Exhibit A to Settlement Agreement

Note: Exhibit A, filed in the Related Cases on August 18, 2014, Superseded by this Agreement

Exhibit A

[DRAFT] EXHIBIT A TO SETTLEMENT AGREEMENT

The Calculation of AB 1290 Passthrough Payments Due Pursuant to Settlement from Fiscal Years Prior to FY 2010-11 in HSC 33607.5 Project Areas and Prior to FY 2012-13 in HSC 33607.7 Project Areas

CODEX:

LEA	=	Local Educational Agency (does not include ERAF)
RPTTF	=	Redevelopment Property Tax Trust Fund
TRA	=	Tax Rate Area
AV	=	Assessed Valuation of Property
LMI	=	Low and Moderate Income Housing Fund
ATE	=	Affected Taxing Entity
ATI Ratios	=	Apportionment Tax Increment Ratios
HSC	=	Health and Safety Code
Pre-ERAF	=	(Term used to Describe Data that Does not Reflect Shift of Property Taxes to LEAs via the ERAF)
Post-ERAF	=	(Term used to Describe Data that Does Reflect Shift of Property Taxes to LEAs via the ERAF)

Step 1   *Calculate total passthrough due in project area*

A.   Determine total amount of RPTTF subject to pass-through using tax increment from the 1 percent basic levy.

B.   Calculate total Tier 1 passthrough payments, subtracting LMI and multiplying remainder by 0.25.

Note: In Tiers 2 and 3, first calculate total Tier 1 payments, then calculate total Tier 2 and 3 payments using Tier 2 and 3 adjusted base years and corresponding passthrough percentages (21% and 14%, respectively).

Step 2   *Introduce ERAF shift into project area*

A.   Obtain from County's "Year End Gross Collections by CRA/ATE" report (i) each ATE's total pre-ERAF dollar "loss" in the project area (which equals the summation of each ATE's pre-ERAF dollar "loss" in each TRA), and (ii) the total dollar "loss" in the project area (which equals the summation of the total dollar "loss" in each TRA) multiplied by the one percent basic property tax levy actually collected in the project area from the secured, unsecured, and supplemental assessment rolls.

B. Calculate weighted average pre-ERAF ATI ratios in the project area for all ATEs, which equal each ATE's pre-ERAF dollar "loss" divided by the total dollar "loss" in the project area (from Step 2A).

C. Obtain ERAF shift ratios from County's "ERAF Shift Ratios by Taxing Entity" for each non-LEA in the project area that contributes to ERAF (use non-zero values only), the sum of which becomes the weighted average ratio associated with ERAF in the project area.

D. Subtract applicable ERAF shift ratio from each non-LEA's weighted average pre-ERAF ATI ratio in the project area (Step 2B minus Step 2C) to generate adjusted weighted average post-ERAF ATI ratios in the project area, and show the weighted average ratio associated with ERAF.

Step 3 *Generate each ATE's total post-ERAF dollar loss in the project area*

A. Multiply each ATE's adjusted post-ERAF ATI ratios in the project area (from Step 2D) by the total dollar "loss" in the project area (total from Step 2A) to generate each ATE's post-ERAF dollar "loss" in the project area. (The dollar loss remains the same for LEAs and certain non-LEAs that do not contribute to ERAF.)

Step 4 *Determine dollar allocation of AB 1290 passthroughs to ATEs in project area with ERAF share as lump sum*

A. Multiply each ATE's weighted average post-ERAF ATI ratios (from Step 2D) by Total Tier 1 passthrough (from Step 1B). This is the allocation of direct AB 1290 passthroughs to each ATE, with ERAF's share of the allocation expressed as a lump sum.

Step 5 *Reallocate ERAF's share of AB 1290 passthrough allocation only to individual LEAs in the project area*

A. Determine each LEA's "LEA Loss Ratio" by dividing each LEA's direct dollar "loss" in the project area from Step 3A by the sum of all LEAs' direct dollar "loss" in the project area from Step 3A.

B. Multiply ERAF's share of the AB 1290 passthrough allocation from Step 4A by each LEA's "LEA Loss Ratio" from Step 5A, to generate the reallocation of ERAF's passthrough to each LEA in the project area.

Step 6 *Determine total passthrough amounts to all ATEs*

A. Assemble final AB1290 passthrough allocation for all ATE's by adding calculated pass through amounts from Step 4A and Step 5B.

