

SECOND IMPLEMENTING AGREEMENT TO
COOPERATION AGREEMENT NO. 9267
FOR PAYMENT OF COSTS ASSOCIATED WITH CERTAIN RDA FUNDED
CAPITAL IMPROVEMENT AND AFFORDABLE HOUSING PROJECTS

THIS SECOND IMPLEMENTING AGREEMENT (the "Agreement") is entered into this 4th day of March 2011, by and between the CITY OF SANTA MONICA (the "City") and the REDEVELOPMENT AGENCY OF THE CITY OF SANTA MONICA (the "Agency"), with reference to the following facts:

A. On September 1, 2010, the Agency and City entered into that certain Cooperation Agreement For Payment Of Costs Associated With Certain RDA Funded Capital Improvement And Affordable Housing Projects (the "Cooperation Agreement") to provide for and facilitate the repair, restoration and/or replacement of facilities damaged as a result of the 1994 Northridge Earthquake and to perform specific actions necessary to: 1) prevent or mitigate against the effects of a disaster; 2) promote economic and commercial revitalization in the Downtown; and 3) increase, improve and preserve the community's supply of low and moderate income housing, some of which may be located or implemented outside the Redevelopment Project Areas; and, as to all of the afore-mentioned redevelopment projects, to implement the redevelopment plans for the respective redevelopment projects and to expend tax increment to accomplish the goals and objectives of the respective redevelopment projects.

B. On January 17, 2011, the City and the Agency entered into that certain Implementing Agreement to add additional procedures for the orderly implementation of the Cooperation Agreement. The Cooperation Agreement and Implementing Agreement shall be referenced collectively herein as "Cooperation Agreement".

C. The City and Agency now desire to supplement the provisions of the Cooperation Agreement to add provisions that would provide City with an option to purchase certain Agency properties to secure performance of the Agency's obligations under the Cooperation Agreement.

D. The obligations of the Agency under the Cooperation Agreement and this Agreement shall constitute an indebtedness of the Agency for the purpose of carrying out the Redevelopment Plan for the Project Areas. The obligations set forth in the Cooperation Agreement attached hereto as Exhibit 1 and this Agreement are contractual obligations that, if breached, will subject the Agency to damages and other liabilities or remedies.

NOW, THEREFORE, the parties hereto do mutually agree as follows:

I. INTRODUCTORY PROVISIONS

Second Implementing Agreement

I. INTRODUCTORY PROVISIONS

The recitals above are an integral part of this Agreement and set forth the intentions of the parties and the premises on which the parties have decided to enter into this Agreement.

II. AGENCY'S OBLIGATIONS

Concurrently herewith, Agency and City shall execute an Option Agreement (including Memorandum of Option Agreement) substantially in form attached hereto as Exhibit 2. The Memorandum of Option Agreement shall be recorded against those real properties currently owned by the Agency and/or future properties owner by the Agency, to the extent not already pledged as security for outstanding Agency obligations in effect at the time of Agency's execution of this Agreement (collectively, the "Agency Properties"), within thirty (30) days of execution of this Agreement. The Option Agreement shall give City an option to purchase the Agency Properties ("Option"). In the event that City exercises said Option, Agency shall receive a credit against any amounts owed to City under the Cooperation Agreement.

III. CITY'S OBLIGATIONS

In the event that City exercises the Option, the Agency Properties may be used, leased or sold by the City for any municipal purposes, including affordable housing and public improvements, in conformance with the Redevelopment Plans applicable to the Properties.

IV. LIABILITY AND INDEMNIFICATION

In contemplation of the provisions of California Government Code Section 895.2 imposing certain tort liability jointly upon public entities solely by reason of such entities being parties to an agreement as defined by Government Code Section 895, the parties hereto, as between themselves, pursuant to the authorization contained in Government Code Sections 895.4 and 895.6, shall each assume the full liability imposed upon it, or any of its officers, agents or employees, by law for injury caused by negligent or wrongful acts or omissions occurring in the performance of this Agreement to the same extent that such liability would be imposed in the absence of Government Code Section 895.2. To achieve the above-stated purpose, each party indemnifies, defends and holds harmless the other party for any liability, losses, cost or expenses that may be incurred by such other party solely by reason of Government Code Section 895.2.

V. ENTIRE AGREEMENT: WAIVERS AND AMENDMENTS

This Agreement shall be executed in triplicate originals, each of which is deemed to be an original. This Agreement consists of five (5) pages and two (2) exhibits, which, together with the Cooperation Agreement constitute the entire understanding and agreement of the parties.

This Agreement integrates all of the terms and conditions mentioned herein or incidental hereto, and supersedes all negotiations or previous agreements between the parties with respect to the subject matter of this Agreement; provided that this Agreement does not supersede the Cooperation Agreement except as expressly set forth herein.

This Agreement is intended solely for the benefit of the City and the Agency. Notwithstanding any reference in this Agreement to persons or entities other than the City and the Agency, there shall be no third party beneficiaries under this Agreement.

All waivers of the provisions of this Agreement and all amendments to this Agreement must be in writing and signed by the authorized representatives of the parties.

VI. SEVERABILITY

If any term, provisions, covenant or condition of this Agreement is held by a court of competent jurisdiction to be invalid, void or unenforceable, (i) the remainder of the provisions shall continue in full force and effect unless the rights and obligations of the parties have been materially altered or abridged by such invalidation, voiding or unenforceability and (ii) the Cooperation Agreement shall continue in full force and effect.

VII. DEFAULT

If either party fails to perform or adequately perform an obligation required by this Agreement within thirty (30) calendar days of receiving written notice from the non-defaulting party, the party failing to perform shall be in default hereunder. In the event of default, the non-defaulting party will have all the rights and remedies available to it at law or in equity to enforce the provisions of this contract, including without limitation the right to sue for damages for breach of contract. The rights and remedies of the non-defaulting party enumerated in this paragraph are cumulative and shall not limit the non-defaulting party's rights under any other provision of this Agreement, or otherwise waive or deny any right or remedy, at law or in equity, existing as of the date of the Agreement or hereinafter enacted or established, that may be available to the non-defaulting party against the defaulting party. All notices of defaults shall clearly indicate a notice of default under this Agreement.

VIII. BINDING ON SUCCESSORS

This Agreement and the Cooperation Agreement shall be binding on and shall inure to the benefit of all successors and assigns of the parties, whether by agreement or operation of law.

IX. EFFECT ON COOPERATION AGREEMENT

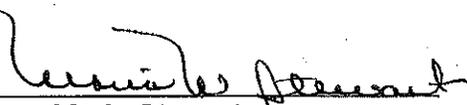
Except as expressly set forth herein, the Cooperation Agreement shall continue in full force and effect in accordance with its terms.

IN WITNESS WHEREOF, the parties have executed this Agreement as of the date first set forth above.

