #2400 Flood Ctr/Water Conservation District (0.2155233% of 22-23 Tax Base)
- Fund #2460 Guadalupe Flood Zone Number 3 (0.8584783% of 22-23 Tax Base)
- Fund #2570 SM River Levee Maintenance Zone (0.1234373% of 22-23 Tax Base)
- Fund #3050 Water Agency (0.2684557% of 22-23 Tax Base)
- Fund #9802 Education Revenue Augmentation (ERAF) (11.9251073% of 22-23 Tax Base)

(c) **Airport District.** The Airport District administers the following special district and fund, and in addition to entering into this Agreement for the Airport District itself, the Airport District is authorized to, and has entered into and executed this Agreement on behalf of the following:

- Fund #3210 Santa Maria Public Airport Dst (0.9576147% of 22-23 Tax Base)

(d) **Cemetery District.** The Cemetery District administers the following special district and fund, and in addition to entering into this Agreement for the Cemetery District itself, the Cemetery District is authorized to, and has entered into and executed this Agreement on behalf of the following:

- Fund #3280 Guadalupe Cemetery District (1.9151936% of 22-23 Tax Base)

(e) **Resource Conservation District.** The Resource Conservation District administers the following special district and fund, and in addition to entering into this Agreement for the Resource Conservation District itself, the Resource Conservation District is authorized to, and has entered into and executed this Agreement on behalf of the following:

- Fund #4500 Cachuma Resource Cons Dist (0.0022189% of 22-23 Tax Base)

(f) **Water Conservation District.** The Water Conservation District administers the following special district and fund, and in addition to entering into this Agreement for the Water Conservation District itself, the Water Conservation District is authorized to, and has entered into and executed this Agreement on behalf of the following:

- Fund #5700 SM Vly Wtr Cons -General (0.3784720% of 22-23 Tax Base)

(g) **Guadalupe USD.** Guadalupe USD administers the following special district and fund, and in addition to entering into this Agreement for Guadalupe USD itself, Guadalupe USD is authorized to, and has entered into and executed this Agreement on behalf of the following:

- Fund #6901 Guadalupe Union Sch Dist-Gen. (28.4494279% of 22-23 Tax Base)

(h) **Santa Maria JUHSD.** Santa Maria JUHSD administers the following special district and fund, and in addition to entering into this Agreement for Santa Maria JUHSD itself, Santa Maria JUHSD is authorized to, and has entered into and executed this Agreement on behalf of the following:

- Fund #8301 SMJH District-General (15.3884393% of 22-23 Tax Base)

(i) **Allan Hancock CCD.** Allan Hancock CCD administers the following special district and fund, and in addition to entering into this Agreement for Allan Hancock CCD itself, Allan Hancock CCD is authorized to, and has entered into and executed this Agreement on behalf of the following:

- Fund #9410 Allan Hancock CC District-Gen (4.0807335% of 22-23 Tax Base)

(j) **Office of Education.** The Office of Education (i.e., the office of the Santa Barbara County Superintendent of Schools) administers the following special fund and in addition to entering into this Agreement for the Office of Education itself, the Office of Education is authorized to, and has entered into and executed this Agreement on behalf of the following:

- Fund #9801 County School Service (2.7683393% of 22-23 Tax Base)

Section 4. **Conveyance of Properties To City.** In consideration for the distributions to the Taxing Entities by the City through the Auditor-Controller set forth in Section 6 (updated as to percentages for the year in which the distribution occurs), the Successor Agency did convey, and the City did accept, all of the interest in and to the Properties (subject to the special provisions regarding the conveyance of the Properties).

Section 5. Disposition of Properties By City. Within a time frame determined by the City to yield a financially feasible and marketable development, the City shall use diligent good faith efforts to select a Developer for each Property or, for the Properties collectively, negotiate and obtain approval and execution of the DDA for the Property, and dispose of the Property to the Developer in accordance with the applicable DDA. City shall obtain the Disposition Proceeds for distribution through the Auditor-Controller to the Taxing Entities pursuant to Section 6 and to enable development of each Property in accordance with the Redevelopment Plan. As required by Government Code Section 52201, the purchase price payable to the City for each Property under the applicable DDA shall be an amount that is determined to be not less than the Property's fair market value at highest and best use, or the Property's fair reuse value at the use and with the covenants and conditions and development costs authorized by the applicable DDA.

