

**AGREEMENT
BETWEEN CITY OF CALABASAS AND CITY OF HIDDEN HILLS FOR
SPECIFIED PROPERTY TAX REVENUE SHARING
FOR REORGANIZATION NO. 2014-03.**

This tax sharing agreement (“Agreement”) is between the City of Calabasas (herein called "City of Calabasas") and the City of Hidden Hills (herein called "City of Hidden Hills"). Each is referenced herein as a “Party” and together, they are referenced as the “Parties.”

RECITALS

- A. On or about December 10, 2014, City of Calabasas submitted to the Local Agency Formation Commission for Los Angeles County (“LAFCO”) application number 2014-03 ("annexation application"), pursuant to the Cortese-Knox-Hertzberg Local Government Reorganization Act of 2000 (Division 3, Title 5 commencing with Section 5600, of the California Government Code);
- B. The area the City of Calabasas applied to annex ("annexation area") consists of approximately 176 acres of unincorporated territory generally located north of Highway 101 between the cities of Calabasas and Hidden Hills, in the unincorporated County area, as described in City of Calabasas Resolution No. 2013-1393, of which approximately 164 acres of inhabited territory will be annexed to the City of Calabasas and approximately 8 acres of uninhabited territory and 4 acres of inhabited territory will be annexed to the City of Hidden Hills; and
- C. Revenue and Taxation Code section 99.02 authorizes counties and cities to enter into a property tax transfer agreement for the exchange of property tax revenues.
- D. This agreement is prospective and applies only to Reorganization No. 2014-03 and not to any other past or future boundary changes for either Party.

NOW THEREFORE THE PARTIES AGREE AS FOLLOWS:

1. **RECITALS**

Calabasas and Hidden Hills agree that the foregoing recitals are true and correct and incorporate them into this Agreement by reference.

2. **DEFINITIONS**

The following definitions shall apply to this Agreement.

- A. "Annexation Area" means the approximately 176 acres of unincorporated territory generally located north of Highway 101 between the cities of Calabasas and Hidden Hills, in the unincorporated County area, as described in City of Calabasas Resolution No. 2013-1393, of which approximately 164 acres of inhabited territory will be annexed

to the City of Calabasas and approximately 8 acres of uninhabited territory and 4 acres of inhabited territory will be annexed to the City of Hidden Hills.

- B. "Effective Date" has the meaning set forth in section 3.
- C. "Fiscal year" means any year commencing on July 1 of any calendar year and ending on June 30 of the subsequent year.
- D. "Property Tax Revenue" means the revenue from ad valorem taxes on real property within the meaning of California Constitution article XIII A, section 1 and Revenue and Taxation Code section 95(c) that is levied and collected from within the Annexation Area.

3. EFFECTIVE DATE

This Agreement shall become effective on the date of the filing of the statement of boundary change for the Annexation Area with the State Board of Equalization and the Auditor-Controller and Assessor of the Los Angeles County pursuant to Government Code sections 54902 and 57204.

4. AGREEMENT TO SHARE SPECIFIED PROPERTY TAX REVENUE

- (a) The sharing of specified Property Tax Revenue shall commence the first fiscal year following the Effective Date, unless LAFCO establishes a different effective date for Reorganization 2014-03, in which case this Agreement shall begin on the first day of the next fiscal year following the effective date set for the Reorganization No. 2014-03 by LAFCO. Pursuant to the provisions of Revenue and Taxation Code section 99.02, upon approval of this Agreement the Parties shall each provide notice of the approved transfer to the Los Angeles County Auditor-Controller and request the County Auditor-Controller to implement this transfer agreement.
- (b) If the Los Angeles County Auditor-Controller agrees to implement this transfer agreement, or if not, by direct action by the City of Calabasas, the City of Hidden Hills shall receive twenty-five percent (25%) of the property tax revenues attributable to the City of Calabasas for the following tax rate areas, which are the tax rate areas for the approximately 164± acres of inhabited territory annexed into the City of Calabasas upon the approval of Reorganization No. 2014-03, which shall be included in the Los Angeles County Auditor-Controller’s allocation of property tax revenue for the City of Hidden Hills:

Tax Rate Area	Tax Rate Area	Tax Rate Area
4169	9002	12657

4930	9003	12917
4945	9024	12918
4971	9040	14132
5476	9244	14133
5988	11213	14141
6108	11855	15159
9000	12656	15160

- (c) If the Los Angeles County Auditor-Controller does not agree to implement this transfer agreement for any fiscal year or portion thereof, then the City of Calabasas shall pay to the City of Hidden Hills twice each Fiscal Year, within 90 days of its receipt of each twice annual property tax payment from the Los Angeles County Auditor-Controller, twenty-five percent (25%) of the property tax revenues attributable to the City of Calabasas for the preceding tax rate areas, which are the tax rate areas for the approximately 164± acres of inhabited territory annexed into the City of Calabasas upon the approval of Reorganization No. 2014-03. The Parties agree that the calculation of the amount to be remitted by the City of Calabasas to the City of Hidden Hills shall be based on such information as is provided by the Los Angeles County Office of the Assessor, Auditor-Controller, and Treasurer & Tax Collector, and such information as the City of Calabasas is provided by its tax consulting firms. The City of Calabasas will make all such information on which it bases each payment available to the City of Hidden Hills.