Attest:

CITY OF SANTA MONICA

By:



Maria Stewart
City Clerk

By:

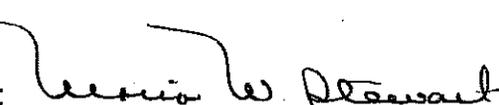


Rod Gould
City Manager

Attest:

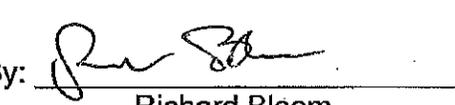
REDEVELOPMENT AGENCY OF
THE CITY OF SANTA MONICA

By:



Maria Stewart
Secretary

By:



Richard Bloom
Agency Chair

APPROVED AS TO FORM:

By: *Marsha Jones Moutrie*
Marsha Jones Moutrie
City Attorney

APPROVED AS TO FORM:
Kane Ballmer & Berkman

By: *Murray O. Kane*
Murray O. Kane
Agency Special Counsel

Exhibit 1

COOPERATION AGREEMENT

[behind this page]

COOPERATION AGREEMENT
FOR PAYMENT OF COSTS ASSOCIATED WITH CERTAIN RDA FUNDED
CAPITAL IMPROVEMENT AND AFFORDABLE HOUSING PROJECTS

September
1st THIS COOPERATION AGREEMENT (the "Agreement") is entered into this day of August 2010, by and between the CITY OF SANTA MONICA (the "City") and the REDEVELOPMENT AGENCY OF THE CITY OF SANTA MONICA (the "Agency"), with reference to the following facts:

A. The Agency has prepared Redevelopment Plans for the Santa Monica Earthquake Recovery Redevelopment Project, the Downtown Redevelopment Project, and Ocean 1A and 1B Redevelopment Projects (the "Project Areas"), which results in the allocation of taxes from the Project Areas to the Agency for purposes of redevelopment.

B. The intent of the Redevelopment Plans is, in part, (i) as to the Earthquake Recovery Redevelopment Project, to provide for and facilitate the repair, restoration and/or replacement of facilities damaged as a result of the 1994 Northridge Earthquake and to perform specific actions necessary to: 1) prevent or mitigate against the effects of a disaster; 2) promote economic and commercial revitalization in the Downtown; and 3) increase, improve and preserve the community's supply of low and moderate income housing, some of which may be located or implemented outside the Redevelopment Project Areas; (ii) as to all of the afore-mentioned redevelopment projects, to implement the redevelopment plans for the respective redevelopment projects and to expend tax increment to accomplish the goals and objectives of the respective redevelopment projects.

C. On November 17, 2009, the Agency adopted its Five-Year Implementation Plan (the "Plan") for the period of FY 2009-10 through FY 2013-14, with established goals to support affordable housing, disaster prevention and mitigation, community revitalization, commercial revitalization, and institutional revitalization. To implement the programs and activities associated with each goal, the Agency made redevelopment fund allocations based on estimated available tax increment revenue and debt financing structures.

D. Pursuant to California Redevelopment law, section 33220(e), certain public bodies, including the City may aid and cooperate in the planning, undertaking, construction, or operation of redevelopment projects. Collectively, the projects associated with this Agreement are listed in the attached adopted resolutions, Exhibit 1, which are incorporated herein by this reference (the "Projects"). The programs and activities associated with the Projects include acquisition, development of design criteria, design, planning, preparation of construction bid documents, financial analysis, new construction or rehabilitation. To carry out the Projects in accordance with the

objectives and purposes of the redevelopment plans for the Project Areas and the Plan, the Agency desires assistance and cooperation in the implementation and completion of the Projects. The City agrees to aid the Agency and cooperate with the Agency to expeditiously implement the Projects in accordance with the redevelopment plans for the Project Areas and the Plan and undertake and complete all actions necessary or appropriate to ensure that the objectives of the redevelopment plans for the Project Areas and the Plan are fulfilled within the time effectiveness of the Project Areas.

E. In considering the Agency's desire to ensure timely implementation and completion of the Projects, the Agency wishes to enter into this Agreement with the City for the pledge of net available tax increment to finance the Projects, including without limitation, the Tier One Capital Improvement Projects, the Tier Two Capital Improvement and the Tier One and Tier Two Affordable Housing Projects (collectively the "Projects"). The purpose of this Agreement is to facilitate the implementation of the Projects and to provide funding necessary to effectuate the completion of the Projects with net available tax increment in this current fiscal year and forthcoming fiscal years, until the expiration of the Earthquake Recovery Redevelopment Project area in 2042, the Downtown Redevelopment Project area in 2029 and the Ocean Park 1A and 1B Redevelopment Project areas in 2022, and until the last date for receipt of tax increments by the Agency for each of the respective redevelopment projects.

F. Net available tax increment is defined as any available tax increment, net of statutory pass-through payments, set-asides for affordable housing, debt service payments, and existing contractual obligations. The pledge of net available tax increment will constitute obligations to make payments authorized and incurred pursuant to Section 33445. The obligations set forth in this Agreement will be contractual obligations that, if breached, will subject the Agency to damages and other liabilities or remedies.

G. The City Council (the "Council") and the Agency by resolution have each found that the use of Agency redevelopment funding for the Projects is in accordance with Section 33445 of the California Community Redevelopment Law (Health & Safety Code Section 33000 *et seq.*) ("CRL") and Section 33445(a) of the CRL and other applicable law. The said Council and Agency resolutions are each based on the authority of the Agency, with the consent of the Council, to pay all or part of the cost of the installation and construction of any building, facility, structure, or other improvements which is publicly owned either within or outside a project area, if the Council makes certain determinations.

H. On August 10, 2010, in adopting Resolutions No. 10519 (CCS) and 527 (RAS), the Agency and Council made findings and determinations which affirm that the improvements of the Projects are of benefit to the Project Areas, that there are no other reasonable means available for the City to complete the financing for the Projects; that the Projects will assist the recovery from and the elimination of one or more of the conditions resulting from the Earthquake Recovery Redevelopment Project, the Downtown Redevelopment Project, and Ocean Park 1A and 1B Projects; and that the

Projects are consistent with the Agency's Five-Year Implementation Plan adopted pursuant to Section 33490 of the CRL. In addition, and by approving and entering into this Agreement, the Agency has approved the pledge of net available tax increment from the Project Areas to pay for the Projects.

I. The obligations of the Agency under this Agreement shall constitute an indebtedness of the Agency for the purpose of carrying out the Redevelopment Plan for the Project Areas.

NOW, THEREFORE, the parties hereto do mutually agree as follows:

I. INTRODUCTORY PROVISIONS

The recitals above are an integral part of this Agreement and set forth the intentions of the parties and the premises on which the parties have decided to enter into this Agreement.

II. AGENCY'S OBLIGATIONS - TIER ONE CAPITAL IMPROVEMENT PROJECTS

The Tier One Capital Improvement Projects are those projects which are listed on page 7 of the attached resolutions (Exhibit 1). The Agency agrees to pay to the City an amount equal to the cost to the City to carry out the Tier One Projects, including without limitation all costs incurred by the City for the planning, financing, development, permitting, design, site testing, bidding, construction and construction management of the Capital Improvements. The Agency's obligations under this Agreement, including without limitation the Agency's obligation to make the payments to the City required by this Agreement, shall constitute an indebtedness of the Agency for the purpose of carrying out the redevelopment of the Project Areas and are obligations to make payments authorized and incurred pursuant to Section 33445. The obligations of the Agency set forth in this Agreement are contractual obligations that, if breached, will subject the Agency to damages and other liabilities or remedies.

The obligations of Agency under this Agreement shall be payable only out of net available tax increments, as defined in the above recitals, levied by or for the benefit of taxing agencies in the Redevelopment Project Areas, and allocated to the Agency pursuant to Section 33670, et seq., of the California Community Redevelopment Law.

The indebtedness of Agency under this Agreement shall be subordinate to the rights of the holder or holders of any existing or future bonds, notes or other instruments of indebtedness (all referred to herein as "indebtedness") of Agency incurred or issued to finance the Redevelopment Project Areas, including without limitation any pledge of tax increment revenues from the Redevelopment Project Areas to pay any portion of the principal (and otherwise comply with the obligations and covenants) of any bond or bonds issued or sold by Agency with respect to the Redevelopment Project Areas.

All payments due to be made by the Agency to the City under this Agreement shall be made by the Agency within ninety (90) days of receipt by the Agency of written demand therefore from the City. Such City written demand shall be accompanied by evidence reasonably satisfactory to the Agency's Executive Director that the City has progressed in the development and construction of the Project for which payment is sought commensurate with such requested payment and has incurred costs or obligations to make payments equal to or greater than such requested amount.