Exhibit B

EXHIBIT B TO SETTLEMENT AGREEMENT

The Calculation of AB 1290 Passthrough Payments in Los Angeles County beginning in FY 2010-11 in HSC 33607.5 Project Areas and FY 2012-13 in HSC 33607.7 Project Areas

CODEX:

LEA	=	Local Educational Agency (does not include ERAF)
RPTTF	=	Redevelopment Property Tax Trust Fund
TRA	=	Tax Rate Area
AV	=	Assessed Valuation of Property
LMI	=	Low and Moderate Income Housing Fund
ATE	=	Affected Taxing Entity
ATI Ratios	=	Apportionment Tax Increment Ratios
HSC	=	Health and Safety Code
Pre-ERAF	=	(Term used to Describe Data that Does not Reflect Shift of Property Taxes to LEAs via the ERAF)
Post-ERAF	=	(Term used to Describe Data that Does Reflect Shift of Property Taxes to LEAs via the ERAF)

Beginning in FY 2010-11 in HSC 33607.5 Project Areas, and in FY 2012-13 for HSC 33607.7 for Project Areas, the County of Los Angeles will calculate AB 1290 redevelopment passthrough payments as follows:

Step 1   *Calculate total passthrough due in Project Area*

A.   Determine total amount of RPTTF subject to pass-through using tax increment from the 1 percent basic levy.

B.   Calculate total Tier 1 passthrough payments, subtracting LMI and multiplying remainder by 0.25.

Note: In Tiers 2 and 3, first calculate total Tier 1 payments, then calculate total Tier 2 and 3 payments using Tier 2 and 3 adjusted base years and corresponding passthrough percentages (21% and 14%, respectively).

Step 2   *Introduce ERAF shift into each TRA in Project* **[as reflected in "AF49PT Modified ATI Ratio for AB 1290 Pass-Thru Report"]**

A.   Obtain ATI ratios from "AF49 Modified ATI Ratio Report" for all ATEs in all TRAs in Project Area.

B. Obtain ERAF Shift ratios from "ERAF Shift Ratios by Taxing Entity" document for each non-LEA in Project Area.

C. Sum the ERAF shift ratios of non-LEAs in each TRA to generate ERAF property tax ratio in each TRA.

D. Subtract ERAF shift ratios from non-LEAs' ATI ratios to generate adjusted ATI ratios in each TRA, including a ratio associated with ERAF.

Step 3 *Generate Project Area shares for each ATE [as reflected in "Year End Gross Collections by CRA/ATE"]*

The computer system used by Los Angeles County has been programmed to perform the following steps, but does not generate separate reports reflecting each step.

A. For each TRA, identify: (1) each ATE's adjusted ATI ratio (Step 2(D)); and (2) 1% tax increment by TRA from the Secured Master, Unsecured, Secured Supplemental, and Secured Defaulted Supplemental property tax rolls.

B. Multiply each ATE's adjusted ATI ratio in each TRA by 1% tax increment in each TRA to express "loss" of each ATE in that TRA in dollars. Perform this step for each TRA in Project Area.

C. Sum each ATE's "loss" from all TRA's in Project Area, to generate total "loss" of each ATE within Project Area.

D. Generate total Project Area "Year End Gross Collections by CRA/ATE" by summing year-end gross collections from all TRAs in Project Area.

Step 4 *Determine passthrough shares to ATEs with ERAF "share" as lump sum*

A. Divide each ATE's total "loss" in Project Area (Step 3(C)) by total Project Area Year-End Gross Collections by CRA/ATE (Step 3(D)) to generate each ATE's Weighted-Average Share of "loss" within Project Area, with ERAF share as lump sum.

B. Multiply each ATE's Weighted Average Share of "loss" within Project Area by Total Tier 1 passthrough (Step 1 (B)). This is the direct AB 1290 Passthrough Allocation, with the ERAF direct share expressed as a lump sum.

Step 5   *Disaggregate each LEA's share of ERAF share*

A.   Sum the direct AB 1290 Passthrough Allocations of all LEAs within Project Area (Step 4(B)).

B.   Determine each LEA's proportional share of the sum of all direct AB 1290 Passthrough Allocations to LEAs by dividing each LEA's direct Passthrough Allocation by the sum of all LEA's direct Passthrough Allocations. These shares represent each LEA's proportionate share of the ERAF share lump sum.

C.   Multiply the ERAF share lump sum by each LEA's proportionate share of the ERAF share lump sum, to generate the passthrough dollars associated with ERAF that will be allocated to each LEA.

Step 6   *Determine total passthrough amounts to all ATEs*

A.   Add passthrough amounts associated with ERAF to each LEA's direct passthrough allocation, to generate each LEA's total passthrough allocation.

B.   Assemble final AB 1290 Passthrough Allocation using non-LEAs allocations calculated in Step 4 and the sum of each LEA's direct allocation (Step 4) and allocation via ERAF (Step 5).

Exhibit C

EXHIBIT C TO SETTLEMENT AGREEMENT

The calculation of AB 1290 passthrough payments in Los Angeles County beginning in FY 2016-17 from HSC 33607.7 Project Areas for Tiers 1/2/3 and from HSC 33607.5 Project Areas for Tiers 2/3.

