

AMENDED AND RESTATED
AGREEMENT BETWEEN THE REDEVELOPMENT
AGENCY OF THE CITY OF DAVIS, THE CITY OF
DAVIS AND THE COUNTY OF YOLO PURSUANT TO
HEALTH AND SAFETY CODE SECTION 33401

THIS AMENDED AND RESTATED AGREEMENT (the "Agreement") entered into as of the 20th day of November, 2001, by and between the REDEVELOPMENT AGENCY OF THE CITY OF DAVIS (the "Agency"), the CITY OF DAVIS (the "City") and the COUNTY OF YOLO (the "County"), amends, restates and replaces in its entirety the Agreement Between the Redevelopment Agency of the City of Davis, the City of Davis and County of Yolo Pursuant to Health and Safety Code Section 33401 dated November 18, 1987. The Agency, City and County agree as follows:

I. [\$100] RECITALS [Recitals A-K are the recitals to the original Agreement adopted in 1987.]

A. The Agency is in the process of preparing a proposed Redevelopment Plan, as defined in Section 217 hereof, for adoption by the City Council of the City of Davis for the Davis Redevelopment Project pursuant to the Community Redevelopment Law, as defined in Section 203 hereof.

B. The purposes of the proposed Redevelopment Plan are to enable undeveloped areas presently within the City to be developed for urban uses and to revitalize the downtown area. South Davis contains the only major undeveloped areas within the present City limits. Specifically, the Redevelopment Plan will provide the financing for public improvements necessary for movement between South Davis and the remainder of the City. The Redevelopment Plan will assist in the implementation of the City's General Plan.

C. If the Redevelopment Plan is adopted, then pursuant to Article XVI, Section 16, of the California Constitution, Section 33670 et seq. of the Health and Safety Code and the proposed Redevelopment Plan, increases in the assessed values of the property within the Project Area, as defined in Section 216 hereof, above the sum of the assessed values as shown on the 1987-88 assessment roll (the "Base Year Roll") will result in that portion of property taxes levied each year on such increase in assessed values, less amounts received by affected taxing agencies pursuant to Section 33676 of the Community Redevelopment Law, being paid to the Agency as Tax Increments, as defined in Section 219 hereof. The Tax Increments shall be available to the Agency to pay the principal of and interest on loans, monies advanced to or indebtedness incurred by the Agency to finance or refinance, in whole or in part, redevelopment in accordance with the Redevelopment Plan.

D. The City is in the process of preparing a new General Plan for adoption by the City Council of the City of Davis pursuant to the State Planning Law (Government Code Section 65000, et seq.). The City adopted a new General Plan on May 23, 2001.

E. Section 33401 of the Community Redevelopment Law provides that a redevelopment agency may pay to any taxing agency any amounts of money which, in the agency's determination, are necessary and appropriate to alleviate any financial burden or detriment caused to such taxing agency by a redevelopment project.

F. Policies of the Yolo County Local Agency Formation Commission encourage the preservation of prime agricultural land, the provision of municipal services in highly urbanized areas by cities, discourage sprawl and provide for the development of undeveloped areas within the City prior to annexation of land for urban development.

G. It is the policy of the State of California to preserve prime agricultural land and discourage both sprawl and the inefficient provision of urban services.

H. The Agency has determined that the payments authorized by this Agreement are necessary and appropriate to alleviate any financial burden or detriment which the Redevelopment Plan may cause the County, by increasing the amount of services the County will provide and by payment of Tax Increments to the Agency which would have been generated had the Redevelopment Plan not been adopted.

I. The payments by the Agency to the County are conditioned upon the County not approving Urban Development, as defined in Section 220 hereof, within the boundaries of the City Planning Area, as defined in Section 202 hereof, because, if Urban Development occurs within the City Planning Area prior to annexation, a portion of the financial burden or detriment upon the County will be alleviated by implementation of the Redevelopment Plan, and because the City and the Agency will incur increased costs in providing services to persons in unincorporated areas.

J. It is not the intent of the County, the Agency or the City to deny, limit or restrict in this Agreement the exercise of the police power by the County in the City Planning Area. Pursuant to this Agreement the County will continue to exercise planning and regulatory powers in the City Planning Area.

K. As part of the consideration of this Agreement determining the obligation of the Agency, the County is foregoing the right to contest the establishment of the Redevelopment Plan for the Project, including but not limited to, filing a suit, and the Agency recognizes this as good and legal consideration.

