

ORIGINAL

**AGREEMENT FOR COOPERATION BETWEEN THE REDEVELOPMENT
AGENCY OF THE CITY OF SAN DIEGO AND THE COUNTY OF
SAN DIEGO RELATING TO THE FUNDING OF NORTH EMBARCADERO
PUBLIC IMPROVEMENTS AND FACILITIES
(Centre City Redevelopment Project)**

THIS AGREEMENT (the "Agreement") is entered into this 25 day of August, 2008, by and between the REDEVELOPMENT AGENCY OF THE CITY OF SAN DIEGO, a public body, corporate and politic (the "Agency"), and the COUNTY OF SAN DIEGO, a public body (the "County"), with reference to the following:

A. The Redevelopment Plan for the Centre City Redevelopment Project Area ("Redevelopment Plan") was approved and adopted by the City Council of the City of San Diego ("City Council") by Ordinance No. O-17767 (New Series) on May 11, 1992 and was amended by the City Council on November 28, 1994 by Ordinance No. O-18119 (New Series), on January 9, 1995 by Ordinance No. O-18145 (New Series), on November 8, 1999 by Ordinance No. O-18708 (New Series), on November 8, 1999 by Ordinance No. O-18710 (New Series), and on November 22, 1999 by Ordinance No. O-18720 (New Series).

B. The Redevelopment Plan for the Grantville Redevelopment Project Area ("Grantville Redevelopment Plan") was approved and adopted by the City Council by Ordinance Number O-19380 (New Series) on May 17, 2005.

C. County and Agency desire to implement the construction and completion of certain North Embarcadero public improvements and facilities located within the Centre City Redevelopment Project Area ("Redevelopment Project Area") and described in this Agreement (the "North Embarcadero Project Improvements") which will be financed in part through funds for construction to be committed by the Agency (Centre City) pursuant hereto. The construction of the North Embarcadero Project Improvements is to be managed, administered and completed by the County consistent with this Agreement.

D. Agency (Centre City) proposes to commit \$31,360,000 to fund a portion of the cost of the construction of the North Embarcadero Project Improvements, to be paid to the County pursuant to this Agreement in thirty-nine (39) annual payments commencing in the 2011-12 fiscal year in accordance with the "Schedule of Annual Payments" attached hereto, labeled "Exhibit A" and incorporated herein by this reference.

E. Pursuant to section 33445 of the California Community Redevelopment Law (Health & Safety Code 33000, et seq.), the Agency is authorized to pay for all or part of the costs for the installation and construction of a publicly owned facility either within or without the Redevelopment Project Area, if the City Council finds that the construction is of benefit to the Redevelopment Project Area or to the immediate neighborhood, that no other reasonable means of financing the improvements is available

R- 304018

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SAN DIEGO, CALIF.

to the community, that payment of funds for the costs of the project will assist in the elimination of one or more blighting conditions inside the Redevelopment Project Area, and that the project is consistent with the Redevelopment Plan and Grantville Redevelopment Plan. The City Council made the foregoing findings in Resolution No. R-304018

In consideration of the above recitals and the mutual covenants and conditions set forth in the Agreement, and for good and valuable consideration of the receipt and sufficiency of which are hereby acknowledged, the Agency and County agree as follows:

ARTICLE 1: SCOPE OF AGREEMENT

1.1 Purpose.

The purpose of this Agreement is to provide for the administration and funding of the construction of the North Embarcadero Project Improvements. The North Embarcadero Project Improvements are described on the "Description of Improvements and Facilities" attached hereto, labeled Exhibit "B" and incorporated herein by this reference.

1.2 Agency Contribution.

Agency (Centre City) hereby agrees to provide Thirty One Million Three Hundred Sixty Thousand Dollars (\$31,360,000), plus any interest due as a result of any deferral pursuant to Section 2.3.C, to fund a portion of the cost of the construction of the North Embarcadero Project Improvements, to be paid to the County pursuant to this Agreement in thirty-nine (39) annual payments commencing in the 2011-12 fiscal year in accordance with the Schedule of Annual Payments listed in Exhibit "A" (the "Agency Contribution").