LEA	=	Local Educational Agency (does not include ERAF)
RPTTF	=	Redevelopment Property Tax Trust Fund
TRA	=	Tax Rate Area
AV	=	Assessed Valuation of Property
LMI	=	Low and Moderate Income Housing Fund
ATE	=	Affected Taxing Entity
ATI Ratios	=	Apportionment Tax Increment Ratios
HSC	=	Health and Safety Code
Pre-ERAF	=	Term used to describe data that does not reflect shift of Property Taxes to LEAs via the ERAF
Post-ERAF	=	Term used to describe data that does reflect shift of Property Taxes to LEAs via the ERAF
Adjusted Base Year	=	Base years for calculating passthrough payments per HSC 33607.5(c)-(d) and HSC 33607.7(c)
Adjusted Base Tiers	=	Phrase used to identify Tier 1 of .7 Projects Areas and Tiers 2 and 3 of .5 and .7 Project Areas
Project Area	=	Redevelopment project area from which passthrough payments are owed pursuant to HSC section 33607.5 or HSC section 33607.7
Community	=	City or County whose redevelopment agency adopted the Project Area

As part of the settlement, the parties agree that beginning in FY 2016-17 the terms of this Exhibit shall supersede the terms of Exhibit B when the County calculates passthrough payments in Adjusted Base Tiers, i.e., tiers in which passthrough payments are calculated by reference to an Adjusted Base Year. Specifically, this Exhibit modifies Steps 1, 3, and 4 from Exhibit B to describe the agreed process for calculating in Adjusted Base Tiers: (i) the portion of the RPTTF that is subject to passthrough, based on annual *adjusted* 1% tax increment above Adjusted Base Years; (ii) the total passthrough payments; and (iii) the Project Area and passthrough shares for each ATE. Exhibit B shall continue to govern Tier 1 passthrough calculations for all .5 Project Areas.

<u>Step 1</u> *Calculate total passthrough due in Project Area*

A. Compile total current year AV for all .5 and .7 Projects from *Current Value* column of *Net Total Secured Valuation* row and *Net Total Unsecured Valuation* row from "Schedule of Assessed Valuations [for current year] Original Charge Run" (which Schedule correctly includes assessor parcels that were omitted from previous Schedules in some prior years).

B. Compile annual 1% unitary tax increment for current year for all .7 Projects from 1% *Unitary Gross Revenue* row of "Secured Revenue and Collections Ledger, O[riginal]/C[harge]."

Exhibit C
Page 1 of 4

C.   Compile total Tier 1, Tier 2, or Tier 3 Adjusted Base Year AV from County Auditor-Controller's Community Redevelopment Accounting System, which reflects value in Tier 1, Tier 2, or Tier 3 Adjusted Base Year subsequently updated to reflect increases/decreases equal to sum of secured and unsecured AVs based on changes in fee ownership status of secured and unsecured parcels since Tier 1, Tier 2, or Tier 3 Adjusted Base Year.

D.   Determine total adjusted Tier 1, Tier 2, or Tier 3 incremental AV by difference between results of Step 1(A) and Step 1(C).

E.   Determine annual total adjusted Tier 1, Tier 2, or Tier 3 1% tax increment by (i) multiplying total tax rate normalized to 1% by total Tier 1, Tier 2, or Tier 3 incremental AV, as calculated in Step 1(D), and (ii) for Tier 1 of each .7 Project only, adding to that amount the annual unitary 1% tax increment compiled in Step 1(B), above.

F.   Determine annual total Tier 1, Tier 2, or Tier 3 payments to all ATEs as a group by multiplying passthrough percentage shown in Health and Safety Code sections 33607.5(b),33607.5(c), or 33607.5(d) by annual total adjusted Tier 1, Tier 2, or Tier 3 1% tax increment, as calculated in Step 1(E).

Step 2   *Introduce ERAF shift into each TRA in Project* **[as reflected in "AF49PT Modified ATI Ratio for AB 1290 Pass-Thru Report"]**

A.   Obtain ATI ratios from "AF49 Modified ATI Ratio Report" for all ATEs in all TRAs in Project Area.

B.   Obtain ERAF Shift ratios from "ERAF Shift Ratios by Taxing Entity" document for each non-LEA in Project Area.

C.   Sum the ERAF shift ratios of non-LEAs in each TRA to generate ERAF property tax ratio in each TRA.

D.   Subtract ERAF shift ratios from non-LEAs' ATI ratios to generate adjusted ATI ratios in each TRA, including a ratio associated with ERAF.

Step 3 *Generate Project Area dollar shares for each ATE*

A.   For each TRA, identify: (1) each ATE's adjusted ATI ratio from "AF49PT Modified ATI Ratio for AB 1290 Pass-Thru Report**"**; and (2) adjusted Tier 1, Tier 2, or Tier 3 1% tax increment by TRA (1% of (current year AV minus Tier 1, Tier 2, or Tier 3 Adjusted Base Year AV)), which equals sum of then current (i) "Secured Tax Increment Gross Revenue and Collections by TRA: Adjusted Base for [Tier 1, Tier 2, or Tier 3], O/C*"* and (ii) "Unsecured Tax Increment Gross Revenue and Collections by TRA: Adjusted Base for [Tier 1, Tier 2, or Tier 3] O/C."

B.   Multiply each ATE's adjusted ATI ratio in each TRA by adjusted Tier 1, Tier 2, or Tier 3 1% tax increment by TRA to express adjusted Tier 1, Tier 2, or Tier 3 "loss" of each ATE in that TRA. Perform this step for each TRA in Project Area.