By not later than the date of first published notice of the City Council public hearing for the applicable DDA (the "DDA Public Hearing Notice"), the City shall provide each Taxing Entity with a copy of the DDA Public Hearing Notice (including the date, time and location of the public hearing and the location at which the proposed DDA may be inspected and copied), and a statement setting forth the proposed purchase price to be paid to the City under the proposed DDA.

Upon the execution of the DDA for the Property, the City shall transmit a copy of the executed DDA to the other Parties.

Section 6. Compensation To Taxing Entities Related To Disposition Proceeds.

(a) Distribution of Disposition Proceeds. Within fifteen (15) days after the Disposition Proceeds Receipt Date with respect to the Property, the City shall remit the Disposition Proceeds for that Property to the Auditor-Controller for subsequent distribution by the Auditor-Controller among the Taxing Entities in proportion to their shares of the base property tax (the "Applicable Shares"), as determined by the Auditor- Controller pursuant to Health and Safety Code Section 34188. The attached Exhibit A shows, for illustrative purposes only, the Applicable Shares of the Taxing Entities that would have applied to a distribution under this Section 6 had the distribution been made for the fiscal 2022-23 year, as provided by the Auditor-Controller.

(b) Accounting Requirements. At the time of each distribution pursuant to subsection (a), the City shall provide to the Taxing Entities and the Auditor- Controller a statement prepared in accordance with sound accounting practice that provides the City's calculation of the Disposition Proceeds (the "Disposition Proceeds Statement"). The City shall keep complete, accurate and appropriate books and records of its calculation of the Disposition Proceeds with respect to each distribution. The Auditor- Controller shall have the right, on behalf of the Taxing Entities and upon reasonable written notice to City, to audit and examine such books, records and documents and other relevant items in the possession of City, but only to the extent necessary for a proper determination of Disposition Proceeds.

Section 7. Compensation To Taxing Entities Related To Interim Municipal Use Annual Operating Proceeds.

(a) Applicability. The provisions of this Section 7 shall apply for each Fiscal Year in which one or more of the Properties is used for an Interim Municipal Use and generates Interim Municipal Use Annual Operating Proceeds to the City (each, an “Applicable Fiscal Year”). Nothing in this Agreement shall obligate the City to charge any fees or other amounts or to collect any revenues with respect to an Interim Municipal Use of any of the Properties.

(b) Distribution of Interim Municipal Use Annual Operating Proceeds. Within ninety (90) days after the end of each Applicable Fiscal Year, the City shall remit the Interim Municipal Use Annual Operating Proceeds for that Applicable Fiscal Year to the Auditor-Controller for subsequent distribution by the Auditor-Controller among the Taxing Entities in proportion to their Applicable Shares, as determined by the Auditor-Controller pursuant to Health and Safety Code Section 34188. The attached Exhibit A shows, for illustrative purposes only, the Applicable Shares of the Taxing Entities that would have applied to a distribution under this Section 7 had the distribution been made for the fiscal 2022-23 year, as provided by the Auditor-Controller.

(c) Governmental, Public and Community Uses Permitted. The City may use the Property for any interim use permitted by applicable laws, and may permit the Taxing Entities to use the Property without charge. The City shall have no obligation to permit the Taxing Entities to use the Property for fee-generating uses, use by for-profit third parties, political or campaign-related uses, or any other use not related to the governmental purposes of the Taxing Entities. The City may permit fundraising uses supporting the governmental purposes of the Taxing Entities or the community in the City’s sole and absolute discretion. The Taxing Entities further acknowledge and agree that the City may use tax-exempt bond proceeds to renovate the Property and that such funding imposes restrictions on the use of the Property by private entities and/or for fee-generating purposes.

(d) Deed of Trust. At the time the Property was transferred to the City, the Property was subject to that certain Note Secured by Deed of Trust dated as of July 29, 2000 (the “**Loan**”), which was executed by the Redevelopment Agency in favor of Mr. Henry Garcia, Jr. and Ms. Olivia Garcia (Ms. Olivia Garcia having been paid in full, Mr. Henry Garcia Jr. is referred to herein as the “**Lender**”). The Loan is not subject to prepayment at the option of the City. At the time the Property was transferred to the City, the Loan was outstanding in the principal amount of \$10,515, accrued interest at 9%, and had remaining payments of principal and interest to maturity equal the cumulative amount of \$10,929.54 (from June 4, 2018 through final maturity of June 4, 2020). The Taxing Entities agree that the City shall be entitled to deduct payments made on the Loan in calculating Interim Municipal Use Annual Proceeds, if applicable, or Disposition Proceeds.