L. In 2001, the Agency, City and County have agreed upon certain amendments to this Agreement (the "2001 Amendments") that both assist in the implementation of certain existing provisions of this Agreement and that add provisions to the Agreement. For the purpose of identification these 2001 Amendments are shown underlined. The second sentence of Recital D, this Recital L, the last paragraph of Section 500, Sections 1001, 1002, 1003, 1004, 1005, the Existing List of Permitted Uses (Attachment No. 4A), and Attachments 6, 7, 9 and 11 of this Agreement are effective upon the approval and execution of these 2001 Amendments by the Agency, the City and the County, whichever occurs last. The remainder of these 2001 Amendments including the Conditional List of Permitted Uses (Attachment No. 4B) and Attachments 8 and 10 do not take effect unless certain amendments to the Redevelopment Plan defined in Section 1005 of this Agreement ("Redevelopment Plan Amendments") are made by the Agency and these Redevelopment Plan Amendments become effective prior to eighteen (18) months after approval of these 2001 Amendments by the Agency and City.

The County agrees not to contest the Redevelopment Plan Amendments.

AGREEMENTS

THE AGENCY, CITY AND COUNTY HEREBY AGREE AS FOLLOWS:

II. [§200] DEFINITIONS

For the purposes of this Agreement, the following terms shall have the following meanings:

A. [§201] ACO's Share

The term "ACO's Share" means the amount of property taxes the County would have received on behalf of the County Accumulated Capital Outlay Fund from property within the Project Area if there were no provision in the Redevelopment Plan for the allocation of Tax Increments to the Agency.

B. [§202] City Planning Area

The term "City Planning Area" means the area within the City's General Plan Planning Area Boundary but outside of the City which is shown on the "Map of the City Planning Area Boundary," attached hereto as Attachment No. 1 and incorporated herein by reference.

C. [§203] Community Redevelopment Law

The term "Community Redevelopment Law" means the California Community Redevelopment Law as set forth in California Health and Safety Code Section 33000 et seq.

D. [§204] Conditional Uses

The term "Conditional Uses" means the conditional uses described in Section C of Attachment No. 4A or Attachment 4B of this Agreement, whichever is in effect.

E. [§205] County's Share

The term "County's Share" means the amount of property taxes the County would have received on behalf of the County General Fund from property within the Project Area if there were no provision in the Redevelopment Plan for the allocation of Tax Increments to the Agency. For the purposes of this Agreement, the County Share from the Project Area shall be twenty-six and eighty-nine one hundredths percent (26.89%) of the annual Tax Increments.

F. [§206] Deferral Period

The term "Deferral Period" means the period commencing with the first fiscal year in which the Agency receives Tax Increments and continuing until the earlier of (1) beginning of the eighth (8th) year in which the Agency receives Tax Increments; or (2) the beginning of the first fiscal year following the applicable fiscal year in which the Tax Increments received by the Agency exceed the specified amount for such fiscal year as set forth below:

1st Fiscal Year	-	\$7,100,000
2nd Fiscal Year	-	\$7,455,000
3rd Fiscal Year	-	\$7,827,750
4th Fiscal Year	-	\$8,219,137
5th Fiscal Year	-	\$8,630,094
6th Fiscal-Year	-	\$9,061,599
7th Fiscal Year	-	\$9,514,679

G. [§207] Development

The term "Development" means all land use proposals which require the issuance or approval by the County of any of the following ordinances, permits, or entitlements:

1. General Plan amendments;
2. Zoning amendments;
3. Use permits;
4. Variances;
5. Tentative or final subdivision maps;
6. Tentative or final parcel maps;
7. Land division plats;
8. Site plan approvals on review of requests for building permits;
9. Building permits; and
10. Grading permits.

H. [§208] Existing Subdivided Areas

The term "Existing Subdivided Areas" means the six areas within the City Planning Area which have been subdivided and the boundaries of which are shown on the "Map of the Existing Subdivided Areas," attached hereto as Attachment No. 2 and incorporated herein by reference, and are identified as follows: (1) El Macero; (2) Greater Willowbank; (3) Barthels Mobile Home Park, but only for as long as this area is used as a mobile home park; (4) Binning Tract; (5) Cactus Corners/Patwin Road; and (6) North Davis Meadows.