Exhibit C
Page 2 of 4

C.   Sum each ATE's adjusted Tier 1, Tier 2, or Tier 3 "loss" from all TRAs in Project Area, to generate total adjusted Tier 1, Tier 2, or Tier 3 "loss" of each ATE within Project Area

D.   Generate total Project Area "Adjusted Tier 1 [Tier 2 or Tier 3] Loss by CRA/ATE, O/C*" by summing adjusted Tier 1, Tier 2, or Tier 3 "loss" from all ATEs and all TRAs in Project Area

Step 4   *Determine percentage passthrough shares to ATEs with "ERAF Share" as lump sum*

A.   Divide each ATE's total adjusted Tier 1, Tier 2, or Tier 3 "loss" in Project Area (Step 3(C) by total Project Area "Adjusted Tier 1 [Tier 2 or Tier 3] Loss by CRA/ATE, O/C" (Step 3(D)) to generate each ATE's weighted-average share of adjusted Tier 1, Tier 2, or Tier 3 "loss" within Project Area, with ERAF share as lump sum.

   (i): For Tier 2 and Tier 3 payments, zero out Community's weighted-average share of adjusted Tier 2 or Tier 3 "loss"), consistent with provisions of HSC 33607.5(c) and 33607.5(d).

   (ii): For Tier 2 and Tier 3 payments, reallocate Community's zeroed out weighted-average share of adjusted Tier 2 or Tier 3 "loss" to all other (non-Community) ATEs based on each other ATE's pro rata weighted-average share of adjusted Tier 2 or Tier 3 "loss" in Project Area, and add the result to each other ATE's weighted average share to generate each ATE's boosted weighted average share of adjusted Tier 2 or Tier 3 "loss" in Project Area.

B.   Multiply each ATE's weighted average share of adjusted Tier 1, or each non-Community ATE's boosted weighted average share of adjusted Tier 2 or Tier 3, "loss" within Project Area, as calculated in Step 4(A), above, by the relevant Total Tier 1, Tier 2, or Tier 3 passthrough (Step1(F), above). This is the direct Tier 1, Tier 2, or Tier 3 AB 1290 passthrough allocation, with the ERAF direct share expressed as a lump sum.

Step 5   *Disaggregate each LEA's share of ERAF share*

A.   Sum the direct AB 1290 passthrough allocations of all LEAs within Project Area (Step 4(B)).

B.   Determine each LEA's proportionate share of the sum of all direct AB 1290 passthrough allocations to LEAs by dividing each LEA's direct passthrough allocation by the sum of all LEA's direct AB 1290 passthrough allocations. These shares represent each LEA's proportionate share of the ERAF share lump sum.

C.   Multiply the ERAF share lump sum by each LEA's proportionate share of the ERAF share lump sum, to generate the passthrough dollars associated with ERAF that will be allocated to each LEA.

Exhibit C
Page 3 of 4

Step 6   *Determine total passthrough amounts to all ATEs*

   A.   Add passthrough amounts associated with ERAF (Step 5(B)) to each LEA's direct passthrough allocation (Step 4(B)) to generate each LEA's total passthrough allocation.

   B.   Assemble final AB 1290 passthrough allocation using non-LEAs allocations calculated in Step 4 and the sum of each LEA's direct allocation (Step 4) and allocation via ERAF (Step 5).

General Note

To document its Step 1 calculations set forth above to facilitate independent validation of annual 1% adjusted tax increment by ATEs, the Auditor-Controller shall generate reports showing Tier 1 (for .7 Projects) and Tier 2 and Tier 3 (for .5 and .7 Projects) Adjusted Base Year AVs, through either the modification of existing "Schedules of Assessed Valuations," or the creation of new "Schedules of Assessed Valuations," to include three new columns entitled *Tier 1 Adjusted Base Year Value*, *Tier 2 Adjusted Base Year Value*, and *Tier 3 Adjusted Base Year Value*, respectively, with values in the new columns to reflect current County Auditor-Controller practices as described in new Step1(C), above. To document its Step 3 calculations set forth above for the purpose of independent validation of annual percentage Project Area and passthrough shares for each ATE, the Auditor-Controller shall generate new combined or separate reports showing "Adjusted Tier 1, Tier 2, or Tier 3 Loss by CRA/ATEs, O/C" by summing adjusted Tier 1, Tier 2, or Tier 3 "loss" from all ATEs and all TRAs in Project Area.

Exhibit C
Page 4 of 4

Exhibit D

1 GREGORY G. LUKE (Bar No. 225373)
   STRUMWASSER & WOOCHER LLP
2 10940 Wilshire Boulevard, Ste. 2000
   Los Angeles, California 90024
3 Telephone: (310) 576-1233
   Facsimile: (310) 319-0156
4 Email: gluke@strumwooch.com

5 *Attorneys for Petitioner*
   Long Beach Unified School District

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9   SUPERIOR COURT OF THE STATE OF CALIFORNIA