(e) Distributions to Cemetery District. The City and the Cemetery District entered into that certain Compensation Agreement (Guadalupe Cemetery District) dated as of October 1, 2018 (“2018 Agreement”), which provided that, in compensation for the Successor Agency’s transfer of the Property to the City, the Cemetery District accepted transfer of title to a “Winch Truck” (as defined in the 2018 Agreement). A copy of the 2018 Agreement is attached hereto as Exhibit B. The value of the Cemetery District’s share of compensation from the Property at that time was estimated to be \$1,768.15 (defined as the “Potential Compensation Amount” in the 2018 Agreement). Accordingly, the Parties hereto, including, without limitation, the City and the Cemetery District, agree that the Cemetery District shall not receive aggregate

Interim Municipal Use Annual Proceeds, if applicable, or Disposition Proceeds, unless, and only to the extent that, such proceeds exceed \$1,768.15.

(f) Accounting Requirements. At the time of each distribution pursuant to subsection (a), the City shall provide to the Taxing Entities and the Auditor- Controller a statement prepared in accordance with sound accounting practice that provides the City's calculation of the Interim Municipal Use Annual Operating Proceeds (the "Operating Proceeds Statement"). The City shall keep complete, accurate and appropriate books and records of its calculation of the Interim Municipal Use Annual Operating Proceeds with respect to each distribution. The Auditor-Controller shall have the right, on behalf of the Taxing Entities and upon reasonable written notice to City, to audit and examine such books, records and documents and other relevant items in the possession of City, but only to the extent necessary for a proper determination of the Interim Municipal Use Annual Operating Proceeds.

Section 8. Term of Agreement: Early Termination.

(a) Term. The term of this Agreement shall commence on the Effective Date and, unless sooner terminated as otherwise provided in this Agreement, shall expire upon (i) the earlier to occur of twenty-five (25) years from the date set forth above, or (ii) the distribution by the City of all amounts owed to the Taxing Entities under this Agreement.

(b) Early Termination. Notwithstanding any other provision of this Agreement, a Party may terminate this Agreement upon written notice to the other Parties if a court order, legislation, or DOF policy reverses DOF's directive regarding the need for this Agreement and the payment of compensation by the City pursuant to Health and Safety Code Section 34180(1) (an "Early Termination"). An Early Termination shall become effective five (5) days after the terminating Party delivers the required notice to the other Parties in accordance with Section 9(a). Upon effectiveness of an Early Termination, no Party shall have any further rights or obligations under this Agreement, and the City may retain the Disposition Proceeds from the disposition of any Property for which the City has not yet received the Disposition Proceeds as of the effective date of the Early Termination, and may retain any Interim Municipal Use Annual Operating Proceeds for which the City was not required to make the distribution to the Taxing Entities as of the effective date of the Early Termination; provided, however, that the City shall have no right to recover any Disposition Proceeds or any Interim Municipal Use Annual Operating Proceeds from any Taxing Entity that were distributed by the City prior to the effective date of the Early Termination.

Section 9. Miscellaneous Provisions.

(a) Rights of the City. The Parties acknowledge and agree that, pursuant to the LRPMP, the City is entitled to receive fee title to the Property from the Successor Agency at no cost pursuant to the LRPMP, at any time (as determined by the City and the Successor Agency), subject only to this Agreement. Except for the right to receive Disposition Proceeds (if any) pursuant to Section 5 and the right to receive Interim Municipal Use Annual Operating Proceeds (if any) pursuant to Section 7, the Parties hereby expressly acknowledge and agree as follows:

(b) The Taxing Entities (other than the City) shall have no right, title or interest in or to the Property, and

(c) The Taxing Entities (other than the City), shall have no consent or approval rights with respect to the use of the Property or any part thereof, the development of the Property, the sale, conveyance, or transfer of the Property or any part thereof, any encumbrance of any portion of the Property, or any other matters relating to the Property during or following the Term hereof, except to the extent such Taxing Entities have regulatory authority with respect to such matters pursuant to applicable laws, and