III. AGENCY'S OBLIGATIONS - TIER TWO CAPITAL IMPROVEMENT PROJECTS

The Tier Two Capital Improvement Projects are those projects which are listed on pages 7 thru 9 of the attached resolutions (Exhibit 1). The Agency agrees to pay to the City an amount equal to the cost to the City to carry out the Tier Two Capital Improvement Projects, including without limitation all costs incurred by the City for the planning, financing, development, permitting, design, site testing, bidding, construction and construction management of the Tier Two Projects. The Agency's obligations under this Agreement, including without limitation the Agency's obligation make the payments to the City required by this Agreement, shall constitute an indebtedness of the Agency for the purpose of carrying out the redevelopment of the Project Areas and are obligations to make payments authorized and incurred pursuant to Section 33445. The obligations of the Agency set forth in this Agreement are contractual obligations that, if breached, will subject the Agency to damages and other liabilities or remedies.

The obligations of Agency under this Agreement shall be payable only out of net available tax increments, as defined in the above recitals, levied by or for the benefit of taxing agencies in the Redevelopment Project Areas, and allocated to the Agency pursuant to Section 33670, et seq., of the California Community Redevelopment Law.

The indebtedness of Agency under this Agreement shall be subordinate to the rights of the holder or holders of any existing or future bonds, notes or other instruments of indebtedness (all referred to herein as "indebtedness") of Agency incurred or issued to finance the Redevelopment Project Areas, including without limitation any pledge of tax increment revenues from the Redevelopment Project Areas to pay any portion of the principal (and otherwise comply with the obligations and covenants) of any bond or bonds issued or sold by Agency with respect to the Redevelopment Project Areas.

All payments due to be made by the Agency to the City under this Agreement shall be made by the Agency within ninety (90) days of receipt by the Agency of written demand therefore from the City. Such City written demand shall be accompanied by evidence reasonably satisfactory to the Agency's Executive Director that the City has progressed in the development and construction of the Project for which payment is sought commensurate with such requested payment and has incurred costs or obligations to make payments equal to or greater than such requested amount.

IV. AGENCY'S OBLIGATIONS - TIER ONE AND TIER TWO AFFORDABLE HOUSING PROJECTS

The Tier One and Tier Two Affordable Housing Projects are those projects which are listed on pages 7 through 9 of the attached resolutions (Exhibit 1). The Agency agrees to pay to the City an amount equal to the cost to the City to carry out the Tier One and Tier Two Affordable Housing Projects, including without limitation all costs incurred by the City for the planning, financing, development, permitting, design, site testing, bidding, construction and construction management of the Affordable Housing Projects. The Agency's obligations under this Agreement, including without limitation the Agency's obligation make the payments to the City required by this Agreement, shall constitute an indebtedness of the Agency for the purpose of carrying out the redevelopment of the Project Areas and are obligations to make payments authorized and incurred pursuant to Section 33445. The obligations of the Agency set forth in this Agreement are contractual obligations that, if breached, will subject the Agency to damages and other liabilities or remedies.

The obligations of Agency under this Agreement shall be payable only out of net available tax increments, as defined in the above recitals, levied by or for the benefit of taxing agencies in the Redevelopment Project Areas, and allocated to the Agency pursuant to Section 33670, et seq., of the California Community Redevelopment Law.

The indebtedness of Agency under this Agreement shall be subordinate to the rights of the holder or holders of any bonds, notes or other instruments of indebtedness (all referred to herein as "indebtedness") of Agency incurred or issued to finance the Redevelopment Project Areas, including without limitation any pledge of tax increment revenues from the Redevelopment Project Areas to pay any portion of the principal (and otherwise comply with the obligations and covenants) of any bond or bonds issued or sold by Agency with respect to the Redevelopment Project Areas.

All payments due to be made by the Agency to the City under this Agreement shall be made by the Agency within ninety (90) days of receipt by the Agency of written demand therefore from the City. Such City written demand shall be accompanied by evidence reasonably satisfactory to the Agency's Executive Director that the City has progressed in the development and construction of the Project for which payment is sought commensurate with such requested payment and has incurred costs or obligations to make payments equal to or greater than such requested amount.

V. CITY'S OBLIGATIONS

1. The City shall accept any funds offered by the Agency pursuant to this Agreement and shall devote those funds to completion of the Projects.

2. It is the responsibility of City to pay all development and construction costs in connection with the Projects from funds paid to the City by the Agency under this Agreement.

3. The City shall perform its obligations hereunder in accordance with the applicable provisions of federal, state and local laws, including the obligation to comply with environmental laws such as CEQA.

VI. LIABILITY AND INDEMNIFICATION

In contemplation of the provisions of California Government Code Section 895.2 imposing certain tort liability jointly upon public entities solely by reason of such entities being parties to an agreement as defined by Government Code Section 895, the parties hereto, as between themselves, pursuant to the authorization contained in Government Code Sections 895.4 and 895.6, shall each assume the full liability imposed upon it, or any of its officers, agents or employees, by law for injury caused by negligent or wrongful acts or omissions occurring in the performance of this Agreement to the same extent that such liability would be imposed in the absence of Government Code Section 895.2. To achieve the above-stated purpose, each party indemnifies, defends and holds harmless the other party for any liability, losses, cost or expenses that may be incurred by such other party solely by reason of Government Code Section 895.2.

VII. ENTIRE AGREEMENT: WAIVERS AND AMENDMENTS

This Agreement shall be executed in triplicate originals, each of which is deemed to be an original. This Agreement consists of eight (8) pages, which constitute the entire understanding and agreement of the parties.

This Agreement integrates all of the terms and conditions mentioned herein or incidental hereto, and supercedes all negotiations or previous agreements between the parties with respect to the subject matter of this Agreement.

This Agreement is intended solely for the benefit of the City and the Agency. Notwithstanding any reference in this Agreement to persons or entities other than the City and the Agency, there shall be no third party beneficiaries under this Agreement.

All waivers of the provisions of this Agreement and all amendments to this Agreement must be in writing and signed by the authorized representatives of the parties.

VIII. SEVERABILITY

If any term, provisions, covenant or condition of this Agreement is held by a court of competent jurisdiction to be invalid, void or unenforceable, the remainder of the provisions shall continue in full force and effect unless the rights and obligations of the

parties have been materially altered or abridged by such invalidation, voiding or unenforceability.

IX. DEFAULT

If either party fails to perform or adequately perform an obligation required by this Agreement within thirty (30) calendar days of receiving written notice from the non-defaulting party, the party failing to perform shall be in default hereunder. In the event of default, the non-defaulting party will have all the rights and remedies available to it at law or in equity to enforce the provisions of this contract, including without limitation the right to sue for damages for breach of contract. The rights and remedies of the non-defaulting party enumerated in this paragraph are cumulative and shall not limit the non-defaulting party's rights under any other provision of this Agreement, or otherwise waive or deny any right or remedy, at law or in equity, existing as of the date of the Agreement or hereinafter enacted or established, that may be available to the non-defaulting party against the defaulting party. All notices of defaults shall clearly indicate a notice of default under this Agreement.

IN WITNESS WHEREOF, the parties have executed this Agreement as of the date first set forth above.