I. [§209] Final EIR

The term "Final EIR" means the Draft Environmental Impact Report on the Redevelopment Plan for the Davis Redevelopment Project and the comments and responses thereto.

J. [§210] Library's Share

The term "Library's Share" means the amount of property taxes the County would have received on behalf of the County Library Fund from

property within the Project Area if there were no provision in the Redevelopment Plan for the allocation of Tax Increments to the Agency.

K. [§211] Mace Ranch Investors Property

The term "Mace Ranch Investors Property" means the four hundred forty (440) acres of property shown on the "Map of the Mace Ranch Investors Property," attached hereto as Attachment No. 3 and incorporated herein by reference.

L. [§212] Ordinance

The term "Ordinance" means the ordinance adopted or to be adopted by the City Council of the City of Davis adopting the Redevelopment Plan.

M. [§213] Payment Period

The term "Payment Period" means the period which commences on the date this Agreement becomes effective and continues until such time as the Agency no longer receives Tax Increments, or until January 1, 2025, whichever event occurs first.

N. [§214] Permitted Uses

The term "Permitted Uses" means the principal, accessory and conditional uses described in either the "Existing List of Permitted Uses" (attached hereto as Attachment No. 4A and incorporated herein by reference) or the "Conditional List of Permitted Uses" (attached hereto as Attachment No. 4B and incorporated herein by reference), whichever is in effect.

O. [§215] Project

The term "Project" means the proposed Davis Redevelopment Project.

P. [§216] Project Area

The term "Project Area" means the area within the proposed Davis Redevelopment Project, as shown and as described in the proposed Redevelopment Plan for the Davis Redevelopment Project.

Q. [§217] Redevelopment Plan

The term "Redevelopment Plan" means the proposed Redevelopment Plan for the Davis Redevelopment Project which is scheduled to be adopted by the City Council of the City of Davis prior to the end of this 1987 calendar year.

R. [§218] Sutter-Davis Hospital

The term "Sutter-Davis Hospital" means the property shown on the "Map of the Sutter-Davis Hospital," attached hereto as Attachment No. 5 and incorporated herein by reference.

S. [§219] Tax Increments

The term "Tax Increments" means the property taxes to be allocated to the Agency from the Project Area pursuant to Section 33670(b) et seq. of the Community Redevelopment Law and Article XVI, Section 16 of the California Constitution, less amounts received by affected taxing agencies pursuant to Section 33676 of the Community Redevelopment Law.

T. [§220] Urban Development

The term "Urban Development" means development as defined in Section 401 hereof.

III. [§300] PAYMENTS

A. [§301] Amount of Payments

The Agency shall annually pass through to the County the following payments:

1. Commencing with the first fiscal year in which the Agency receives Tax Increments and continuing until the fiscal year in which the total amount of Tax Increments received by the Agency equals SEVENTY-TWO MILLION DOLLARS (\$72,000,000), the Agency shall annually pass through to the County:

- a. Eighty percent (80%) of the County's Share of the Tax Increments;
- b. One hundred percent (100%) of the Library's Share of the Tax Increments; and
- c. One hundred percent (100%) of the ACO's Share of the Tax Increments.

2. Commencing with the first fiscal year following the fiscal year in which the Agency has received Tax Increments totaling SEVENTY-TWO MILLION DOLLARS (\$72,000,000) and continuing until such time as the Agency no longer receives Tax Increments, the Agency shall annually pass through to the County:

- a. One hundred percent (100%) of the County's Share of the Tax Increments;
- b. One hundred percent (100%) of the Library's Share of the Tax Increments; and
- c. One hundred percent (100%) of the ACO's Share of the Tax Increments.

In the fiscal year in which the Agency receives Tax Increments which, when added to Tax Increments received in prior fiscal years, totals SEVENTY-TWO MILLION DOLLARS (\$72,000,000), the amount passed through to the County shall be calculated on a prorated basis as follows:

- a. The formula in subparagraph 1 of this Section 301 shall be applied to that portion of the Tax Increments received in the fiscal year which, when added to the Tax Increments received in prior fiscal years, totals SEVENTY-TWO MILLION DOLLARS (\$72,000,000);
- b. The formula in subparagraph 2 of this Section 301 shall be applied to the remainder of the Tax Increments received in the fiscal year.

Notwithstanding the provisions set forth in this Section 301, the Agency's obligations under this Section 301 may be terminated as set forth in Sections 404 and 405 hereof.