(d) The Taxing Entities shall have no right to receive any payment or other compensation in connection with a sale of the Property by the City, including any percentage or portion of the proceeds of such sale, except for such Taxing Entity's share of Disposition Proceeds as set forth in Section 5. In this regard, the Parties acknowledge and agree that the City may (but is not required to) spend money to renovate the Property in connection with any Interim Municipal Use and that such renovations, or other circumstances or market conditions, may increase the value of the Property. Such renovation costs, if any, may be deducted by the City in calculating Disposition Proceeds or Interim Municipal Use Annual Operating Proceeds, as applicable.

(e) Notices. All notices, statements, or other communications made pursuant to this Agreement to another Party or Parties shall be in writing, and shall be sufficiently given and served upon the Party if sent by (1) United States certified mail, return receipt requested, postage prepaid, or (2) nationally recognized overnight courier, with charges prepaid or charged to sender's account, and addressed to the applicable Party at the address set forth on that Party's signature page. Any Party may change its address for notice purposes by written notice to the other Parties prepared and delivered in accordance with the provisions of this Section.

(f) No Third Party Beneficiaries. No person or entity other than the Parties and their permitted successors and assigns, shall have any right of action under this Agreement.

(g) Litigation Regarding Agreement. In the event litigation is initiated attacking the validity of this Agreement, each Party shall in good faith defend and seek to uphold the Agreement and shall be responsible for its own legal fees and costs.

(h) State Law; Venue. This Agreement, and the rights and obligations of the Parties hereto, shall be construed and enforced in accordance with the laws of the State of California. Any action to enforce or interpret this Agreement shall be filed and heard in the Superior Court of Santa Barbara County, California or in the Federal District Court for the Central District of California.

(i) Attorneys' Fees. In any action which a Party brings to enforce its rights hereunder, the unsuccessful Party or Parties shall pay all costs incurred by the prevailing party, including reasonable attorneys' fees and costs.

(j) Entire Agreement; Amendment. This Agreement constitutes the entire and integrated agreement of the Parties and supersedes all prior negotiations, representations, or agreements, either written or oral, except the 2018 Agreement (which remains in full force and

effect). This Agreement may be modified only in writing and only if signed by all of the Parties, except as otherwise provided below.

(k) Counterparts. This Agreement may be executed in counterparts, each of which shall be deemed an original, but all of which together shall constitute one and the same agreement. 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.

(l) Non-Waiver. No waiver of a breach, failure of any condition, or any right or remedy contained in or granted by the provisions of this Agreement will be effective unless it is in writing and signed by the waiving Parties.

(m) No Partnership. Nothing contained in this Agreement shall be construed to constitute any Party as a partner, employee, joint venturer, or agent of any other Party.

(n) Ambiguities. Any rule of construction to the effect that ambiguities are to be resolved against the drafting party does not apply in interpreting this Agreement.

(o) Exhibits. The following exhibits are incorporated in this Agreement by reference:

Exhibit A: Taxing Entities Applicable Shares of Property Taxes

Exhibit B: Compensation Agreement (Guadalupe Cemetery District) dated as of October 1, 2018

(p) 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.

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

IN WITNESS WHEREOF, the Parties hereto have executed this Agreement as of the date set forth in the opening paragraph of this Agreement.

[signature pages S-1 through S-10 follow]

IN WITNESS WHEREOF, the City has executed this Compensation Agreement by its authorized representative, as indicated below, on behalf of the entities and funds set forth in Section 3 of this Agreement.

CITY OF GUADALUPE, a municipal corporation

By: _____

Name: _____

Title: _____

Attest by: _____

Approved as to form:

City Attorney

Address for Notices:

City of Guadalupe
918 Obispo Street
PO Box 918
Guadalupe, CA 93434

SIGNATURES CONTINUE ON FOLLOWING PAGES

The County has executed this Compensation Agreement by its authorized representative, as indicated below, on behalf of the entities and funds set forth in Section 3 of this Agreement.