Attest:

CITY OF SANTA MONICA

By: Maria Stewart (s)
Maria Stewart
City Clerk

By: [Signature]
Rod Gould
City Manager

Attest:

REDEVELOPMENT AGENCY OF
THE CITY OF SANTA MONICA

By: Maria Stewart
Maria Stewart
Secretary

By: Bobby Shriver
Bobby Shriver
Agency Chair

APPROVED AS TO FORM:

By: Marsha Jones Moutrie
Marsha Jones Moutrie
City Attorney

APPROVED AS TO FORM:
Kane Ballmer & Berkman

By: Murray O. Kane
Murray O. Kane
Agency Special Counsel

Attest:

REDEVELOPMENT AGENCY OF
THE CITY OF SANTA MONICA

By: _____
Maria Stewart
Secretary

By: _____
Bobby Shriver
Agency Chair

APPROVED AS TO FORM:

By: _____
Marsha Jones Moutrie
City Attorney

APPROVED AS TO FORM:
Kane Ballmer & Berkman

By: Murray O. Kane
Murray O. Kane
Agency Special Counsel

ATTACHMENT A

City Council Meeting 8-10-10 Santa Monica, California

RESOLUTION NUMBER 10519 (CCS)

(City Council Series)

A RESOLUTION OF THE CITY COUNCIL
OF THE CITY OF SANTA MONICA
CONSENTING TO THE USE OF REDEVELOPMENT AGENCY
FUNDS FOR PAYMENT OF COSTS ASSOCIATED WITH THE
RDA FUNDED PROJECTS IN THE AGENCY'S CURRENT AND
PROSPECTIVE FIVE-YEAR IMPLEMENTATION PLANS AND
MAKING CERTAIN FINDINGS PURSUANT TO HEALTH AND
SAFETY CODE SECTIONS 33445 AND 33334.2

WHEREAS, the Redevelopment Agency of the City of Santa Monica (the "Agency") has prepared Redevelopment Plans for the Santa Monica Earthquake Recovery Redevelopment Project, the Downtown Redevelopment Project, and Ocean Park 1A and 1B Redevelopment Projects (the "Redevelopment Plans") which would result in the allocation of taxes from the Santa Monica Earthquake Recovery Redevelopment Project Area, the Downtown Redevelopment Project Area, and Ocean Park 1A and 1B Redevelopment Project Areas (the "Project Areas") to the Agency for the purposes of redevelopment; and

WHEREAS, the intent of the Redevelopment Plans is, in part, to provide for and facilitate the repair, restoration and/or replacement of facilities damaged as a result of a 1994 Northridge Earthquake and to perform specific actions necessary to prevent or

mitigate against the effects of a disaster; 2) promote economic and commercial revitalization in the Downtown; and 3) increase, improve and preserve the community's supply of low and moderate income housing, some of which may be located or implemented outside of a Redevelopment Project Areas; and

WHEREAS, pursuant to Section 33445 and 33679 of the California Community Redevelopment Law (Health & Safety Code Section 33000 *et seq.*) ("CRL"), with the consent of City Council ("Council") after a duly noticed public hearing, the Agency may pay all or part of the cost of land and construction of any building, facility, structure or other improvement which is publicly owned either within or outside a project area, if the Council makes certain determinations; and

WHEREAS, the Agency wishes to delegate to the City of Santa Monica (the "City") the Agency's authority to carry out the acquisition, development of design criteria, design, planning, preparation of construction bid documents, financial analysis, construction or rehabilitation associated with the programs and activities (collectively, the "Projects" and presented in Exhibit 1) and the City wishes to accept that delegation, pursuant to Section 33205 of the Health and Safety Code; and

WHEREAS, a joint public hearing of the City and Agency on the proposed Cooperation Agreement (the "Agreement") was noticed in accordance with the requirements of 33445 and 33679; and

WHEREAS, the Summary Report meeting the requirements of Health and Safety Code Section 33679 was available for public inspection consistent with the requirements of Health and Safety Code Section 33679; and

WHEREAS, on August 10, 2010, the City and Agency held a joint public hearing on the proposed Agreement, at which time the Council reviewed and evaluated all of the information, testimony and evidence presented during the joint public hearing; and

WHEREAS, all actions required by all applicable law with respect to the proposed Agreement have been taken in appropriate and timely manner; and

WHEREAS, Council has reviewed the Summary Report required pursuant to Health and Safety Code Section 33679 and evaluated other information provided to it pertaining to the findings required pursuant to Health and Safety Code Section 33445 and 33679; and

WHEREAS, the Projects are of benefit to the Project Areas and the immediate neighborhood in which the Projects are located;

WHEREAS, the Cooperation Agreement will provide that actual payment for the Projects will be contingent upon their preparation in accordance with the applicable provisions of federal, state and local laws, including the obligation to comply with environmental laws such as CEQA and the Santa Monica-Malibu Unified School District's compliance with Health and Safety Code Section 33445; and

WHEREAS, since there are no reasonable means available to the City to complete the financing of the Projects; and

WHEREAS, the improvements and related work efforts of the Projects are consistent with the Agency's Five-Year Implementation Plan in that they help achieve the goals as set forth in the Implementation Plan; and

WHEREAS, the Agency wishes to fund the Projects with a pledge of net available tax increment funds from the Project Areas available this current fiscal year and forthcoming fiscal years, until the expiration of the Earthquake Recovery Redevelopment Project area in 2042, the Downtown Redevelopment Project area in 2029 and the Ocean Park 1A and 1B Redevelopment Project areas in 2022; and

WHEREAS, the City and Agency have proposed to enter into a Cooperation Agreement to provide a means of carrying out the Projects; and

WHEREAS, the Agency may use its Housing Funds to assist in the financing of those Projects that increase, improve and preserve the community's supply of low and moderate income housing, some of which may be located or implemented outside of the Redevelopment Project Areas and Section 33334.2(g) of the California Health and Safety Code requires requiring a finding by resolution that the Agency's use of its Housing Funds outside of a Redevelopment Project Areas will be of benefit to the Project Areas;

WHEREAS, the Agency may use its non-housing funds to assist in the financing of those Projects that increase, improve and preserve the community's supply of low and moderate income housing, some of which may be located or implemented outside of the Redevelopment Project Areas;

WHEREAS, all other legal prerequisites to the adoption of this resolution have occurred.

NOW, THEREFORE, THE CITY COUNCIL OF THE CITY OF SANTA MONICA

DOES RESOLVE AS FOLLOWS:

SECTION 1. Based on substantial evidence in the record, the City Council hereby finds and determines:

- (1) that the foregoing recitals are true and correct;
- (2) that the Projects are of benefit to the Project Areas;
- (3) that there are no other reasonable means available other than those to be set forth in the Cooperation Agreement to finance the Projects;
- (4) that the payment of funds for the Projects will assist in the recovery from and the elimination of one or more of the conditions resulting from the Earthquake Recovery Redevelopment Project, the Downtown Redevelopment Project, and Ocean Park 1A and 1B Redevelopment Projects;
- (5) the Agency's allocation and use of Housing Funds and Non-Housing Funds for the purpose of funding affordable housing projects and programs which may be located outside of the Project Areas will be a benefit to the Project Areas;
- (6) that the Projects and related work efforts are consistent with the implementation plan adopted pursuant to Section 33490 of the California Redevelopment Law.

SECTION 2. The City hereby consents to the use of Agency funds from the Project Areas for the Projects and other improvements for the Projects.

SECTION 3. The City Manager is hereby authorized to execute the Cooperation Agreement on behalf of the City. The City Manager is authorized to take any action and execute any and all documents and agreements necessary to implement that Agreement.

SECTION 4. The City Clerk shall certify the adoption of this Resolution and thenceforth and thereafter the same shall be in full force and effect.

APPROVED AS TO FORM:


MARSHA JONES MOUTRIE
City Attorney

Exhibit 1

The costs associated with the Projects are current estimates based on approximate costs in 2010 dollars.