1.3 County's Obligations.

County agrees to plan, design, construct, provide construction management for and complete the North Embarcadero Project Improvements in accordance with this Agreement. County agrees to diligently pursue such efforts and take all necessary steps to achieve such purposes, consistent with Exhibit B attached hereto and incorporated herein.

1.4 Scope of Participation.

The parties acknowledge and agree that County bears sole responsibility for the planning, design, construction, construction management, and operations and maintenance of the North Embarcadero Project Improvements, and for paying all costs and expenses necessary therefor, subject only to Agency's obligation to participate in the funding of such costs and expenses as set forth in this Agreement. Agency's participation in the North Embarcadero Project Improvements is limited to the contribution of committed funds in the amount of \$31,360,000, as set forth in this

Agreement and the Schedule of Annual Payments. Agency's participation in contributing funding to North Embarcadero Project Improvements does not create any obligation on the part of the Agency to participate in any additional funding, construction, development, maintenance, or operations for the North Embarcadero Project Improvements. Agency and County agree that Agency funds will be used for purposes consistent with the California Community Redevelopment Law (Health & Safety Code 33000, et seq.), including project design, acquisition, administration, planning, permits, environmental review, work done as a result of environmental review, legal fees, financing, rehabilitation, construction, inspection, or project management related to the North Embarcadero Project Improvements, as identified in Exhibit B.

1.5 Periodic Review.

At the request of either County's Chief Administrative Officer or Agency's Executive Director made prior to each desired meeting, County's Chief Administrative Officer (or his designee) and Agency's Executive Director (or his designee) will meet to review the progress to date of implementation of this Agreement.

ARTICLE 2: AGENCY CONTRIBUTION OF FUNDS

2.1 Funding Schedule.

Agency (Centre City) agrees to pay the Agency Contribution for the North Embarcadero Project Improvements in thirty-nine (39) annual payments as set forth in the Schedule of Annual Payments (Exhibit "A"). Each annual payment set forth on the Schedule of Annual Payments shall be paid to the office of Auditor & Controller of the County at 1600 Pacific Coast Highway, Room 77, San Diego, California 92101 on October 1 of each year, commencing October 1, 2012, for each previous fiscal year. County shall have the right to withhold future tax increments from the Grantville Redevelopment Project Area if any payment is not made when due, provided the County notifies Agency in writing ten (10) days in advance.

Copies of all advance notices by County shall be sent as follows:

The Redevelopment Agency of the City of San Diego
1200 Third Avenue, 14th Floor, MS 56D
San Diego, CA 92101
Attention: Grantville Redevelopment Project Area Manager

AND

Centre City Development Corporation
225 Broadway, Suite 1100
San Diego, CA 92101

2.2 Total Agency Contribution Not to Exceed \$31,360,000.

The total amount of Agency Contribution shall not exceed \$31,360,000, except as required by the Section 2.3.C below. If the costs relating to the North Embarcadero Project Improvements exceed this amount, such expenses shall be the obligation of the County.

2.3 Special Limited Obligation.

A. Use of Funds.

The Agency Contribution under Sections 1.2 and 2.2 shall be used by County only to pay the cost for project design, acquisition, administration, planning, permits, environmental review, for work done as a result of environmental review, legal fees, financing, rehabilitation, construction, inspection, or project management related to the North Embarcadero Project Improvements, as identified in Exhibit B, consistent with the requirements of the California Community Redevelopment Law (Health & Safety Code 33000, et seq.).

B. Statutory Pass Through Amounts.

The Agency Contribution in this Agreement is an addition to any election, prior or future, by County, or any right to receive tax revenues under Sections 33607.5 and 33676(a)(1) of the California Community Redevelopment Law.

