

**AGREEMENT BETWEEN THE
COMMUNITY DEVELOPMENT AGENCY OF THE CITY OF WINTERS
AND THE SACRAMENTO-YOLO MOSQUITO ABATEMENT
AND VECTOR CONTROL DISTRICT
PURSUANT TO HEALTH AND SAFETY CODE SECTION 33401**

THIS AGREEMENT is entered into this 22nd day of July, 1993 by and between the Community Development Agency (the "Agency") and the Sacramento-Yolo Mosquito Abatement and Vector Control District (the "District").

RECITALS

A. The City Council of the City of Winters (the "City Council") has approved and adopted by Ordinance No. 92-08 (the "Ordinance") a Community Development Plan (the "Plan") for the Community Development Project (the "Project") pursuant to the Community Redevelopment Law of the State of California (Health and Safety Code Section 33000 et. seq.).

B. Pursuant to the Community Redevelopment Law of the State of California (Health and Safety Code Section 33000 et. seq.), the Agency is charged with the responsibility of carrying out the Plan for the Project in the Community Development Project Area (the "Project Area").

C. Pursuant to (1) Article XVI, Section 16, of the California Constitution, (2) Section 33670 et. seq. of the Community Redevelopment Law and (3) the Plan for the Project, increases in the assessed values of property within the Project Area above the sum of the assessed values as shown on the levied each year on such increases in assessed values being paid to the Agency as tax increments (and not including any amounts paid to affected taxing entities pursuant to Section 33676 of the Health and Safety Code "The Tax Increments") to pay the principal of and interest on loans, monies advanced to indebtedness incurred by the Agency to finance or refinance, in whole or in part, redevelopment in accordance with the Community Development Plan.

D. Pursuant to Section 33401 of the Health and Safety Code and the provisions of the Plan required by Section 33338.1 of the Health and Safety Code, the Agency may pay to any taxing entity with territory located within the Project Area any amounts of money which the Agency has found are necessary and appropriate to alleviate any financial burden or detriment caused to any affected taxing agency by the Project.

E. The District is taxing entity with territory located within the Project Area.

F. The Agency has determined that because of the loss in property taxes the District could incur due to the Project, certain actions as set forth below are necessary to alleviate the burden and detriment or potential burden and detriment to the District.

G. In consideration of this Agreement determining the obligations of the Agency, the District is foregoing the right to contest the establishment of the Community Development Plan for the Project, including, but not limited to, filing a lawsuit and the Agency recognizes this as good and legal consideration.

ARTICLE 1 **AGREEMENTS**

Section 1.1 Meanings. The following words and phrases as used herein shall have the meanings set forth below:

a. "District's Share" means the proportionate percentage share of the property taxes the District received from the Project Area on the 1991-'92 Base Year Roll.

b. "District's Payment" means for a given Fiscal Year, the amount for such Fiscal Year that the Agency shall pay to the District based upon the pass through of tax increment as stipulated in this Agreement.

c. "Fiscal Year" means the fiscal year commencing July 1, 1993, and each Fiscal Year commencing July 1 thereafter in which Tax Increments are allocated to the Agency pursuant to the Community Redevelopment Law and the Redevelopment Plan.

d. "Net Tax Increments" means all Tax Increments allocated to and received by the agency from the Project Area.

e. "Tax Increments" means property taxes allocated to and received by the Agency from the Project Area pursuant to Health and Safety Code Section 33670(b) of the Community Redevelopment Law and Article XVI, Section 16, of the California Constitution, less the total amounts which would have been allocated to each affected taxing agency had each agency exercised its election pursuant to Section 33676 of the Community Redevelopment Law.

ARTICLE 2 **PAYMENTS TO THE DISTRICT**

Section 2.1 Amount of Payments. The Agency shall annually pass through to the District the following payments:

a. Commencing with the first year in which the Agency receives Tax Increments and continuing until the end of the fifteenth (15) fiscal year in which the Agency receives Tax Increments, the Agency shall annually pass through to the District fifty percent (50%) of the District's Share of the Tax Increments.

b. Commencing with the sixteenth (16th) fiscal year in which the Agency receives Tax Increments and continuing until the end of the twentieth (20th) fiscal year in which the Agency receives Tax Increments, the Agency shall annually pass through to the District seventy-five percent (75%) of the District's Share of Tax Increments.

c. Commencing with the twenty-first (21st) fiscal year in which the Agency receives Tax Increments and continuing until the Agency no longer receives Tax Increments, the Agency shall annually pass through to the District one hundred percent (100%) of the County's Share of the Tax Increments.

Section 2.2 Method of Payments. The Agency shall make the payment required under Section 2.1 on or before June 30 of each Fiscal Year for which the payment is made.

Section 2.3 Limitation on Payments. Notwithstanding any other provisions in this Agreement, no payments shall be made to the District by the Agency:

a. Which would exceed the amount, annually, that the District would have otherwise received from property taxes from the Project Area had the Community Development Plan not provided for the division of taxes pursuant to Health and Safety Code Section 33670 et. seq.;

b. The receipt of which would cause the District to rebate or transfer monies to any other entity due to the District's expenditure limitations under Article XIII-B of California Constitution;

c. Which would be contrary to the provision 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.

Any excess amounts under subsection a, b, or c above shall be retained by Agency for the purposes of paying indebtedness incurred by the Agency in carrying out the Project.