10   FOR THE COUNTY OF LOS ANGELES, CENTRAL DISTRICT

11 LONG BEACH UNIFIED SCHOOL   ) Case No. BS137598 *and* related *cases*
    DISTRICT,   ) Case No. BS108180
12   ) Case No. BS127286
) Case No. BS130308
13   Petitioner,   )
) [PROPOSED] ORDER RE PROCESS
14   v.   ) FOR PAYMENT OF DAMAGES
)
15 THE COUNTY OF LOS ANGELES; J.   )
    TYLER McCAULEY, in his official   )
16 capacity as Auditor-Controller for the) Judge   : Elihu Berle
    County of Los Angeles; et al.,   ) Department : 323
17   )
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18   Respondents.   )
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19 _____)
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20 AND RELATED CASES.   )
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21   )

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[PROPOSED] ORDER RE PROCESS FOR PAYMENT OF DAMAGES

On March 29, 2017, the Court, as a part of the trial in the four, above-captioned related cases (collectively, the "Related Cases"), convened a hearing on the Motion for Order Regarding the Process for Payment of Damages jointly filed by the four local educational agency Petitioners (the "LEA Petitioners") and by the Respondent County of Los Angeles and the Real Parties in Interest controlled by the County (collectively, "the County"). Based on the arguments and evidence presented at that hearing and set forth in the parties' briefs, the Court makes the following findings and issues the following Orders regarding the process for payment of damages in the Related Cases:

A. The LEA Petitioners and the County have negotiated extensively in good faith to reach a settlement of the claims at issue in this case, including the retrospective damages owed to the LEA Petitioners and the specific methods the County will prospectively adopt to give effect to the rule of law announced by this Court and the Court of Appeal in these matters;

B. The negotiation of the claims in the Related Cases has required resolution of complex methodological and forensic challenges implicated by the computer hardware, software programming, and databases (the "County System") that have been historically used by the County of Los Angeles to perform redevelopment tax increment accounting;

C. Because the broad alteration, reprogramming, or replacement of the County System in a manner the LEA Petitioners believe is necessary to permit the calculation of redevelopment pass-through payments fully consistent with the rule of law announced in this case would pose substantial costs upon the taxpayers of Los Angeles County and cause undue delay in the resolution of this longstanding litigation, the parties have agreed to compromise their positions in a manner to permit the use of a modified County System for prospective purposes only, and have agreed to use the results of the County System as the basis of the calculation of retrospective damages;

D. As an integral part of those compromises, the LEA Petitioners and the County have agreed upon a process for the payment of damages that will permit the liability for

[REDACTED] ORDER RE PROCESS FOR PAYMENT OF DAMAGES

payment of damages to be equitably and accurately allocated among the affected taxing

entities ("ATEs") that received improperly inflated redevelopment pass-through

payments during the fiscal years within the statute of limitations applicable to each of

the Related Cases;

E. By operation of statute, the payment of damages to the LEA Petitioners through the

Recognized Obligation Payment Schedules ("ROPS") of the Respondent Successor

Agencies would necessarily reduce residual property tax distributions to all ATEs from

the Redevelopment Property Tax Trust Fund pursuant to subdivision (a)(4) of Health

and Safety Code section 34183 ("Residuals");

F. The LEA Petitioners have demonstrated to the satisfaction of the Court that payment of

damages to the LEA Petitioners through the ROPS of the Respondent Successor

Agencies would improperly require the LEA Petitioners to contribute to the payment of

a liability owed to themselves and would allocate liability among the non-school ATEs

in a manner that distorts the relative shares by which each benefitted from the

computational errors rectified through the above-captioned litigation, to the particular

detriment of the various Real Parties in Interest;

G. The LEA Petitioners and the County have also demonstrated to the satisfaction of the

Court that any method other than the "direct payment" method detailed below, whereby

the taxing entities will wire transfer funds, or write a check directly to the LEA

Petitioners, or establish an installment agreement with the LEAs, would foist a costly,

wasteful, and unnecessary computational burden on the County Auditor-Controller and

the taxpayers of Los Angeles County;

H. Because ATEs must pay their equitable share of the total damages owed to each LEA

Petitioner, regardless whether those payments are effected through a reduction of

Residuals due from Successor Agency ROPS or through the process outlined in this

Order, the Court concludes that the payment process outlined in this Order is the most

[PROPOSED] ORDER RE PROCESS FOR PAYMENT OF DAMAGES

efficient, equitable, and economical method to effect payment of damages owed in this case;

I. Because payment of damages for retrospective harms in the manner contemplated by the following Order is critical to the efficient and equitable payment of retrospective damages, and also to the negotiated resolution of the disputes regarding the prospective payment of pass-through payments, including the writ of mandate regarding prospective relief to be issued by this Court, the Court will exercise its equitable discretion to direct the parties to make payment of all damages, whether assessed pursuant to negotiation or litigation, according to the terms and procedures specified below.

NOW, THEREFOR, the Court hereby ORDERS that the payment of all damages in the above-captioned litigation, whether required as the result of negotiation or future court order, be effected through direct payment to the relevant LEA Petitioners by, or on behalf of, the Respondents and Real Parties in Interest in the Related Cases, as follows:

1. Respondent County of Los Angeles, on behalf of itself and its controlled taxing entities (collectively, the "County"), shall pay each LEA Petitioner the total sum of settlement damages allocated to the County pursuant to the settlement agreement entered between the County and the LEA Petitioners, or the total damages assessed pursuant to court order, by the issuance of a warrant, check, draft or other transfer of funds acceptable to the County and the LEA Petitioner in question.