C. Deferral of Payments With Interest.

Subject to the requirements of this Section 2.3.C, Agency (Centre City) shall have the right to defer payment of the annual payments comprising the Agency Contribution (but not the Statutory Pass Through Amounts described in Section 2.3.B, and contemplated in Section 33607.5 of the California Community Redevelopment Law) only (i) if in any year the cumulative amount of gross tax increments collected, allocated to and received by the Agency for the Grantville Redevelopment Plan is less than the cumulative "Projected Gross Tax Increments (Grantville Redevelopment Plan)" shown in Exhibit "A" and used as part of the illustrative examples in Exhibit "C"; and (ii) only to the extent and in proportion to the amount by which the actual Gross Tax Increments received by the Agency for the specific year is less than the amount of the "Projected Gross Tax Increments (Grantville Redevelopment Plan)" shown in Exhibit "A" and used as part of the illustrative examples in Exhibit "C" for that specific year.

For purposes of this Agreement, "Gross Tax Increments" shall mean tax increments allocated and paid to and actually received by the Agency for the Grantville Redevelopment Plan pursuant to Section 33670 of the California Community Redevelopment Law (Health & Safety Code 33000, et seq.) and the Grantville Redevelopment Plan.

The Agency shall pay to the County all amounts deferred under this Section 2.3.C together with interest on such deferred amounts calculated from the date of deferral to date of reimbursement at the Pooled Rate of Interest from any Excess Net Tax Increments received by the Agency within 90 days of the end of the fiscal year for which such Excess Net Tax Increments funds were received.

For purposes of this Agreement, "Excess Net Tax Increments" shall mean, in any year, the amount by which the cumulative Gross Tax Increments exceeds the cumulative Projected Gross Tax Increments, as shown in Exhibit "A" for such fiscal years.

For purposes of this Agreement, "Pooled Rate of Interest" shall mean, in any year, the interest computed quarterly at the pooled money investment rate of the County of San Diego as published in the Quarterly Earnings Report or a comparable successor publication.

Illustrative examples of various scenarios related to the implementation of this Section 2.3.C are set forth in the attached Exhibit "C". Such examples are for purposes of illustration only and in the event of a conflict between said Exhibit "C" and this Agreement, the provisions of this Agreement shall prevail.

D. Indebtedness.

The obligations of Agency (Centre City) under this Agreement shall constitute an indebtedness of Agency, which indebtedness shall be payable only out of tax increments levied by or for the benefit of taxing agencies in the Redevelopment Project Area, and allocated to Agency pursuant to Section 33670, et seq., of the California Community Redevelopment Law.

2.4 Subordination.

The indebtedness of Agency under this Agreement shall be subordinate to the rights of the holder or holders (other than if the City of San Diego or a public entity in which it is a party is the holder of the indebtedness) 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 Area, including without limitation any pledge of tax increment revenues from the Redevelopment Project Area 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 Area.

Agency shall market such bond or bonds or incur such indebtedness in a manner such that sufficient tax increment revenues remain available to pay Agency's obligations under this Agreement, after the priority pledge of tax increment revenues to the holders of the indebtedness. When Agency is contemplating the sale of bonds, Agency will provide County with a copy of its preliminary official statement which is the basis for its

bond issue, together with an explanation of how Agency intends to meet its obligations under this Agreement. The Agency shall include in the preliminary official statement appropriate references thereto. The Agency shall provide the County with substantial evidence that sufficient funds will be available to pay both the debt service and the payments required by this section, when due.

In the event Agency is unable to meet its obligation under this Agreement, such monies due to County shall be considered an indebtedness of Agency to County and shall accrue and be due and owing until such obligation is fulfilled by Agency. In such event, the obligation of Agency shall accrue interest until payment is made computed by the Pooled Rate of Interest. Until such accrued amounts are paid, with interest as applicable, such indebtedness to County shall be paid from the first available tax increment revenues not used by Agency for such priority indebtedness, and not used by Agency to administer the North Embarcadero Project Improvements in a manner comparable to its then recent experience, prorata to County and any other taxing agencies with whom Agency is obligated under a similar agreement with respect to the North Embarcadero Project Improvements.