Section 2.4 Obligations & Liability. The obligations of the Agency under this Agreement shall constitute an indebtedness of the Agency for the purpose of 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 Section 33670 et. seq. of the Health and Safety Code. The Agency's obligations and liability under this Agreement shall be limited to the receipt by the Agency of Tax Increments from the Project; subject to the terms and conditions of this Agreement. Nothing in this Agreement shall be deemed to impose any other liability on the City whatsoever.

Section 2.5 Agency Indebtedness. The District hereby authorizes the Agency to subordinate the interest of the District under this Agreement and to allow the Agency to pledge all or any portion of the Tax Increments otherwise payable to the District under this Agreement in order to secure the repayment of Agency indebtedness incurred for the Project; provided the Agency submits to the District evidence reasonably satisfactory to the District demonstrating its ability to repay such indebtedness incurred for the Project without demand being made on the payments due to the District under the terms of this Agreement. Nothing in this Agreement shall give the District the right to approve Agency indebtedness except as the Agency may request the District to subordinate its rights to payments under this Agreement.

It is recognized by the parties that the Agency may finance improvements provided for in the 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.

Section 2.6 Allocation of Tax Increments In The Event State Law Changes. 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 District, then the payments under this Agreement to the District shall be first reduced by the amount of the payment required and specified by such change in state law to the District. Further, in the event State law pertaining to the allocation of Tax Increments to the Agency is changed and thereby decreases the amount of net Tax Increments that may be received by the Agency after payment of all revenue sharing payments to other taxing agencies, (defined as a "State Law Change"), the Agency and District shall negotiate in good faith to proportionately alter or reduce the payment to the District. Absent mutually acceptable amendment of the agreement that avoids an undue hardship on the Agency, the District and Agency shall submit the potential reduction of payments to the District to binding arbitration.

Section 2.7 Section 33676 Election Superseded. The parties agree that this Agreement supersedes any election previously or subsequently made to purported to be made by the District pursuant to Health and Safety Code Section 33676; that any such election shall be null and void and of no further force or effect; and that the District shall receive no payment of Tax Increment Revenue other than as expressly provided in this Agreement.

Section 2.8 Effective Date. This Agreement shall be effective as of the date that the ordinance enacted by the City Council of the City of Winters becomes effective.

ARTICLE 3
GENERAL PROVISIONS

Section 3.1 Elimination of Financial Burden; No Contest of Plan. The District acknowledges and agrees that the payments to be made and the actions to be undertaken by the Agency pursuant to this Agreement will mitigate any financial burden or detriment that would otherwise be caused by the adoption of the Community Development Plan and implementation of the Project. In consideration of such payments and actions, the District agrees to forgo any right or remedy it may have in law or equity to contest the preparation, adoption, or validity of the Plan (including, without limitation, any right or remedy pursuant to the California Environmental Quality Act) and the implementation of the Project contemplated to be undertaken pursuant to the Plan.

Section 3.2 Notices. All notices, statements, or other communications made pursuant to this Agreement to the other party shall be in writing, and shall be sufficiently given and served upon such other party if sent by United States registered mail, return receipt requested, postage prepared, and addressed as follows:

Agency: Community Development Agency of the
City of Winters
318 First Street
Winters, CA 95694
Attn: Executive Director

District: Sacramento-Yolo Mosquito Abatement
and Vector Control District
1650 Silica Avenue
Sacramento, CA 95815
Attn: District Manager

Either party may change its address for notice purposes by written notice to the other party prepared and delivered in accordance with the provisions of this Section 3.2.

Section 3.3 No Third Party Beneficiaries. No person or entity other than the District and the Agency, and their permitted successors and assigns, shall have any right of action under this Agreement.

Section 3.4 Litigation Regarding Agreement. In the event litigation is initiated attacking the validity of this Agreement, each party shall in good faith defend and seek to uphold the Agreement.

Section 3.5 Term of Agreement. This Agreement shall take effect as of the date of adoption by the City Council of the City of Winters of the ordinance adopting the Amended Redevelopment Plan and shall terminate upon the earliest to occur of: (a) a

final judgement rendering the Community Development Plan invalid; (b) expiration of the Community Development Plan and completion of all obligations of the parties under this Agreement incurred during the term of the Community Development Plan. Following termination, neither of the parties shall have any further rights or obligations under this Agreement.

Section 3.6 Rights and Obligations. This agreement, and the rights and obligations of the parties hereto, shall be construed and enforced in accordance with the laws of the State of California.

Section 3.7 Attorneys' Fees. In any action which either party brings to enforce its rights hereunder, the unsuccessful party shall pay all costs incurred by the prevailing party, including reasonable attorneys' fees.

Section 3.8 Entire Agreement. This Agreement constitutes the entire agreement of the parties with respect to the subjects covered herein.

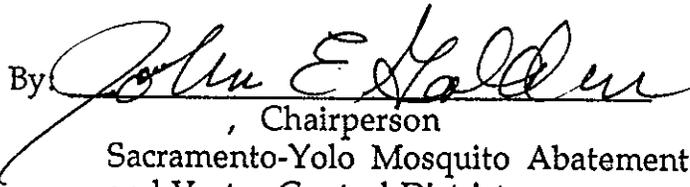
IN WITNESS WHEREOF, this Agreement is executed as of the date first above written.

Attest:

COMMUNITY DEVELOPMENT
AGENCY OF THE CITY OF WINTERS



William Pfanner, Chairman
City of Winters

By 

, Chairperson
Sacramento-Yolo Mosquito Abatement
and Vector Control District