Tier 1 Improvements

- Affordable Housing – new construction and rehab – project area-wide: \$43.6 million
- Civic Center Planning and Design – community revitalization: \$2.5 million
- Palisades Garden Walk and Town Square- community revitalization: \$60 million
- Civic Center Auditorium Renovation – community revitalization: \$70 million
- Civic Auditorium District Projects- community revitalization: \$197 million
- Early Childhood Education Center-community revitalization: \$12.6 million
- Civic Center Freeway Capping - community revitalization: \$165 million
- Expo Green Streets and Pathways: \$32 million
- Santa Monica High School Joint-Use Project (also known as the Civic Center Joint-Use Project at Santa Monica High) - institutional revitalization: \$57 million
- Civic Center Shared Parking-community and commercial revitalization: \$50 million
- Downtown Strategic Plan Property Acquisition- community revitalization: \$27 million
- Traffic Signal Master Plan- community and commercial revitalization: \$4.4 million
- Memorial Park Expansion-community revitalization: \$40 million
- Pico Neighborhood Branch Library-community revitalization: \$12.8 million
- Expo Light Rail Station enhancements- community and commercial revitalization: \$31 million

Tier 2 Improvements

Affordable Housing

- Acquisition, rehabilitation, deed restriction of existing apartments – project area: \$237 million
- Affordable family housing – new construction – project area: \$97 million
- Affordable senior housing – new construction – project area: \$63 million
- Affordable special needs housing – new construction – project area: \$77 million
- Acquisition, rehabilitation, deed restriction of existing apartments – Citywide: \$378 million
- Affordable family housing – new construction – Citywide: \$112 million
- Affordable senior housing – new construction – Citywide: \$78 million
- Affordable special needs housing – new construction – Citywide: \$53 million
- Workforce housing demonstration project – property acquisition: \$37 million

Disaster Prevention and Mitigation

- Fire Station #1 Essential Public Facility Redevelopment: \$50 million
- Fire Station #3 Essential Public Facility Redevelopment: \$25 million
- Emergency Preparedness Training Facility: \$18 million
- Facility for Public Safety Equipment Accessibility: \$5 million
- Newcomb and Municipal Pier reconstruction: \$21 million
- Pier Bridge replacement: \$27 million
- Streetlight retrofits – project area-wide: \$15 million

Community Revitalization

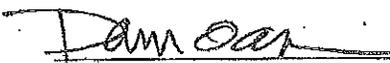
- Open Space Element implementation – property acquisition: \$95 million
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- Open Space Element implementation – park rehabilitation: \$46 million
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- School grounds joint-use recreational and cultural improvements: \$180 million
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- Broadway Corridor streetscape improvements: \$16 million
- Downtown Urban Design Plan implementation: \$73 million
- Green Alleys program – project area-wide: \$129 million
- Green Streets program – project area-wide: \$137 million
- Neighborhood streetscape improvements – project area-wide: \$43 million
- Freeway capping – 4th Street to Lincoln: \$173 million
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- Transit public service facility: \$3 million

Commercial Revitalization

- Downtown Parking Strategy implementation – property acquisition: \$117 million
- Downtown Parking Strategy implementation: \$120 million
- Downtown Parking information system: \$3 million
- Lincoln Corridor streetscape improvements: \$17 million

- Lincoln Corridor improvements – property acquisition: \$65 million
- Lincoln Corridor improvements – public parking: \$76 million
- Pico Corridor improvements – property acquisition: \$49 million
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- Santa Monica Corridor improvements – property acquisition: \$57 million
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- Olympic Corridor streetscape improvements: \$19 million
- Colorado Corridor improvements – streetscape: \$9 million
- Colorado Corridor improvements – property acquisition: \$43 million
- Colorado Corridor improvements – public parking: \$41 million
- Wilshire Corridor improvements – property acquisition: \$86 million
- Wilshire Corridor improvements – public parking: \$48 million
- Light-rail-serving street improvements: \$129 million
- Light-rail station/activity center -shared parking: \$90 million
- Light-rail station transit-oriented development-property acquisition: \$23 million

Adopted and approved this 10th day of August, 2010.


Pam O'Connor, Mayor Pro Tem

I, Maria Stewart, City Clerk of the City of Santa Monica, do hereby certify that the foregoing Resolution No. 10519 (CCS) was duly adopted at a meeting of the Santa Monica City Council held on the 10th day of August, 2010, by the following vote:

Ayes: Council members: McKeown, O'Day, Davis, Holbrook, Bloom
Mayor Pro Tem O'Connor

Noes: Council members: None

Absent: Council members: Mayor Shriver

ATTEST:


Maria Stewart, City Clerk

ATTACHMENT B

Redevelopment Agency Meeting 8-10-10 Santa Monica, California

RESOLUTION NUMBER 527 (RAS)

(Redevelopment Series)

RESOLUTION OF THE REDEVELOPMENT AGENCY
CONSENTING TO THE USE OF AGENCY FUNDS FOR
PAYMENT OF COSTS ASSOCIATED WITH THE RDA FUNDED
PROJECTS IN THE AGENCY'S CURRENT AND PROSPECTIVE
FIVE-YEAR IMPLEMENTATION PLANS AND MAKING CERTAIN
FINDINGS PURSUANT TO HEALTH AND SAFETY CODE
SECTIONS 33445 AND 33334.2

WHEREAS, the Redevelopment Agency of the City of Santa Monica (the "Agency") has prepared a Redevelopment Plan for the Santa Monica Earthquake Recovery Redevelopment Project, the Downtown Redevelopment Project, and Ocean Park 1A and 1B Redevelopment Projects (the "Redevelopment Plans") which would result in the allocation of taxes from the Santa Monica Earthquake Recovery Redevelopment Project Area, the Downtown Redevelopment Project Area, and Ocean Park 1A and 1B Redevelopment Project Areas (the "Project Areas") to the Agency for the purposes of redevelopment; and

WHEREAS, the intent of the Redevelopment Plans is, in part, 1) to provide for and facilitate the repair, restoration and/or replacement of facilities damaged as a result of a 1994 Northridge Earthquake and to perform specific actions necessary to prevent or mitigate against the effects of a disaster; 2) promote economic and commercial

revitalization in the Downtown; and 3) increase, improve and preserve the community's supply of low and moderate income housing, some of which may be located or implemented outside of a Redevelopment Project Area;

WHEREAS, pursuant to Section 33445 and 33679 of the California Community Redevelopment Law (Health & Safety Code Section 33000 *et seq.*) ("CRL"), with the consent of City Council ("Council") after a duly noticed public hearing, the Agency may pay all or part of the cost of land and construction of any building, facility, structure or other improvement which is publicly owned either within or outside a project area, if the City Council makes certain determinations; and

WHEREAS, the Agency wishes to delegate to the City of Santa Monica (the "City") the Agency's authority to carry out the acquisition, development of design criteria, design, planning, preparation of construction bid documents, financial analysis and new construction or rehabilitation associated with the programs and activities (collectively, the "Projects" and presented in Exhibit 1) and the City wishes to accept that delegation; pursuant to Section 33205 of the Health and Safety Code; and

WHEREAS, a joint public hearing of the City and Agency on the proposed Cooperation Agreement (the "Agreement") was noticed in accordance with the requirements of 33445 and 33679; and

WHEREAS, the Summary Report meeting the requirements of Health and Safety Code Section 33679 was available for public inspection consistent with the requirements of Health and Safety Code Section 33679; and

WHEREAS, on August 10, 2010, the City and Agency held a joint public hearing on the proposed Agreement, at which time the Council reviewed and evaluated all of the information, testimony and evidence presented during the joint public hearing; and

WHEREAS, all actions required by all applicable law with respect to the proposed Agreement have been taken in an appropriate and timely manner; and