B. [§302] Deferral of Payments

The County agrees that the Agency may defer the annual pass-through payments set forth in Section 301 hereof for the Deferral Period. Any and all amounts deferred pursuant to Section 301 hereof shall be payable to the County in accordance with the following terms and conditions:

1. The total amount deferred, plus simple interest on the deferred amount during the Deferral Period at the rate of eight percent (8%) per annum, shall be paid to the County in ten (10) equal installment payments commencing the first fiscal year following the Deferral Period and continuing for the next nine (9) fiscal years.

2. Commencing on the first fiscal year following the Deferral Period, interest on the unpaid balance of the principal of the amount deferred during the Deferral Period shall accrue at the simple interest rate of eight percent (8%) per annum, and shall be payable to the County in ten (10) equal installments with the payments in subparagraph 1 of this Section 302.

There shall be no prepayment penalty for any amounts paid by the Agency under this Section 302.

C. §303 Subordination

The County agrees to subordinate its interest herein and allow the Agency to pledge all or any portion of the Tax Increments otherwise payable to the County under this Agreement in order to secure the repayment of Agency indebtedness incurred for the Project; provided the Agency submits to the County evidence reasonably satisfactory to the County, the approval of which shall not be unreasonably withheld, demonstrating its ability to repay such indebtedness incurred for the Project without demand being made on the payments due to the County under the terms of this Agreement. Any such demonstration shall include, without limitation, an assurance by the Agency that it will reimburse the County in full for any payments which are due to the County and which the County agrees the Agency may use, if necessary, to repay any such indebtedness. Any such reimbursement payments shall be made on terms to be agreed upon by the Agency and the County. The County's review and approval of the Agency's evidence shall be limited to the ability of the Agency to incur and pay the indebtedness without demand being made on payments due the County.

It is recognized by the parties that the Agency may finance improvements provided for in the Redevelopment Plan by means of tax allocation notes and bonds, and should Agency's bond counsel require nonsubstantive amendments to this Agreement in order to facilitate such bond sale or sales, the parties agree that consent to such amendments will not be unreasonably withheld.

D. §304 Changes in Law

In the event state law changes and thereby imposes upon the Agency a specific requirement to pay money it receives pursuant to Section 33670(b) of the Community Redevelopment Law to the County, then the payments under this Agreement to the County shall be first reduced by the amount of the payment required and specified by the change in state law to the County.

E. §305 Prohibitions

In no event shall payments be made to the County by the Agency:

1. which would exceed the amount, annually, that the County would have otherwise received from property taxes from the Project Area had the Redevelopment Plan not provided for the division of taxes required by Section 33670 of the Community Redevelopment Law; or

2. which would be contrary to the provisions of Section 33401 of the Community Redevelopment Law or violate any other provision of the Community Redevelopment Law or the laws of the State of California.

The parties agree and acknowledge that the payments to the County provided in this Agreement are not contrary to or violate Section 33401 of the Community Redevelopment Law.

F. [\$306] County Auditor Disbursement of Payments

Agency agrees that it will claim the amounts it is obligated to pay pursuant to Section 301 on its Statement of Indebtedness filed with the County Auditor-Controller pursuant to Health and Safety Code Section 33675. To facilitate administration of payments pursuant to this Agreement, the Agency and County agree that in lieu of the County Auditor-Controller making payments to the Agency pursuant to Health and Safety Code Section 33670 and the Agency then making payments pursuant to this Agreement to the County, the County Auditor-Controller may withhold from the amount to be paid to the Agency pursuant to Health and Safety Code Section 33670 the amounts to be paid to the County pursuant to this Agreement and pay such amounts to the County directly. At the request of the Agency, the County Auditor shall send the Agency the supporting information and calculations used to determine the amounts paid to such entities.

IV. [\$400] TERMINATION OF PAYMENTS

A. [\$401] Definition of Urban Development

For the purposes of this Agreement, the term "Urban Development" shall mean any development other than the following:

1. Any Permitted Use;
2. Any use permitted in the Existing Subdivided Areas pursuant to the County General Plan or zoning ordinances, as the General Plan and zoning ordinances exist as of the effective date of this Agreement;
3. The following medical or hospital related uses in the Sutter-Davis Hospital area:
 - (a) Expansion of existing hospital and emergency facilities;
 - (b) Senior citizen day care facilities;
 - (c) Sick-child day care facilities.