2. At the option of each non-County affected taxing entity ("ATE"), the ATE may pay its share of the total damages owed to the relevant LEA Petitioner by tendering a warrant directly to the LEA Petitioner, or by agreeing that the County shall deduct that liability from that ATE's 1% direct property tax entitlement and that the County shall then issue a warrant to the LEA Petitioner in the same amount deducted from the ATE's property tax entitlement.

-4-

a. Whether paid by direct warrant or by deduction from the ATE's property tax entitlement, upon agreement of the relevant LEA Petitioner, the ATE may make the payment of its share of damages in installments, and may elect to have those installments limited in each of the first four fiscal years of the installment payment plan by the total amount of residual tax increment payments paid to it in the immediately preceding fiscal year under subdivision (a)(4) of Health and Safety Code section 34183, with all remaining principal and interest accrued due and payable in the fifth and final fiscal year.

b. In the event that a court order, or a settlement agreement between an LEA Petitioner and an ATE, specifies that the ATE will make direct payment of the total settlement damages owed by that ATE through a one-time reduction of its direct 1% property tax entitlement, after the settlement agreement between the LEA Petitioner and ATE becomes effective, or after the relevant court order, the County of Los Angeles Auditor Controller (the "Auditor-Controller") shall, at the time of the ATE's next distribution of direct 1% property tax, deduct an amount equal to the total amount owed by that ATE from the ATE's direct 1% property tax allocation and shall issue a warrant or draft payable to the LEA in that same amount, with a notation acknowledging the source of the damages being paid, within fifteen calendar days after that deduction.

c. In the event a court order or a settlement agreement between an LEA Petitioner and an ATE specifies that the ATE will make direct payment of liability for damages in installments through reduction of its direct 1% property tax entitlements, the Auditor-Controller shall deduct, in installments, an amount equal to the entire damages amount owed to the LEA Petitioner by that ATE, plus any interest accrued during the installment payment period, from the direct 1% property tax allocation of the ATE, according to the following schedule and procedure:

-5-

[Proposed] ORDER RE PROCESS FOR PAYMENT OF DAMAGES

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i. In the fiscal year in which the court order issues or the settlement agreement becomes effective, the County of Los Angeles Auditor Controller (the "Auditor-Controller") shall, at the time of the ATE's next distribution of direct 1% property tax, and in December of each of the next subsequent three fiscal years in which any liability for damages and accrued interest remains unpaid by the ATE, the Auditor-Controller shall deduct from the direct 1% property tax distribution of the ATE the lesser of: (1) the total outstanding damages amount owed by the ATE, plus any interest accrued; or (2) an amount equal to the residual property tax distributions paid to that ATE in the immediately preceding fiscal year under subdivision (a)(4) of Health and Safety Code section 34183 from all of the former community redevelopment agencies that are parties to the Related Cases, which amount will be qualified in the event the ATE has outstanding liabilities for damages to more than one LEA Petitioner, as follows:

1. In the event an ATE has liabilities for damages to more than one of the LEA Petitioners, the amount specified in clause (2) of subparagraph i, above, shall be determined with respect to each LEA Petitioner as the share of the total residual property tax distributions paid to the ATE in the immediately preceding fiscal year under subdivision (a)(4) of Health and Safety Code section 34183 from all of the former community redevelopment agencies that are parties to the Related Cases that is proportional to the relative size of the total outstanding damages and interest owed to that LEA Petitioner as compared to total outstanding damages and interest owed to all LEA Petitioners(s);

-6-

ii. Within fifteen calendar days after each installment deduction specified in the subparagraph (i), the Auditor-Controller shall issue a warrant to the relevant LEA Petitioner in an amount equal to the amount deducted from the ATE's direct 1% property tax entitlement, with notations specifying the source of the damages being paid.

d. Beginning on the due date of the first installment payment in the fiscal year in which the court order or settlement agreement becomes effective, and in each subsequent fiscal year in which the ATE's total damages liability plus any accrued interest remains unsatisfied, simple interest shall accrue at 7% per annum on any remainder amounts of the ATE's share of the total damages owed to the relevant LEA Petitioner that are unpaid after each installment payment, from the due date of that installment payment up to the date of the next subsequent installment payment, and that interest shall, on that date, be added to, and become part of, the remaining principal for the purpose of this installment payment process.

e. The total outstanding damages amount owed by the ATE, and all accrued interest, shall become due and payable upon the final installment deduction contemplated in the court order or in the settlement agreement between that ATE and the LEA Petitioner and in no case later than the fifth fiscal year after the court order or settlement agreement becomes effective. To implement any final installment payment, the County Auditor-Controller shall deduct an amount equal to all remaining damages and accrued interest owed by the ATE from the ATE's direct 1% property tax entitlement in that fiscal year and shall issue a warrant in that same amount to the relevant LEA Petitioner with a notation acknowledging the source of the damages paid.

f. Should all or any part of the ATE's share of the total damages owed to the relevant LEA Petitioner and any accrued interest remain unpaid to LEA as of a

[PROPOSED] ORDER RE PROCESS FOR PAYMENT OF DAMAGES

1   pending dissolution or merger involving the ATE, all remaining amounts owed

2   shall be deducted from the direct property tax distribution to that ATE in that

3   fiscal year, and the Auditor-Controller shall promptly issue a warrant or draft to

4   the relevant LEA for the remaining principal and interest amounts owed with a

5   notation acknowledging the source of the funds.