WHEREAS, Council has reviewed the Summary Report required pursuant to Health and Safety Code Section 33679 and evaluated other information provided to it pertaining to the findings required pursuant to Health and Safety Code Section 33445 and 33679; and

WHEREAS, the Projects are of benefit to the Project Areas and the immediate neighborhood in which the Projects are located; and

WHEREAS, the Cooperation Agreement will provide that actual payment for the Projects will be contingent upon their preparation in accordance with the applicable provisions of federal, state and local laws, including the obligation to comply with environmental laws such as CEQA and the Santa Monica-Malibu Unified School District's compliance with Health and Safety Code Section 33445; and

WHEREAS, since there are no reasonable means available to the City to complete the financing of the Projects; and

WHEREAS, the improvements and related work efforts of the Projects are consistent with the Agency's Five-Year Implementation Plan in that they help achieve the goals as set forth in the Implementation Plan; and

WHEREAS, the Agency wishes to fund the Projects with a pledge of net available tax increment funds from the Project Areas available this current fiscal year and forthcoming fiscal years, until the expiration of the Earthquake Recovery Redevelopment Project area in 2042, the Downtown Redevelopment Project area in 2029 and the Ocean Park 1A and 1B Redevelopment Project areas in 2022; and

WHEREAS, the City and Agency have proposed to enter into a Cooperation Agreement to provide a means of carrying out the Projects; and

WHEREAS, the Agency may use its Housing Funds to assist in the financing of those Projects that increase, improve and preserve the community's supply of low and moderate income housing, some of which may be located or implemented outside of the Redevelopment Project Areas and Section 33334.2(g) of the California Health and Safety Code requires requiring a finding by resolution that the Agency's use of its Housing Funds outside of a Redevelopment Project Area will be of benefit to the Project Areas;

WHEREAS, the Agency may use its non-housing funds to assist in the financing of those Projects that increase, improve and preserve the community's supply of low and moderate income housing; some of which may be located or implemented outside of the Redevelopment Project Areas;

WHEREAS, all other legal prerequisites to the adoption of this resolution have occurred.

NOW, THEREFORE, THE REDEVELOPMENT AGENCY OF THE CITY OF

SANTA MONICA DOES RESOLVE AS FOLLOWS:

SECTION 1. Based on substantial evidence in the record, the Agency hereby finds and determines:

- (1) that the foregoing recitals are true and correct;
- (2) that the Projects are of benefit to the Project Areas;
- (3) that there are no other reasonable means available other than those to be set forth in the Cooperation Agreement to finance the Projects;
- (4) that the payment of funds for the Projects will assist in the recovery from and the elimination of one or more of the conditions resulting from the Earthquake Recovery Redevelopment Project, the Downtown Redevelopment Project, and Ocean Park 1A and 1B Redevelopment Projects;
- (5) the Agency's allocation and use of Housing Funds and Non-Housing for the purpose of funding affordable housing projects and programs which may be located outside of the Project Area will be a benefit to the Project Areas;
- (6) that the Projects and their related work efforts are consistent with the implementation plan adopted pursuant to Section 33490 of the California Redevelopment Law.

SECTION 2. The Agency hereby consents to the use of Agency funds from the Project Areas for the costs associated with the Projects.

SECTION 3. The Agency Executive Director is hereby authorized to execute the Cooperation Agreement on behalf of the Agency. The Agency Executive Director is authorized to take any action and execute any and all documents and agreements necessary to implement that Agreement.

SECTION 4. The Secretary of the Agency shall certify the adoption of this Resolution and thenceforth and thereafter the same shall be in full force and effect.

APPROVED AS TO FORM:

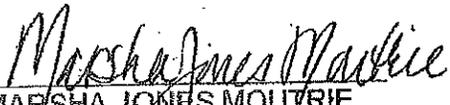

MARSHA JONES MOUTRIE
General Council

Exhibit 1

The costs associated with the Projects are current estimates based on approximate costs in 2010 dollars.

Tier 1 Improvements

- Affordable Housing – new construction and rehab – project area-wide: \$43.6 million
- Civic Center Planning and Design – community revitalization: \$2.5 million
- Palisades Garden Walk and Town Square- community revitalization: \$60 million
- Civic Center Auditorium Renovation – community revitalization: \$70 million
- Civic Auditorium District Projects- community revitalization: \$197 million
- Early Childhood Education Center-community revitalization: \$12.6 million
- Civic Center Freeway Capping - community revitalization: \$165 million
- Expo Green Streets and Pathways: \$32 million
- Santa Monica High School Joint-Use Project (also known as the Civic Center Joint-Use Project at Santa Monica High) - institutional revitalization: \$57 million
- Civic Center Shared Parking-community and commercial revitalization: \$50 million
- Downtown Strategic Plan Property Acquisition- community revitalization: \$27 million
- Traffic Signal Master Plan- community and commercial revitalization: \$4.4 million
- Memorial Park Expansion-community revitalization: \$40 million
- Pico Neighborhood Branch Library-community revitalization: \$12.8 million
- Expo Light Rail Station enhancements- community and commercial revitalization: \$31 million

Tier 2 Improvements

Affordable Housing

- Acquisition, rehabilitation, deed restriction of existing apartments – project area: \$237 million
- Affordable family housing – new construction – project area: \$97 million
- Affordable senior housing – new construction – project area: \$63 million
- Affordable special needs housing – new construction – project area: \$77 million
- Acquisition, rehabilitation, deed restriction of existing apartments – Citywide: \$378 million
- Affordable family housing – new construction – Citywide: \$112 million
- Affordable senior housing – new construction – Citywide: \$78 million
- Affordable special needs housing – new construction – Citywide: \$53 million
- Workforce housing demonstration project – property acquisition: \$37 million

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- Fire Station #1 Essential Public Facility Redevelopment: \$50 million
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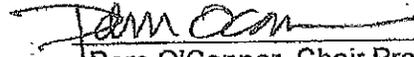
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- Light-rail station transit-oriented development-property acquisition: \$23 million

Adopted and approved this the 10th day of August, 2010.


Pam O'Connor, Chair Pro Tem

I, Maria M. Stewart, City Clerk of Santa Monica, do hereby certify that the foregoing Resolution No. 527 (RAS) was duly adopted at a special meeting of the Redevelopment Agency held on the 10th day of August, 2010, by the following vote:

Ayes:	Agency members:	McKeown, O'Day, Davis, Holbrook, Bloom Chair Pro Tem O'Connor
Noes:	Agency members:	None
Absent:	Agency members:	Chair Shriver

ATTEST:

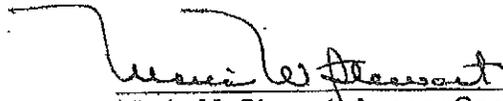

Maria M. Stewart, Agency Secretary

Exhibit 2

FORM OF OPTION AGREEMENT

[behind this page]

OPTION AGREEMENT

THIS OPTION AGREEMENT (this "Agreement") is entered into this _____ day of March ___, 2011, by and between the CITY OF SANTA MONICA (the "City") and the REDEVELOPMENT AGENCY OF THE CITY OF SANTA MONICA (the "Agency"), with reference to the following facts:

A. The Agency owns, or within the term of this Agreement, will own, certain real properties more particularly described on Exhibit "A" (individually referenced herein as "Property" and collectively referenced herein as "Properties").

B. In accordance with the terms of that certain SECOND IMPLEMENTING AGREEMENT TO COOPERATION AGREEMENT NO. 9267 FOR PAYMENT OF COSTS ASSOCIATED WITH CERTAIN RDA FUNDED CAPITAL IMPROVEMENT AND AFFORDABLE HOUSING PROJECTS ("Second Implementing Agreement"), dated March ___, 2011, the Agency desires to grant the City an option to purchase the Properties from the Agency and the City wishes to reserve the right to purchase the Properties from the Agency under the terms contained herein. The Second Implementing Agreement is a public record on file in the offices of the Agency and the City, and the provisions of said document are incorporated herein by this reference.