The County and the City agree to jointly review and determine whether medical or hospital related uses not specifically authorized in this subparagraph 3, including but not limited to offices for physicians and convalescent homes, are Urban Development pursuant to the procedure described in Section 402 of this Agreement;

4. Any use for or in connection with County services or operations on land owned by or leased by the County; or

5. Any use if the approval for such use occurs following a final determination by a court that the City has not complied with the conditions set forth in Section 500.

6. Any use over which the County cannot exercise any discretion or any approval rights because the County's authority is preempted by state or federal law.

B. §402] Amendments to List of Permitted Uses

1. The Agency and the County agree that, at the time this Agreement is entered into, it is not possible to specify every Permitted Use which would be consistent with policies and purposes of this Agreement. In addition, it is likely that certain requests for Development will present matters of interpretation which should be resolved by consultation by both parties.

2. Therefore, from time to time, the County and the Agency may propose amendments to the List of Permitted Uses (Attachment No. 4) which each party agrees to reasonably consider.

3. In addition, the County may submit to the Agency any proposal for Development which, in the view of the County, does not require amendment to the List of Permitted Uses (Attachment No. 4), but does require interpretation and resolution by both parties. Within thirty (30) days after receipt of the proposal for Development, the Agency shall respond in writing and both parties shall attempt to resolve the matter in a method that best implements the objectives of both parties in entering into this Agreement. If, within thirty (30) days, the County has not received a response from the Agency to its request for interpretation of a proposed Development, the County may act upon, the Development which shall not be deemed Urban Development within the thirty (30) day period, the Agency may object to the proposed Development because it is inconsistent with the uses in the List of Permitted Uses (Attachment No. 4). If the Agency objects to the proposed Development, the parties shall attempt to resolve the matter. The Agency shall not unreasonably object to a use which is consistent with the uses in the List of Permitted Uses (Attachment No. 4). If the parties cannot agree whether the proposed Development is consistent with the List of Permitted Uses (Attachment No. 4) and if the County approves the proposed Development, the Agency may bring an action for Declaratory Relief pursuant to Section 405.

C. [§403] Consideration of Conditional Uses

If the County receives a request for a Conditional Use within the City Planning Area, the County shall send the request to the City, unless it is a use for which a Conditional Use permit is not required pursuant to the County's Zoning Regulations, as it exists at the time of adoption of this Agreement. The County shall not act upon the Conditional Use permit until thirty (30) days from the date the notice is sent to the City. Within the thirty (30) day period the City shall submit any comments as to whether the Conditional Use permit should be approved or denied based upon the consistency between the proposed use and the purposes of this Agreement.

D. [§404] Termination of Payments

If the County approves Urban Development within the City Planning Area during the Payment Period, the Agency, in its sole discretion, may terminate its obligation to make any future payments to the County under Section 301 by written notice to the County. The Agency's termination of its obligation to make future payments shall not terminate the Agency's obligation to make payments specified in Section 302 to the extent that such payments represent deferrals of payments (and interest thereon) which, but for the provisions of Section 302, would have been paid to the County pursuant Section 301 prior to the date the County approved the Urban Development.

The Agency's termination of its obligation to make future payments shall not terminate the remainder of this Agreement which shall remain in full force and effect.

E. [§405] Procedure for Determinations

1. If the Agency determines that the County has approved or allowed any Urban Development within the City Planning Area during the Payment Period, the Agency shall send written notice of this determination to the County. Upon receipt of such notice, the County shall instruct the County Auditor to suspend the payments that would be made to the County pursuant to subparagraph 1 of Section 301 above, and to hold such payments in an interest bearing account. Upon receipt of the written notice, both the Agency and the County shall attempt to resolve this matter.

2. If, after ninety (90) days from the date the notice specified above was received by the County, the matter has not been resolved by the parties, the Agency may bring an Action for Declaratory Relief in the Yolo County Superior Court for the purpose of seeking a determination as to whether Urban Development has been approved or allowed by the County. If a final judgment of the court determines that the County has approved or allowed Urban Development within the City Planning Area during the Payment Period, the Agency may terminate the future payments to the County pursuant to

Section 404. The termination shall apply as of the date the County approved such Urban Development.

If a final judgment of the court determines that the County has not approved Urban Development within the City Planning Area during the Payment Period, then the provisions of Section 404 shall not apply and payments to the County shall not be reduced or terminated.