2.5 Progress Reports.

County agrees to regularly communicate with the Agency regarding the progress of design, construction and completion of the North Embarcadero Project Improvements. County shall provide the Agency with copies of plans, specifications and estimates of progress levels consistent with work invoiced.

ARTICLE 3: INDEMNIFICATION

3.1 Indemnification.

County agrees to defend, indemnify, protect, and hold Agency and all of its officers, agents, and employees harmless from any and all actions, suits, proceedings, liability, loss, expense (including all expenses of investigation and defending against same), and all claims for injury or damages to any person, arising out of the performance of this Agreement or any agreement entered into to implement this Agreement, but only in proportion to and to the extent such actions, suits, proceedings, liability, loss, expense or claims for injury or damages are caused by, or result from, the negligent or intentional acts or omissions of County, its officers, agents, or employees.

Agency agrees to defend, indemnify, protect, and hold County and all of its officers, agents, and employees harmless from any and all actions, suits, proceedings, liability, loss, expense (including all expenses of investigation and defending against same), and all claims for injury or damages to any person, arising out of the performance of this Agreement or any agreement entered into to implement this Agreement, but only in proportion to and to the extent such actions, suits, proceedings, liability, loss, expense or claims for injury or damages are caused by, or result from, the negligent or intentional acts or omissions of Agency, its officers, agents, or employees. The provisions of this

section shall survive the expiration, termination, or assignment of this Agreement.

3.2 No Joint and Several Liability.

The parties acknowledge and agree that as stated in Government Code section 895, this Agreement is an agreement between public entities designed to implement the disbursement or subvention of public funds from one entity to the other and, as such, is not subject to the joint and several liability provisions of Government Code sections 895 to 895.8.

ARTICLE 4: GENERAL PROVISIONS

4.1 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; provided, however, that if such obligation cannot reasonably be performed within said 30 day period, no default shall have occurred if the nonperforming party commences to cure within said 30 day period and thereafter diligently pursues the cure to completion. In the event of default, the non-defaulting party will have all the rights and remedies available to it at law or in equity. 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.

Copies of all notices of defaults shall be sent as follows:

County:

Chief Administrative Office, County of San Diego
County Administration Center
1600 Pacific Coast Highway, Room 209
San Diego, California 92101

With a copy to:

County Counsel, County of San Diego
County Administration Center
1600 Pacific Highway, Room 355
San Diego, CA 92101

Agency:

The Redevelopment Agency of the City of San Diego
1200 Third Avenue, 14th Floor, MS 56D
San Diego, CA 92101
Attention: Grantville Redevelopment Project Area Manager

AND

Centre City Development Corporation
225 Broadway, Suite 1100
San Diego, CA 92101

With a copy to:

Office of the City Attorney
1200 Third Avenue, Suite 1100
San Diego, California 92101-4100

4.2 Representation.

County and Agency represent and warrant that in agreeing to the terms of this Agreement they have read the Agreement, have had the Agreement explained to them by County's and Agency's counsel, are aware of the content and legal effect of this Agreement, are acting on the advice of County's and Agency's counsel and are not relying on any representation made by County, Agency or City or any of the employees, agents, representatives or attorneys of County, Agency or City, or any of them, except as expressly set forth in this Agreement.

4.3 No Waiver.

No failure of either County or Agency to insist upon strict performance by the other of any covenant, term or condition of the Agreement, nor any failure to exercise any right or remedy consequent upon a breach, shall constitute a waiver of any such breach of such covenant, term or condition.

4.4 No Third Party Beneficiary.

The parties agree that this Agreement is made solely for the benefit of Agency and County, and no third person or entity shall be deemed to have any rights or remedies hereunder.

4.5 Amendments.

All amendments or modifications to the Agreement shall be in writing and executed by both parties.

4.6 California Law.

The laws of the State of California shall govern and control the terms and conditions of this Agreement.

4.7 Institution of Legal Actions.

In addition to any other legal rights or remedies, either party may institute legal action to cure, correct, or remedy any default, to recover damages for any default, or to obtain any other remedy consistent with the purpose of this Agreement. Such legal actions must be instituted in a court of competent jurisdiction in the County of San Diego, California.