COUNTY OF SANTA BARBARA, a political subdivision of the State of California

By: _____

Name: _____

Title: _____

Attest by: _____

Approved as to form:

County Counsel

Address for Notices:

County of Santa Barbara
[insert address for notices]

SIGNATURES CONTINUE ON FOLLOWING PAGES

The Airport District has executed this Compensation Agreement by its authorized representative, as indicated below, on behalf of the entities and funds set forth in Section 3 of this Agreement.

**SANTA MARIA PUBLIC AIRPORT
DISTRICT**

By: _____

Name: _____

Title: _____

Attest by: _____

Approved as to form:

Address for Notices:

Santa Maria Public Airport District
[insert address for notices]

SIGNATURES CONTINUE ON FOLLOWING PAGES

The Cemetery District has executed this Compensation Agreement by its authorized representative, as indicated below, on behalf of the entities and funds set forth in Section 3 of this Agreement.

GUADALUPE CEMETERY DISTRICT

By: _____

Name: _____

Title: _____

Attest by: _____

Approved as to form:

Address for Notices:

Guadalupe Cemetery District
[insert address for notices]

SIGNATURES CONTINUE ON FOLLOWING PAGES

The Resource Conservation District has executed this Compensation Agreement by its authorized representative, as indicated below, on behalf of the entities and funds set forth in Section 3 of this Agreement.

CACHUMA RESOURCE CONSERVATION DISTRICT

By: _____

Name: _____

Title: _____

Attest by: _____

Approved as to form:

Address for Notices:

Cachuma Resource Conservation District
[insert address for notices]

SIGNATURES CONTINUE ON FOLLOWING PAGES

The Water Conservation District has executed this Compensation Agreement by its authorized representative, as indicated below, on behalf of the entities and funds set forth in Section 3 of this Agreement.

**SANTA MARIA VALLEY WATER
CONSERVATION DISTRICT**

By: _____

Name: _____

Title: _____

Attest by: _____

Approved as to form:

Address for Notices:

Santa Maria Valley Water Conservation District
[insert address for notices]

SIGNATURES CONTINUE ON FOLLOWING PAGES

The Guadalupe USD has executed this Compensation Agreement by its authorized representative, as indicated below, on behalf of the entities and funds set forth in Section 3 of this Agreement.

GUADALUPE UNION SCHOOL DISTRICT

By: _____

Name: _____

Title: _____

Attest by: _____

Approved as to form:

Address for Notices:

Guadalupe Union School District
[insert address for notices]

SIGNATURES CONTINUE ON FOLLOWING PAGES

The Santa Maria JUHSD has executed this Compensation Agreement by its authorized representative, as indicated below, on behalf of the entities and funds set forth in Section 3 of this Agreement.

SANTA MARIA JOINT UNION HIGH SCHOOL DISTRICT

By: _____

Name: _____

Title: _____

Attest by: _____

Approved as to form:

Address for Notices:

Santa Maria Joint Union High School District
[insert address for notices]

SIGNATURES CONTINUE ON FOLLOWING PAGES

The Allan Hancock CCD has executed this Compensation Agreement by its authorized representative, as indicated below, on behalf of the entities and funds set forth in Section 3 of this Agreement.

**ALLAN HANCOCK COMMUNITY
COLLEGE DISTRICT**

By: _____

Name: _____

Title: _____

Attest by: _____

Approved as to form:

Address for Notices:

Allan Hancock Community College District
[insert address for notices]

SIGNATURES CONTINUE ON FOLLOWING PAGES

The Office of Education has executed this Compensation Agreement by its authorized representative, as indicated below, on behalf of the entities and funds set forth in Section 3 of this Agreement.

SANTA BARBARA COUNTY EDUCATION OFFICE

By: _____

Name: _____

Title: _____

Attest by: _____

Approved as to form:

Address for Notices:

Santa Barbara County Education Office
[insert address for notices]

EXHIBIT A

ILLUSTRATIVE TAXING ENTITIES
 APPLICABLE SHARES OF PROPERTY TAXES

Below is the allocation percentages for FY 22-23 for proceeds of a sale of an asset:

		Calculate TRA Allocation Ratios 34188	
		A	B = A / Σ A
Fund	Taxing Agency	Property Tax Increment Dollars from TRAs within RDA Boundaries FY 22-23	Ratio %
0001	General	446,761	15.9892704%
0640	City of Guadalupe	358,632	12.8351938%
0680	Guadalupe Lighting	107,409	3.8440946%
0685	Guadalupe Redevelopment Agency		
2280	Fire Protection Dist	0	0.0000000%
2400	Flood Ctrl/Wtr Cons Dst Mt	6,022	0.2155233%
2460	Guadalupe Flood Zone Number 3	23,987	0.8584783%
2570	SM River Levee Maint Zone	3,449	0.1234373%
3050	Water Agency	7,501	0.2684557%
3210	Santa Maria Public Airport Dst	26,757	0.9576147%
3280	Guadalupe Cemetery District	53,513	1.9151936%
4500	Cachuma Resource Cons Dist	62	0.0022189%
5700	SM Vly Wtr Cons - General	10,575	0.3784720%
6901	Guadalupe Union Sch Dist-Gen	794,914	28.4494279%
8301	SMJH District-General	429,973	15.3884393%
9410	Allan Hancock CC Dist-Gen	114,021	4.0807335%
9801	County School Service	77,351	2.7683393%
9802	Education Revenue Augmentation	333,203	11.9251073%
		2,794,130	1.0000000%

EXHIBIT B

2018 AGREEMENT

(attached)

**COMPENSATION AGREEMENT
(Guadalupe Cemetery District)**

This Compensation Agreement (this “**Agreement**”), dated for reference purposes only as of October 1, 2018, is entered into by and between the City of Guadalupe (“**City**”) and the Guadalupe Cemetery District (“**Cemetery District**”). The City and Cemetery District are sometimes referred to individually as a “**Party**” and collectively as the “**Parties.**”

RECITALS

A. Pursuant to Assembly Bill x1 26, effective February 1, 2012 (as amended from time to time, the “**Dissolution Act**”), the Redevelopment Agency of the City of Guadalupe (“**Redevelopment Agency**”) was dissolved, and pursuant to Health & Safety Code Section 34173, the City serves as the successor agency to the dissolved Redevelopment Agency (the “**Successor Agency**”).

B. Pursuant to Health and Safety Code Section 34191.5, the Successor Agency prepared a Long-Range Property Management Plan (“**LRPMP**”) that addresses disposition of the real property formerly owned by the Redevelopment Agency.

C. On February 26, 2015, the LRPMP was approved by OB Resolution No. 2015-02 of the Oversight Board to the Successor Agency.

D. On September 4, 2015, the State Department of Finance approved the LRPMP.

E. The LRPMP provides that (1) certain property held by the Successor Agency (the Royal Theatre located at 848 Guadalupe Street, APN 126-143-012, and two adjacent vacant parcels located at 836 Guadalupe Street, APN 115-101-011 and APN 115-113-001) (the “**Property**”) will be transferred to the City for future development pursuant to Health and Safety Code Section 34191.5, subdivisions (c)(2) and (c)(2)(A) and (2) the City will enter into a compensation agreement with the affected taxing entities (the “**Taxing Entities**”) pursuant to Health and Safety Code Section 34180(f). This Agreement constitutes the compensation agreement between the City and the Cemetery District required by the LRPMP.

F. The City obtained an appraisal of the fair market value of the Property, dated June 12, 2017, which determined that the fair market value of the Property is \$110,000. The City has offered to allow certain public entities that levy taxes within the Redevelopment Agency’s redevelopment project area to use the Property or, if the City sells the Property, the City has offered to pay such taxing entities a portion of the value of the Property (reduced by the amount of a loan secured by the Property and estimated costs of selling the Property). The City estimates the Cemetery District’s share of this payment, if and when paid, would have been \$1,768.15 (the “**Potential Compensation Amount**”). The Potential Compensation Amount is calculated based on the Cemetery District’s 1.9351475% share of the 1.00% general property tax levy within the Redevelopment Agency’s redevelopment project area, as reported by the County of Santa Barbara.

G. The Cemetery District wishes to acquire a winch truck currently owned by the City and described in more detail below, in exchange for the Cemetery District’s agreement to forego any rights with respect to the Property (including the Potential Compensation Amount) that the Cemetery

District could claim under the Dissolution Act, including without limitation Health and Safety Code Sections 34180(f) and 34191.5(c).

H. The foregoing recitals are true and correct.

NOW THEREFORE, the Parties agree as follows.