Upon a final judgment of the court, the County and the Agency shall instruct the County Auditor to pay the funds held by him pursuant to subparagraph 1 above, together with interest thereon, to the Agency or County as the case may be in accordance with the court determination.

V. [§500] CITY GROWTH RATE

In implementation of its General Plan, the City shall approve sufficient new development which, when calculated for the preceding five (5) year period commencing with 1993-94 fiscal year and continuing each fiscal year until the 2010-11 fiscal year, results in an average annual rate of population growth within the City of at least one and seventy-eight one-hundredths percent (1.78%).

The parties recognize that events beyond the control of the City and the Agency such as a lowering of the U.C. Davis projected enrollment, a regional or national economic downturn, or an increase in interest rates could interfere with implementation of the General Plan. Therefore, the parties agree that in the event the City does not authorize and approve sufficient new development to result in an average one and seventy-eight one-hundredths percent (1.78%) per year population growth in a particular five (5) year period and such failure is the result of market conditions, the City shall not be deemed to have failed to meet the condition set forth in this Section if the growth in that period is equal to or greater than the average growth rate for the area within the Sacramento Area Council of Governments for the same five (5) year period of time. In no event shall restrictions by the City upon the number of applications for development being made be considered market conditions. If U.C. Davis substantially lowers its projected enrollment figure and the City decides to amend its General Plan to reflect the lower projected enrollment, the City and the County agree to meet and jointly determine whether the one and seventy-eight one-hundredths percent (1.78%) figure should be modified for the purposes of this Agreement.

If the County contends that the City has not complied with the conditions set forth in this Section, the County shall send written notice of that contention to the City and Agency. Upon receipt of the written notice, the County and City shall attempt to resolve the matter.

If, after ninety (90) days from the date the notice specified above was received by the City and Agency the matter has not been resolved by the parties, the County may bring an Action for Declaratory Relief in Yolo County Superior

Court for the purpose of seeking a determination as to whether the City has complied with the condition set forth in this Section. If a final judgment of the court determines that the condition has not been complied with, then the provision of subparagraph 5 of Section 401 shall apply if the Superior Court determines that the condition has been complied with, then the provisions of subparagraph 5 of Section 401 shall not apply.

A letter dated May 17, 1995, from Mayor Dave Rosenberg to Helen Thomson, Chairperson of the Yolo County Board of Supervisors, signed by Chairperson Thomson, that refines the understanding between the City and the County with respect to the provisions of this Section 500 is attached to this Agreement as Attachment No. 6.

VI. [§600] EFFECT ON MACE RANCH INVESTORS PROPERTY

Mace Ranch Investors Property shall be considered within the City Planning Area from the date this Agreement becomes effective through and including June 30, 1988. On and after July 1, 1988, Mace Ranch Investors Property shall not be considered within the City Planning Area unless on or prior to June 30, 1988, either of the following events occur:

A. The owners of Mace Ranch Investors Property and the City enter into a Development Agreement with each other pursuant to Government Code Section 65864 et seq.

B. The City submits to the County the terms of the Development Agreement with Mace Ranch Investors Property which the City will approve and enter into and which is consistent with the East Davis Specific Plan, and the County finds that the terms of this proposed Development Agreement are appropriate.

If either of these events described in subparagraph 1 or 2 above occur on or prior to June 30, 1988, Mace Ranch Investors Property shall be considered within the City Planning Area as long as this Agreement is in effect.

VII. [§700] DEFENSE

A. [§701] Joint Defense

If the validity of this Agreement is challenged in any legal action, the County and the Agency agree to jointly defend against the legal challenge.

B. [§702] Sharing Costs of Monetary Judgments

In the event litigation challenging the validity of this Agreement or the denial by the County of Urban Development within the City Planning Area

during the Payment Period results in a monetary judgment against the County or the Agency and the County, the Agency and the County agree to equally share the cost of the monetary judgment.

If payment of the judgment is required during the Deferral Period, the County share of the monetary judgment shall be paid by the Agency. If the Agency pays the County share of the monetary judgment during the Deferral Period, the County shall owe the Agency the amount paid on its behalf plus simple interest at eight percent (8%) on the unpaid balance. This amount shall be paid by the County to the Agency by reducing the payments of the Agency to the County pursuant to Section 302 until the amount retained by the Agency as a result of the reduced payments equals the amount owed to the Agency by the County.