4.8 Counterparts.

This Agreement may be executed in counterparts, which when taken together shall constitute a single signed original as though all parties had executed the same page.

4.9 Signing Authority.

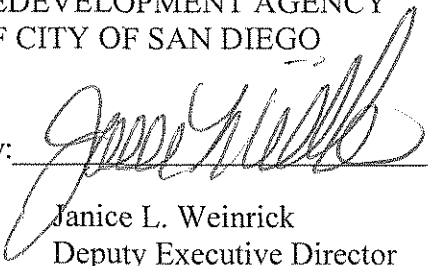
The representative signing on behalf of each party represents that authority has been obtained to sign on behalf of the party.

[INTENTIONALLY LEFT BLANK]

IN WITNESS WHEREOF, this Agreement is executed by the Redevelopment Agency of the City of San Diego by and through its Executive Director, or designee, and this Agreement is executed by the County of San Diego by its authorized signatory, County Counsel.

REDEVELOPMENT AGENCY
OF CITY OF SAN DIEGO


Date: 08/25/02

By: 
Janice L. Weinrick
Deputy Executive Director

APPROVED AS TO FORM AND LEGALITY:
MICHAEL J. AGUIRRE, General Counsel

By: _____

KANE, BALLMER & BERKMAN

By: 
Murray O. Kane
Agency Special Counsel

COUNTY OF SAN DIEGO

Date: _____

By: _____
John J. Sansone
County Counsel

IN WITNESS WHEREOF, this Agreement is executed by the Redevelopment Agency of the City of San Diego by and through its Executive Director, or designee, and this Agreement is executed by the County of San Diego by its authorized signatory, County Counsel.

REDEVELOPMENT AGENCY
OF CITY OF SAN DIEGO

Date: _____

By: _____

APPROVED AS TO FORM AND LEGALITY:
MICHAEL J. AGUIRRE, General Counsel

By: _____

KANE, BALLMER & BERKMAN

By: _____
Murray O. Kane
Agency Special Counsel

COUNTY OF SAN DIEGO

Date: August 29, 2008

By: John J. Sansone
John J. Sansone
County Counsel

EXHIBIT "A"

Schedule of Annual Payments

Annual installments beginning in the sixth (6) year of the Grantville Redevelopment Plan prorated over the remaining thirty-nine (39) plan years	Schedules	
	Projected Gross Tax Increment (Grantville Redevelopment Plan)	Anticipated Annual Payments for the North Embarcadero Project Improvements
2011-2012	\$1,722,066	\$129,666
2012-2013	\$2,026,775	\$152,610
2013-2014	\$2,349,766	\$176,930
2014-2015	\$2,692,136	\$202,709
2015-2016	\$3,055,049	\$230,036
2016-2017	\$3,439,736	\$249,916
2017-2018	\$3,847,505	\$270,990
2018-2019	\$4,279,740	\$293,328
2019-2020	\$4,737,909	\$317,006
2020-2021	\$5,223,568	\$342,105
2021-2022	\$5,738,367	\$368,709
2022-2023	\$6,284,053	\$396,910
2023-2024	\$6,862,481	\$426,803
2024-2025	\$7,475,615	\$458,490
2025-2026	\$8,125,536	\$492,078
2026-2027	\$8,814,453	\$527,681
2027-2028	\$9,544,704	\$565,420
2028-2029	\$10,318,771	\$605,424
2029-2030	\$11,139,282	\$647,828
2030-2031	\$12,009,024	\$692,776
2031-2032	\$12,930,950	\$740,421
2032-2033	\$13,908,191	\$790,925
2033-2034	\$14,944,067	\$844,459
2034-2035	\$16,042,096	\$901,205