C. The parties hereto wish to enter into a memorandum of option agreement and record such an instrument on all of the Properties subject to this Agreement using the memorandum attached hereto as Exhibit "B".

D. This Agreement is subject to the provisions of the Redevelopment Plans for the Redevelopment Project Areas applicable to the Properties. The Redevelopment Plans applicable to the Properties are public records on file in the offices of the Agency and the City.

NOW, THEREFORE, for good and valuable consideration paid by the City, receipt and sufficiency of which is acknowledged by the Agency, the parties hereto do mutually agree as follows:

1. Grant of Option. Agency hereby grants City, or its nominee, the option to purchase the Properties, or any one or more thereof, on or before the latter of (a) the thirtieth (30th) anniversary of this Agreement or (b) last date for duration of the Redevelopment Plan applicable to each Property, as set forth therein ("Redevelopment Plan Effectiveness Date"). This option shall be exercisable only by written notice delivered by City to Agency as provided below. Upon the exercise of such option to purchase Properties, or any one or more thereof, and receipt by the Agency of notice as provided in Section 2, City shall purchase the Properties, or any one or more thereof, pursuant to the terms below; provided, however, that in the event that City exercises said Option, Agency shall receive a credit against any amounts owed by Agency to City under the Cooperation Agreement, as set forth in the Second Implementing Agreement. Nothing herein shall be deemed to preclude the City from exercising the Option collectively or serially as to one or more Properties, as long as such Option is exercised before the dates indicated in this Section.

2. Exercise of Option. The option contained herein shall be exercised by City, if at all, in the following manner: (i) City shall deliver written notice (the "Exercise Notice") to Agency not less than ten (10) days prior to the date of the proposed purchase of the Properties, or any one or more thereof, by the City; the last date of written notice shall be the latter of (a) the thirtieth (30th) anniversary of this Agreement or (b) the Redevelopment Plan Effectiveness Date for each respective Property; (ii) Agency, after receipt of City's notice, shall deliver notice (the "Responsive Purchase Notice") to City prior to the proposed purchase date of the Properties, or any one or more thereof, by the City, setting forth the proposed purchase price and such other terms necessary and appropriate to accomplish the purchase of the Properties, or any one or more thereof, by City under the timeframes proposed by the City; and (iii) if City wishes to exercise such option to purchase the Properties, or any one or more thereof, City shall, after City's receipt of the Responsive Purchase Notice, exercise the option by delivering the City's form of purchase and sale agreement and grant deed, modified for any particular parcel of Properties, or any one or more thereof, along with the consideration for the Properties, or any one or more thereof, in the amount of the purchase price and identification of the day the grant deed(s) is/are to be recorded in the office of the County Recorder (the "Closing Date"). The proposed grant deeds for the Properties, or any part thereof shall include, among other things, express covenants requiring the Properties to be conveyed by City's exercise of the Option to be devoted to the purposes set forth below. City and Agency shall meet and confer to determine the purchase price, based upon either income, existing covenants, and/or fair market value.

3. Purpose. Any and all Properties purchased by the City pursuant to this Option may be used, sold or leased by the City for any municipal purpose, including, but not limited to, housing and public improvements, in conformance with the Redevelopment Plans applicable to the Properties.

4. Condition of Properties. The Properties shall be sold in "as-is" condition on the Closing Date subject to the applicable Redevelopment Plans and all encumbrances of record.

5. Memorandum. Concurrently with the execution hereof, Agency and City shall execute, acknowledge and cause to be recorded in the Official Records of Los Angeles County, California, the Memorandum of Option Agreement for each of the Properties substantially in the form attached hereto as Exhibit "B." Upon the termination of this Agreement as provided herein or at the time of and concurrently with the closing of a sale of the Properties, or any one or more thereof, the parties agree to execute quitclaim deeds or other termination instrument in order to cause the memorandum to be terminated and removed of record.

6. Transferability of Right. The right of the City under this Agreement is fully transferable and assignable by the City without the consent of the Agency.

7. Expiration Date and Termination of Agreement. The City reserves the right to reduce or extend the time period in paragraph 1 which permits the City to purchase the Properties on or before the latter of (a) the thirtieth (30th) anniversary of the Agreement or (b) the Redevelopment Plan Effectiveness Date.

8. Prorations, Title Insurance, Title and Escrow. The parties shall equally share all costs of escrow and prorations affecting the Properties. Agency shall not voluntarily create and record any liens or encumbrances or other matters against the Properties after receipt of the Exercise Notice. The Agency pay for City's requirements for a CLTA Agency's Policy of Title Insurance in favor of the City. Unless otherwise agreed upon by the parties in writing, the title insurer and escrow shall be [Name] Title Company, [address]. Said escrow agent shall instruct title insurer to deliver a title commitment to the City upon receipt of the Exercise Notice.

9. This Agreement shall be binding on and shall inure to the benefit of all successors and assigns of the parties, whether by agreement or operation of law. This Agreement may be signed in any number of counterparts and delivered by facsimile.

IN WITNESS WHEREOF, the parties have executed this Agreement as of the date first set forth above.

Attest:

CITY OF SANTA MONICA

By: _____
Maria Stewart
City Clerk

By: _____
Rod Gould
City Manager

Attest:

REDEVELOPMENT AGENCY OF
THE CITY OF SANTA MONICA

By: _____
Maria Stewart
Secretary

By: _____
Richard Bloom
Agency Chair

APPROVED AS TO FORM:

By: _____
Marsha Jones Moutrie
City Attorney

APPROVED AS TO FORM:
Kane Ballmer & Berkman

By: _____
Murray O. Kane
Agency Special Counsel

EXHIBIT "A"

The "Properties"

[behind this page]

EXHIBIT A

The "Properties"

Assessor Parcel Number	Address
4288-028-054	3356 Barnard Way
4288-027-023	3275 Barnard Way (aka 3100 Neilson Way)
4268-014-902	1751 Cloverfield Blvd.
4274-017-900	2019 19 th Street
4290-010-024	502 Colorado Ave.
4290-014-905	Site C: 1749 Ocean Ave.
4290-015-911	Site C: 1741 Ocean Ave.
4290-014-907	Site C: 1757 Ocean Ave.
4290-015-903	1673 Ocean Ave.
4290-015-904	1677 Ocean Ave.
4290-015-905	1683 Ocean Ave.
4290-015-906	1703 Ocean Ave.
4290-015-907	1707 Ocean Ave.
4290-015-908	1711 Ocean Ave.
4290-015-909	1719 Ocean Ave.
4290-015-910	1725 Ocean Ave.
4290-015-900	1700 Main Street
4290-015-901	1657 Ocean Ave.
4290-015-902	1665 Ocean Ave.
4291-011-014	1301 4 th Street
4291-011-018	1333 4 th Street
4291-003-903	PS 1: 1234 4 th Street
4291-002-901	PS 2: 1235 2 nd Street
4291-012-901	PS 3: 1320 4 th Street
4291-012-900	PS 3: 1318 4 th Street
4291-013-901	PS 4: 1321 2 nd Street
4291-017-905	PS 5: 1440 4 th Street
4291-016-902	PS 6: 1431 2 nd Street
4291-026-916	PS 7: 320 Broadway
4291-026-917	PS 8: 215 Colorado
4288-020-925	2701 Barnard Way
4288-020-926	2701 Barnard Way
4288-027-916	3285 Barnard Way
4288-028-906	3358 Barnard Way
4288-030-906	2918 Barnard Way
4288-029-904	110 Pier Avenue

EXHIBIT "B"

RECORDING REQUESTED BY AND
WHEN RECORDED RETURN TO:

APN:

MEMORANDUM OF OPTION AGREEMENT

1. Parties; and Property. This memorandum of option agreement is entered into by the CITY OF SANTA MONICA (the "City") and the REDEVELOPMENT AGENCY OF THE CITY OF SANTA MONICA (the "Agency") concerning real Property located in the City of Santa Monica and County of Los Angeles, State of California, as more fully described in the attached Exhibit "1" (the "Property").