6   3. In partial satisfaction of the total damages owed to the four LEA Petitioners, as those

7   liabilities are apportioned among the Respondents and Real Parties in Interest pursuant

8   to the court orders or settlement agreements entered in this matter, the County shall

9   release the redevelopment pass-through funds impounded pursuant to prior orders of

10   this Court and shall make payment by warrant from those released funds to the four

11   LEA Petitioners in the respective amounts due to each.

12   4. In partial satisfaction of the total damages owed to the Los Angeles Unified School

13   District ("LAUSD") and the Los Angeles Community College District ("LACCD"), as

14   those liabilities are apportioned among certain Respondents and Real Parties in Interest

15   pursuant to the court orders or settlement agreements entered in this matter, Respondent

16   CRA/LA shall release all redevelopment pass-through funds impounded by the

17   CRA/LA to the County and the County shall make payment by warrant from those

18   released funds to LAUSD and LACCD in the respective amounts due to each.

19   **IT IS SO ORDERED.**

20

21   Dated: **Nov. 14** , 2017   **ELIHU M. BERLE**

22   _____
          Hon. Elihu Berle

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-8-

[PROPOSED] ORDER RE PROCESS FOR PAYMENT OF DAMAGES

1 | Submitted by:
2 | STRUMWASSER & WOOCHER
3 | By: _____
4 | Gregory G. Luke
5 | *Attorney for Petitioner Long Beach Unified School District*
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-10-
[PROPOSED] ORDER RE PROCESS FOR PAYMENT OF DAMAGES

Exhibit E

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8   SUPERIOR COURT OF THE STATE OF CALIFORNIA

9   FOR THE COUNTY OF LOS ANGELES, CENTRAL DISTRICT

10

11 LOS ANGELES UNIFIED SCHOOL DISTRICT,	Case No. BS108180 *and related cases*
12	Case No. BS137598
	Case No. BS127286
13 Petitioner,	Case No. BS130308
14 vs.	*ORDER AND* [~~PROPOSED~~] **WRIT OF MANDATE REGARDING PROSPECTIVE**
15 THE COUNTY OF LOS ANGELES; J. TYLER McCAULEY, in his official	**RELIEF**
16 capacity as Auditor-Controller for the County of Los Angeles; et al.,	Case Filed : March 29, 2007
17	Judge : Elihu Berle
	Department : 323
18 Respondents.	
19 LONG BEACH UNIFIED SCHOOL DISTRICT,	
20 Petitioner,	
21 vs.	
22 THE COUNTY OF LOS ANGELES; J.	
23 TYLER McCAULEY, in his official capacity as Auditor-Controller for the	
24 County of Los Angeles; et al.,	
25 Respondents.	
26 *[Caption continues onto following page]*	

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1	MONTEBELLO UNIFIED SCHOOL DISTRICT,
2	Petitioner,
3	
4	vs.
5	THE COUNTY OF LOS ANGELES; J. TYLER McCAULEY, in his official capacity as Auditor-Controller for the County of Los Angeles; et al.,
6	
7	Respondents.
8	
9	LOS ANGELES COMMUNITY COLLEGE DISTRICT,
10	Petitioner,
11	vs.
12	THE COUNTY OF LOS ANGELES; J. TYLER McCAULEY, in his official capacity as Auditor-Controller for the County of Los Angeles; et al.,
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14	
15	Respondents.
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1   TO ALL PARTIES AND THEIR ATTORNEYS OF RECORD:

2   The Court having determined that prospective relief should be granted and that such

3 relief is integral to and consistent with the settlement agreements and stipulations entered into

4 by and between the various Petitioners, Respondents, and Real Parties in Interest in the above-

5 captioned related cases,

6   NOW THEREFORE, RESPONDENTS COUNTY OF LOS ANGELES AND

7 LOS ANGELES COUNTY AUDITOR-CONTROLLER, (collectively, the "COUNTY

8 RESPONDENTS"), together with their agents, officers, employees, representatives, and

9 successors, ARE HEREBY COMMANDED, as follows:

10   For all former redevelopment project areas with redevelopment plans adopted

11 on or after January 1, 1994, and all former redevelopment project areas with redevelopment

12 plans adopted before that date but subject to the passthrough requirements of Health and

13 Safety Code section 33607.5 by operation of Health and Safety Code section 33607.7 (as

14 those sections read on January 1, 2011) and sections 34183, subd. (a)(1) and 34188, subd.