1. Conveyance of Winch Truck. In consideration of the Cemetery District's agreements, acknowledgements, waivers and releases set forth in this Agreement, the City hereby agrees to transfer and convey, by bill of sale, all right, title and interest held by the City in that certain 1995 Ford winch truck, Plate Number 027096, Vehicle Identification Number 1FDHF38C6SEA53467 (the "Winch Truck"). The Winch Truck is currently owned by the City and has been declared to be surplus by the City. The City shall transfer title to the Winch Truck to the Cemetery District within ten (10) business days following the Cemetery District's execution of this Agreement.

(a) "As Is" Condition. The Cemetery District shall accept the Winch Truck in its "as is" condition, with all defects and faults, whether patent or latent, and shall release the City from any and all claims the Cemetery District may have otherwise had against the City in connection with, arising from, or caused by the condition of the Winch Truck. The Cemetery District acknowledges and agrees that it has been provide will adequate opportunities to inspect and test the Winch Truck. The City makes no representation to the Cemetery District with respect to the condition of the Winch Truck, the operations of the Winch Truck, or any other matters relating to the condition or usefulness of the Winch Truck for the Cemetery District's intended purposes.

2. Rights of the City. The Cemetery District acknowledges and agrees that, pursuant to the LRPMP, the City is entitled to receive fee title to the Property from the Successor Agency at no cost pursuant to the LRPMP, at any time (as determined by the City and the Successor Agency).

3. Release, Waiver, Acknowledgement and Agreement by Cemetery District. In consideration of the City's transfer of the Winch Truck to the Cemetery District, the Cemetery District hereby provides the express waivers, releases, acknowledgements and agreements set forth below:

(a) The Cemetery District shall have no right, title or interest in or to the Property.

(b) The Cemetery District shall have no consent or approval rights with respect to the use, development, sale, conveyance, or transfer of the Property or any part thereof, any encumbrance of any portion of the Property, or any other matters relating to the Property.

(c) The Cemetery District waives any and all right it may have otherwise had to receive the Potential Compensation Amount and shall receive no compensation in connection with the Property, including any percentage or portion of the proceeds of any sale of the Property, except as provided in Section 1 hereof.

(d) The Cemetery District acknowledges and agrees that the City may (but is not required to) spend money to renovate the Property and that such renovations, or other circumstances

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.

(b) **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.

(c) **Action or Approval.** Whenever action and/or approval by City is required under this Agreement, the City Administrator or her designee may act on and/or approve such matter unless specifically provided otherwise, or unless the City Administrator determines in her sole discretion that such action or approval requires referral to City Council for consideration.

(d) **Entire Agreement.** This Agreement 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.

(e) **Counterparts.** This Agreement may be executed in multiple 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.

(f) **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.

(g) **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, any rights or remedies hereunder.

(h) **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 Santa Barbara County, California or in the Federal District Court for the Central District of California.

[SIGNATURES APPEAR ON FOLLOWING PAGES.]

IN WITNESS WHEREOF, the City and the Cemetery District have executed this Compensation Agreement by their authorized representatives.

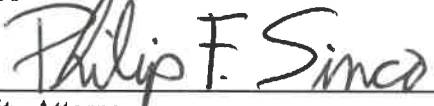
CITY OF GUADALUPE, a municipal corporation

By: 
John Lizalde, Mayor

Attest:

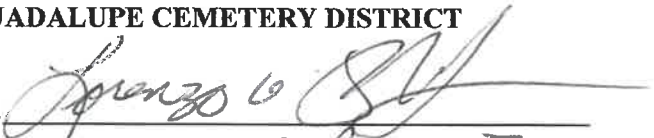

City Clerk

Approved as to form:


City Attorney

The Cemetery District has executed this Compensation Agreement by its authorized representative, as indicated below.

GUADALUPE CEMETERY DISTRICT

By: 

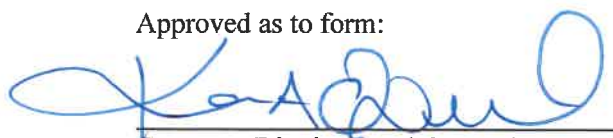
Name: LORENZO Q. PEREZ JR

Title: VICE PRESIDENT, Guadalupe Cemetery DISTRICT

Attest:


Cemetery District Secretary

Approved as to form:


Cemetery District Legal Counsel