2. Memorandum. For good and valuable consideration received, the Agency, as current fee Agency of the Property, acknowledges that Agency and City have entered into an option agreement (the "Option Agreement") permitting the City to purchase the Property from the Agency under the terms and conditions thereof for a term of Thirty (30) years from the date this instrument is signed, unless otherwise changed or modified by the terms of the Option Agreement.

3. Not Complete Summary. This instrument is not a complete summary of the Option Agreement. Provisions herein shall not be used in interpreting the Option Agreement.

4. Prohibition against Discrimination and Segregation. City covenants and agrees for itself, its successors, its assigns and every successor in interest to the Property or any part thereof or interest therein, there shall be no discrimination against or segregation of any person, or group of persons, on account of sex, sexual orientation, marital status, race, color, creed, religion, ancestry or national origin in the sale, lease, sublease, transfer, use, occupancy, tenure or enjoyment of the Property nor shall City, itself or any person claiming under or through it, establish or permit any such practice or practices of discrimination or segregation with reference to the selection, location, number, use or occupancy of tenants, lessees, subtenants, sublessees, or vendees of the Property. All deeds, leases or contracts shall contain or be subject to substantially the following nondiscrimination or nonsegregation clauses:

- a. In deeds: "The grantee herein covenants by and for himself or herself, his or her heirs, executors, administrators, and assigns, and all persons claiming under or through them, that there shall be no discrimination against or segregation of, any person or group of persons on account of

any basis listed in subdivision (a) or (d) of Section 12955 of the Government Code, as those bases are defined in Sections 12926, 12926.1, subdivision (m) and paragraph (1) of subdivision (p) of Section 12955, and Section 12955.2 of the Government Code, in the sale, lease, sublease, transfer, use, occupancy, tenure, or enjoyment of the premises herein conveyed, nor shall the grantee or any person claiming under or through him or her, establish or permit any practice or practices of discrimination or segregation with reference to the selection, location, number, use or occupancy of tenants, lessees, subtenants, sublessees, or vendees in the premises herein conveyed. The foregoing covenants shall run with the land."

Notwithstanding the preceding paragraph, the provisions relating to discrimination on the basis of familial status shall not be construed to apply to housing for older persons, as defined in Section 12955.9 of the Government Code nor be construed to affect Sections 51.2, 51.3, 51.4, 51.10, 51.11, and 799.5 of the Civil Code, relating to housing for senior citizens. Subdivision (d) of Section 51 and Section 1360 of the Civil Code and subdivisions (n), (o), and (p) of Section 12955 of the Government Code shall also apply to the preceding paragraph.

- b. In leases: "The lessee herein covenants by and for himself or herself, his or her heirs, executors, administrators, and assigns, and all persons claiming under or through him or her, and this lease is made and accepted upon and subject to the following conditions:

That there shall be no discrimination against or segregation of any person or group of persons, on account of any basis listed in subdivision (a) or (d) of Section 12955 of the Government Code, as those bases are defined in Sections 12926, 12926.1, subdivision (m) and paragraph (1) of subdivision (p) of Section 12955, and Section 12955.2 of the Government Code, in the leasing, subleasing, transferring, use, occupancy, tenure, or enjoyment of the premises herein leased nor shall the lessee himself or herself, or any person claiming under or through him or her, establish or permit any such practice or practices of discrimination or segregation with reference to the selection, location, number, use, or occupancy, of tenants, lessees, sublessees, subtenants, or vendees in the premises herein leased."

Notwithstanding the preceding paragraph, the provisions relating to discrimination on the basis of familial status shall not be construed to apply to housing for older persons, as defined in Section 12955.9 of the Government Code nor be construed to affect Sections 51.2, 51.3, 51.4, 51.10, 51.11, and 799.5 of the Civil Code, relating to housing for senior citizens. Subdivision (d) of Section 51 and Section 1360 of the Civil Code and subdivisions (n), (o), and (p) of Section 12955 of the Government Code shall also apply to the preceding paragraph.

- c. In contracts: "There shall be no discrimination against or segregation of any person or group of persons, on account of any basis listed in subdivision (a) or (d) of Section 12955 of the Government Code, as those bases are defined in Sections 12926, 12926.1, subdivision (m) and paragraph (1) of subdivision (p) of Section 12955, and Section 12955.2 of the Government Code, in the sale, lease, sublease, transfer, use, occupancy, tenure, or enjoyment of the land, nor shall the transferee itself or any person claiming under or through him or her, establish or permit any such practice or practices of discrimination or segregation with reference to the selection, location, number, use, or occupancy, of tenants, lessees, sublessees, subtenants, or vendees of the land."

5. Purpose. This instrument is prepared for recordation purposes only, and in no way modifies the terms, conditions, provisions and covenants of the Option Agreement. In the event of any inconsistency between the terms, conditions, provisions and covenants of this instrument and the Option Agreement, the terms, conditions and covenants of the Option Agreement shall prevail.

The parties hereto have executed this instrument on the dates specified immediately beside their respective signatures. This document may be executed and acknowledged before a notary public with counterpart signature and acknowledgment pages, each of which shall be deemed an original and which, when taken together, shall constitute the fully-executed instrument.

Attest:

CITY OF SANTA MONICA

By: _____
Maria Stewart
City Clerk

By: _____
Rod Gould
City Manager

Attest:

REDEVELOPMENT AGENCY OF
THE CITY OF SANTA MONICA

By: _____
Maria Stewart
Secretary

By: _____
Richard Bloom
Agency Chair

APPROVED AS TO FORM:

By: _____
Marsha Jones Moutrie
City Attorney

APPROVED AS TO FORM:
Kane Ballmer & Berkman

By: _____
Murray O. Kane
Agency Special Counsel

Exhibit "1" to Memorandum of Option Agreement

Legal Description of Properties

The land is situated in the State of California, County of _____ and is described as follows;

[to be inserted]

APN _____

ACKNOWLEDGMENT PAGE
TO MEMORANDUM OF OPTION AGREEMENT

State of California)
)
County of _____)

On _____ before me, _____, a Notary Public, personally appeared _____, who proved to me on the basis of satisfactory evidence to be the person(s) whose name(s) is/are subscribed to the within instrument and acknowledged to me that he/she/they executed the same in his/her/their authorized capacity(ies), and that by his/her/their signature(s) on the instrument the person(s), or the entity upon behalf of which the person(s) acted, executed the instrument.

I certify under PENALTY OF PERJURY under the laws of the State of California that the foregoing paragraph is true and correct.

WITNESS my hand and official seal.

Signature _____ (Seal)

State of California)
)
County of _____)

On _____ before me, _____, a Notary Public, personally appeared _____, who proved to me on the basis of satisfactory evidence to be the person(s) whose name(s) is/are subscribed to the within instrument and acknowledged to me that he/she/they executed the same in his/her/their authorized capacity(ies), and that by his/her/their signature(s) on the instrument the person(s), or the entity upon behalf of which the person(s) acted, executed the instrument.

I certify under PENALTY OF PERJURY under the laws of the State of California that the foregoing paragraph is true and correct.

WITNESS my hand and official seal.

Signature _____ (Seal)