C. [§703] Exception to Sharing Costs of Monetary Judgment

Notwithstanding the provisions of subsection B herein, the Agency shall not be required to share the cost of a monetary damage awarded against the County because of the denial by the County of Urban Development if the monetary damages are a result of any procedural action of the County during the consideration of the Development which is found to be invalid.

VIII. [§800] TERMINATION OF AGREEMENT

The Agency and the County agree not to file and the County agrees not to engage in any litigation to directly or indirectly test or challenge the validity of the Project, the Redevelopment Plan, the Final EIR, the ordinance, or this Agreement; however, this Section shall not preclude the Agency from initiating a bond validation suit which is deemed necessary by the Agency to assure adequate financing for the Project. In addition, nothing in this Section 800 or Section 600 shall be deemed to preclude the City or the Agency from filing suit against the County if the County approves Development on Mace Ranch Investors Property even though Mace Ranch Investors Property is not subject to the provisions of this Agreement at the time of the approval.

In the event any litigation is initiated attacking the validity of the Project, the Redevelopment Plan, the Final EIR, or the Ordinance, and a judgment becomes final which declares the Project, the Redevelopment Plan, the Final EIR, or the Ordinance invalid, this Agreement shall become null and void.

If as a result of litigation, a final order is entered by a court which requires the County to approve Urban Development:

A. The future payments to be paid the County pursuant to Section 301 shall be reduced as follows:

"a. Forty percent (40%) of the County's Share of the Tax Increments;"

B. The provisions of Section 404 shall not apply; and

C. The Agency and the County agree to amend this Agreement to the extent possible in a manner consistent with the decision and which best implements the intentions and purposes of both parties in entering into this Agreement.

IX. [§900] MISCELLANEOUS

A. The County agrees to continue the existing moratorium on development within the City Planning Area until December 31, 1988, except for the moratorium on lot splits and building permits which shall expire September 30, 1988.

B. The Agency agrees to meet and consult with the County Housing Authority on a continuing basis with regard to Agency Housing Programs for low- and moderate-income persons.

C. Within fifteen (15) days after its submittal to the County, the County shall notify the Agency of all proposed amendments to the County General Plan and amendments to the County zoning ordinance which would, if enacted, change the present use on a parcel of five or more acres within the City Planning Area.

D. This Agreement shall constitute an indebtedness of the Agency incurred in carrying out the Project and a pledging of Tax Increments from the Project to repay such indebtedness under the provisions of Article XVI, Section 16, of the California Constitution and Sections 33670-33677 of the Health and Safety Code.

E. This Agreement shall be effective as of the date that the Ordinance becomes effective. In the event the Ordinance does not become effective by December 31, 1987, or in the event that proceedings to adopt the Redevelopment Plan for the Project are terminated prior to such date, this Agreement shall become null and void.

F. Nothing within this Agreement shall be deemed to prevent, deny or in any way limit the right of the City to amend the City's General Plan.

X. [§1000] AMENDMENT

This Agreement may be amended by the agreement of the Agency, the City and the County. Immediately after approval and execution of this

Agreement, the parties agree to meet as often as is necessary to consider and make any technical amendments to this Agreement. Thereafter the parties agree to regularly consult with each other to carry out the purposes of this Agreement. In addition, all the parties to this Agreement agree to jointly consider reasonable requests for amendments to the List of Permitted Uses (Attachment No. 4) so that additions or deletions thereto can be made which are not inconsistent with the purpose and intent of this Agreement.

XI. [§1001] TRANSFER OF PARCEL

Within one hundred eighty (180) days after the approval and execution of the 2001 Amendments to this Agreement by the Agency, City and County, whichever occurs last, the County shall sell and the City shall purchase the parcel presently used for parking adjacent to the Historic City Hall on F Street, Davis, California (Assessor's Parcel Number 070-251-02) for a price of ONE DOLLAR (\$1). The County shall convey the parcel to the City subject to existing encumbrances and clouds on title, except that, prior to the conveyance, the County shall remove from title to the parcel any financial encumbrances (such as liens or deeds of trust) except for those that may have been created by the City. The County will convey the parcel to the City in its then current "as is" condition without warranty or representation as to the condition of the parcel, improvements thereon or soils or other surface or subsurface materials and without warranty or representation as to the presence or absence in, on or under the parcels of any materials that are or may be classified as hazardous or toxic under any state, local or federal law, regulation or policy.