Annual installments beginning in the sixth (6) year of the Grantville Redevelopment Plan prorated over the remaining thirty-nine (39) plan years	Schedules	
	Projected Gross Tax Increment (Grantville Redevelopment Plan)	Anticipated Annual Payments for the North Embarcadero Project Improvements
2035-2036	\$17,206,006	\$961,356
2036-2037	\$18,439,751	\$1,005,691
2037-2038	\$19,747,521	\$1,052,686
2038-2039	\$21,133,757	\$1,102,500
2039-2040	\$22,603,167	\$1,155,304
2040-2041	\$24,160,741	\$1,211,276
2041-2042	\$25,811,770	\$1,270,606
2042-2043	\$27,561,861	\$1,333,496
2043-2044	\$29,416,957	\$1,400,159
2044-2045	\$31,383,359	\$1,470,822
2045-2046	\$33,467,745	\$1,545,725
2046-2047	\$35,677,195	\$1,625,122
2047-2048	\$38,019,211	\$1,709,283
2048-2049	\$40,501,748	\$1,798,494
2049-2050	\$43,133,238	\$1,893,057
TOTAL		\$31,360,000

EXHIBIT "B"

Description of Improvements and Facilities

(North Embarcadero Project Improvements)

"North Embarcadero Project Improvements" shall include projects consistent with the County "Waterfront Park" Plan and the California Community Redevelopment Law, as they may be amended from time to time. These projects include, but are not limited to, parking improvements, traffic improvements, utility infrastructure, parks, open space improvements, transit improvements, pedestrian and bike improvements, lighting and landscape improvements and other public infrastructure improvements to current or future County-owned parcels in the Waterfront Park Plan area, including the County-owned property at Cedar and Kettner Streets that supports the County "Waterfront Park" Plan. These projects also include the related planning, administrative, financial, legal, design, and environmental review costs. In addition, and subject to the prior consent of the Agency which will not be unreasonably withheld, North Embarcadero Project Improvements may include improvements to the County owned parcel at Union and A Streets and any other parcels outside of the above-referenced area.

North Embarcadero Project Improvements made to adjacent City public rights of way shall be consistent with the guidelines set forth in the North Embarcadero Visionary Plan, as it may be amended from time to time. "Improvements made to adjacent City public rights of way" means improvements to streets, curbs, gutters, sidewalks, street trees, and street lights.

EXHIBIT "C"

Illustrative Examples Regarding Limitation on Payments

North Embarcadero Improvements

Formula: If in the specific year,

Cumulative Actual Gross Tax Increments for all prior years [CAGTI] < Cumulative Projected Gross Tax Increments for all prior years [CPGTI]

AND

Actual Gross Tax Increments for the specific year [AGTI] < Projected Gross Tax Increments for the specific year [PGTI],

then the annual payment owed for that year may be deferred to the extent and in proportion to the amount by which the Actual Gross Tax Increments (AGTI) received by the Agency for the specific year is less than the amount of the Projected Gross Tax Increment (PGTI) for the specific year until Excess Net Tax Increment exists in the following year(s).

"Excess Net Tax Increment" exists when, in any year, the Cumulative Actual Gross Tax Increment (CAGTI) exceeds the Cumulative Projected Gross Tax Increments (CPGTI), as shown in Exhibit "A," for such fiscal years.

Examples: Assume in the year 2013-2014, the AGTI is \$2,000,000 --\$349,766 less than the PGTI of \$2,349,766. Assuming AGTI = PGTI for all prior years, the CAGTI is \$5,748,841 compared to the CPGTI of \$6,098,607. Thus, in the year 2013-2014, the AGTI < PGTI and CAGTI < CPGTI. Therefore, the Agency may elect to defer an amount proportionate to the amount by which AGTI is less than PGTI (\$26,336), until Excess Net Tax Increment exists in the following year(s). The deferred amount of \$26,336 is a result of the following calculations:

- (1) Divide AGTI by PGTI to get the proportionate percentage ("X")
- (2) Multiply the Anticipated Annual Payment by X to get the Actual Annual Payment, and
- (3) Subtract the Actual Annual Payment from the Anticipated Annual Payment to calculate the amount to be deferred.