15 (a)(2), for fiscal year 2016-17, and all subsequent fiscal years, COUNTY RESPONDENTS

16 shall:

17   (1)   calculate passthrough payments that are required to be made pursuant to Health

18   and Safety Code sections 33607.5 and 33607.7, as those sections read on

19   January 1, 2011, and sections 34183(a)(1) and 34188(a)(2), (hereinafter "AB

20   26 payments"), in a manner that credits local educational agencies

21   ("school(s)") with the property taxes they receive through the Educational

22   Revenue Augmentation Fund ("ERAF");

23   (2)   calculate AB 26 payments in a manner that does not credit non-school affected

24   taxing entities with the receipt of property taxes that are in fact shifted to the

25   ERAF;

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[PROPOSED] WRIT OF MANDATE REGARDING PROSPECTIVE RELIEF

(3)   calculate AB 26 payments in a manner that includes the property tax revenues received by schools through ERAF without regard to any monies allocated to a city, a city and county, or a county pursuant to sections 97.68 and 97.70 of the Revenue and Taxation Code;

(4)   for each redevelopment project area where AB 26 payments must be made, calculate each affected taxing entity's AB 26 payments according to the share of property taxes each entity receives, including in the shares of local educational agencies the property taxes shifted to those agencies via the ERAF, within the boundaries of that redevelopment project area; and

(5)   disburse AB 26 payments to affected taxing entities, as described in Health and Safety Code sections 34183 and 34188, in a manner consistent with paragraphs (1) - (4) above.

The Court notes that the COUNTY RESPONDENTS and the four Petitioners in the above-captioned related cases have stipulated and agreed in the Settlement Agreement entered by and between them that certain methods and processes, as set forth in Exhibits A, B, and C {"Calculation Methodologies"}to that Settlement Agreement, will be deployed by the COUNTY RESPONDENTS to give effect to the terms set forth in this writ of mandate. The Court finds those methods and processes necessary and suitable to give effect to the terms of this writ.

Dated: NOV 14 2017   **LET THE WRIT ISSUE.**

SO ORDERED:

ELIHU M. BERLE   By: _____
JUDGE OF THE   Clerk of the Superior Court
SUPERIOR COURT

KELLY JAMESON

Exhibit E
Page 4 of 5

PROOF OF SERVICE

STATE OF CALIFORNIA, COUNTY OF LOS ANGELES

  I, Rhoel Garcia, declare as follows: I am a citizen of the United States, over 18 years of age and am not a party to the within action. My business address is 1055 West 7th Street, Suite 3050, Los Angeles, CA 90017.

  On October 23, 2017, I served the foregoing document described as **STIPULATION FOR ENTRY OF ORDERS RELATED TO SETTLEMENTS AND DISMISSALS** on all interested parties in this action by placing a true copy thereof enclosed in sealed envelopes addressed as stated in the attached service list:

☒ **VIA ELECTRONIC SUBMISSION.** Said service was effectuated via electronic service by Case Anywhere, this matter's e-service provider pursuant to the order of this Honorable Court dated March 14, 2011. I uploaded onto the Case Anywhere document depository a true and correct copy(ies) of the document(s) being served, and the Case Anywhere electronic service system e-mailed notices of uploading of the same, which notices included links to the document(s) uploaded, to the parties in this action as indicated in the attached electronic service list.

☐ **VIA MAIL** I am readily familiar with this office's practice for collection and processing of correspondence for mailing with the U.S. Postal Service. Per that practice the within correspondence will be deposited with the U.S. Postal Service on the same day shown on this affidavit in a sealed envelope with postage fully prepaid in the ordinary course of business. I am aware that on motion of the party served, service is presumed invalid if postal cancellation date or postage meter date is more than one day after date of deposit for mailing in this affidavit.
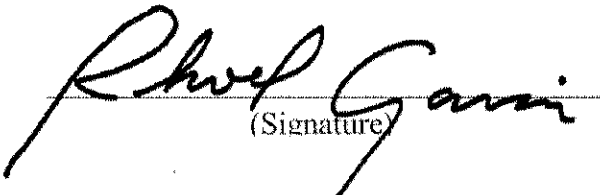
☐ **VIA ELECTRONIC MAIL** I caused a PDF version of the documents to be transmitted by electronic mail to the party(s) identified on the attached service list using the e-mail address(es) indicated. I did not receive, within a reasonable time after transmission, any electronic message or other indication that the transmission(s) were unsuccessful.

☐ **VIA OVERNIGHT DELIVERY (FEDERAL EXPRESS)** I caused the attached document(s) to be delivered via overnight delivery by depositing copies with the Federal Express delivery service. The envelope was marked for overnight delivery, with the delivery charged to the sender's account.

☐ **VIA PERSONAL SERVICE** I caused such envelope(s) to be delivered to the offices of the addressees on the attached service list by an employee of:

  I declare under penalty of perjury under the laws of the State of California that the foregoing is true and correct. Executed on October 23, 2017, at Los Angeles, California.

<table>
<tr><td>Rhoel Garcia
(Type or print name)</td><td>(Signature)</td></tr>
</table>

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PROOF OF SERVICE