XII. [§1002] JOINT FIRING RANGE

The City and County shall use good faith efforts to locate suitable property within the unincorporated area of the County as a firing range for public entities.

XIII. [§1003] HEALTH AND JUSTICE BUILDING

Within one hundred eighty (180) days after the approval and execution of the 2001 Amendments by the Agency, City and County, whichever occurs last, the County and City shall amend the lease between the two entities to allow the City to use the space in the Health and Justice Building in accord with the drawing entitled "Uses in Health and Justice Building" attached hereto as Attachment No. 7; however, notwithstanding the use of additional space by the City, the percentage of the debt service to be paid by the City shall not increase from the percentage of the debt service paid by the City that is in effect on the date of approval of these 2001 Amendments by the Agency and the City.

XIV. [§1004] LIBRARY PARCEL WITHIN WALNUT PARK

Within one hundred eighty (180) days after the approval and execution of the 2001 Amendments to this Agreement by the Agency, City and County, whichever occurs last, the City shall sell and the County shall purchase the parcel depicted in Attachment No. 9 ("Library Property") for a price of ONE DOLLAR (\$1). The City shall convey the parcel to the County subject to existing encumbrances and clouds on title, except that, prior to the conveyance, the City shall remove from title to the parcel any financial encumbrances (such as liens or deeds of trust) except for those that may have been created by the County. The City will convey the parcel to the County in its then current "as is" condition without warranty or representation as to the condition of the parcel, improvements thereon or soils or other surface or subsurface materials and without warranty or representation as to the presence or absence in, on or under the parcels of any materials that are or may be classified as hazardous or toxic under any state, local or federal law, regulation or policy. The grant deed shall contain a reversionary clause pursuant to which title to the Library Property reverts to the City if after transfer the Library Property is either not used as a public library within five (5) years from the date of the transfer of the Library Property or, if once used as a public library, ceases to be used as a public library.

XV. [§1005] EFFECTIVE DATE OF THE AMENDMENTS

The effective date of the second sentence of Recital D, Recital L, the last paragraph of Section 500, Sections 1001, 1002, 1003, 1004, 1005, the Existing List of Permitted Uses (Attachment No. 4A), Attachments 6, 7, 9 and 11 of these 2001 Amendments shall take effect upon the approval and execution of this Agreement by the Agency, the City and the County, whichever occurs last. The effective date of the remainder of these 2001 Amendments including the Conditional List of Permitted Uses (Attachment No. 4B) and Attachments 8 and 10 shall be the effective date of amendments to the Redevelopment Plan that amend Section 502 of the Redevelopment Plan to: (a) increase the cumulative total of property taxes allocated to the Agency to THREE HUNDRED FIFTY MILLION DOLLARS (\$350,000,000); and (b) allow the Agency to establish or incur loans, advances or indebtedness until 2017 ("Redevelopment Plan Amendments"). If these Redevelopment Plan Amendments are not effective prior to eighteen (18) months after the date of these 2001 Amendments are approved by the Agency and City or are subsequently determined by a final court of judgment to be void, except for the second sentence of Recital D, Recital L, the last paragraph of Section 500, Sections 1001, 1002, 1003, 1004, 1005, the Existing List of Permitted Uses (Attachment No. 4A), Attachments 6, 7, 9 and 11, these 2001 Amendments shall be void and shall not take effect in which case the Agreement, with the second sentence of Recital D, Recital L, the last paragraph of Section 500, Sections 1001, 1002, 1003, 1004, 1005, the Existing List of Permitted Uses (Attachment No. 4A), and Attachments 6, 7, 9 and 11 shall remain in full force and effect.

IN WITNESS WHEREOF, the Agency, the City and the County have executed this Amended and Restated Agreement as of the date first above written.

REDEVELOPMENT AGENCY OF THE CITY OF DAVIS

By: [Signature]
Chairman

By: [Signature]
Secretary

"AGENCY"

CITY OF DAVIS

By: [Signature]
Mayor

By: [Signature]
City Clerk

"CITY"

COUNTY OF YOLO

By: [Signature]
Chairman, Board of Supervisors
Title: County of Yolo, State of California

"COUNTY"

ATTEST

PATTY CRITTENDEN, CLERK
BOARD OF SUPERVISORS

By