In the assumed year 2013-2014 set forth above,

- (1) Divide \$2,000,000 (AGTI) by \$2,349,766 (PGTI), resulting in the proportionate percentage of 0.851148 ("X")
- (2) Multiply \$176,930 (Anticipated Annual Payment) by 0.851148 ("X") to get \$150,594 (Actual Annual Payment), and

- (3) Subtract \$150,594 (Actual Annual Payment) with \$176,930 (Anticipated Annual Payment) to get the deferred amount of \$26,336.

Assume in the year 2014-2015, the AGTI is \$3,692,136 -- \$1,000,000 over the PGTI of \$2,692,136. Therefore, the CAGTI is \$9,440,977 compared to the CPGTI of \$8,790,743. Since in the year 2014-2015, CAGTI > CPGTI, the Agency has Excess Net Tax Increment and is obligated to repay all deferred amounts plus interest. Assuming the average pooled rate of interest for the previous 12 months was 5%, the amount owing for the deferred payment in 2013-2014 is $\$26,336 + \$1,317 (5\%) = \$27,653$. Therefore, the Agency owes the County the total amount of \$230,362 [$\$202,709 + \$27,653$] as the annual payment owed to the County because the Excess Net Tax Increment exists.

Assume in the year 2015-2016, the AGTI is \$2,405,049 -- \$650,000 less than the PGTI of \$3,055,049. Therefore, the CAGTI is \$11,846,026 compared to the CPGTI of \$11,845,792. Thus, in the year 2015-2016, the AGTI < PGTI, however CAGTI > CPGTI. Therefore, the Agency still owes the County an amount of \$230,036 as the scheduled annual payment.

Finally, assume in the year 2016-2017, the AGTI is \$3,430,000 -- \$9,736 less than the PGTI of \$3,439,736. Therefore, the CAGTI is \$15,276,026 compared to the CPGTI of \$15,285,528. Thus, in the year 2016-2017, the AGTI < PGTI and CAGTI < CPGTI. Therefore, the Agency may elect to defer an amount proportionate to the amount by which AGTI is less than PGTI (\$932), until the Excess Net Tax Increment exists in the following year(s).

For illustrative purposes, see the table below for the years 2013-2017 in support of the examples set forth herewith.

Sixth (6) year of the Grantville Redevelopment Plan prorated over the remaining thirty-nine (39) plan years	Cumulative Projected Gross Tax Increment [CPGTI]	Cumulative Actual Gross Tax Increment Collected, Allocated and Received by the Agency [CAGTI]	Projected Gross Tax Increment [PGTI]	Actual Gross Tax Increment Collected, Allocated and Received by the Agency [AGTI]	Anticipated Annual Payments for the North Embarcadero Project	Actual Annual Payments to the North Embarcadero Project
2011-2012	\$1,722,066	\$1,722,066	\$1,722,066	\$1,722,066	\$129,666	\$129,666
2012-2013	\$3,748,841	\$3,748,841	\$2,026,775	\$2,026,775	\$152,610	\$152,610
2013-2014	\$6,098,607	\$5,748,841	\$2,349,766	\$2,000,000 <i>[loss of \$349,766 from PGTI]</i>	\$176,930	\$150,594 <i>[\$26,336 deferred]</i>
2014-2015	\$8,790,743	\$9,440,977	\$2,692,136	\$3,692,136 <i>[increase of \$1,000,000 from PGTI]</i>	\$202,709	\$230,372 <i>[\$202,709 + \$26,336 + \$1,317 (5%)]</i>
2015-2016	\$11,845,792	\$11,846,026	\$3,055,049	\$2,405,049 <i>[loss of \$650,000 from PGTI]</i>	\$230,036	\$230,036
2016-2017	\$15,285,528	\$15,276,026	\$3,439,736	\$3,430,000 <i>[loss of \$9,736 from PGTI]</i>	\$249,916	\$249,284 <i>[\$632 deferred]</i>

Etc...

Such examples set forth herein are for purposes of illustration only and in the event of a conflict between said Exhibit "C" and this Agreement, the provisions of this Agreement shall prevail.

N Embarcadero Cooperation Agreement (6-19-8)