5. NOTICES

Notices to Calabasas or Hidden Hills shall be in writing and mailed or personally delivered as follows:

Hidden Hills City Council
c/o Interim City Manager Marcella Marlowe
6165 Spring Valley Road
Hidden Hills, CA 91302

With a copy to:
Michael Jenkins
Hidden Hills City Attorney
Best, Best & Krieger
300 South Grand Ave., 25th Floor
Los Angeles, CA 90071

Calabasas City Council
c/o City Manager Kindon Meik
100 Civic Center Way
Calabasas, CA 91302

With a copy to:
Matthew Summers
Calabasas City Attorney
Colantuono, Highsmith & Whatley, PC
790 E. Colorado Blvd., Suite 850
Pasadena, CA 91101

6. NEGOTIATED AGREEMENT

It is agreed and understood by the parties hereto that this agreement has been arrived at through negotiation and that neither party is to be deemed the party which prepared this agreement within the meaning of Civil Code Section 1654.

7. NO THIRD-PARTY BENEFICIARY

Except as expressly stated herein, there is no intended third party beneficiary of any right or obligation assumed by the parties.

8. WAIVER

The waiver by Calabasas or Hidden Hills of any breach of any term, covenant or condition herein contained shall not be deemed to be a waiver of such term, covenant or condition or of any subsequent breach of the same or any other term, covenant or condition herein. No term, covenant or condition of this Agreement shall be deemed to have been waived by Calabasas or Hidden Hills unless in writing signed by one authorized to bind the party asserted to have consented to the waiver.

9. COUNTERPARTS

This Agreement may be executed in two (2) or more counterparts, all of which together shall constitute a single agreement, and each of which shall be an original for all purposes.

10. SEVERABILITY

If any term or provision of this Agreement or the application thereof to any person or circumstance shall, to any extent, be unconstitutional, invalid or unenforceable, then such term or provision shall be amended to, and solely to, the extent necessary to cure such invalidity or unenforceability, and in its amended form shall be enforceable. In such event, the remainder of this Agreement, or the application of such term or provision to persons or circumstances other than those as to which it is held invalid or unenforceable, shall not be affected thereby, and each

term and provision of this Agreement shall be valid and be enforced to the fullest extent permitted by law.

11. CAPTIONS

The captions appearing at the commencement of the paragraphs hereof, and in any subdivision thereof, are descriptive only and for convenience in reference to this Agreement. Should there be any conflict between such heading, and the section or paragraph at the head of which it appears, the section or paragraph, and not such heading, shall control and govern in the construction of this Agreement. Masculine or feminine pronouns shall be substituted for the neuter form and vice versa, and the plural shall be substituted for the singular form and vice versa, in any place or places herein in which the context requires such substitution(s).

12. INDEMNIFICATION

Each Party shall indemnify, hold harmless, save and defend the other party, its officials, agents and employees from and against any and all claims, demands, damages, causes of action, liens, liabilities, losses, damages, costs and expenses, including reasonable attorney's fees, arising out of or in connection with each Party's actions under this Agreement.

13. AMENDMENT

This Agreement and all of the covenants and conditions set forth herein may be modified or amended only by a writing duly authorized and executed by the Parties after approval by each Party's City Council.

14. REFORMATION

The Parties understand and agree that this Agreement is based upon existing California law and that such law may be substantially amended in the future. In the event California law is amended and this Agreement is rendered invalid or otherwise substantially affected in a manner that denies either party the full benefit of its terms, the Parties agree to renegotiate the Agreement in good faith with the goal of reaching a new arrangement that as closely as possible approximates the arrangement set forth herein.

15. MUTUAL DEFENSE

If this Agreement is challenged in any legal action by a person or entity other than Calabasas or Hidden Hills, then Calabasas and Hidden Hills agree to defend jointly against the legal challenge and to bear equally any award of liability, costs, or attorney's fees, against Calabasas, Hidden Hills, or both of them.

16. ENTIRE AGREEMENT

This instrument contains the entire Agreement between the Parties with respect to the matters contemplated herein. No other prior oral or written agreements are binding upon the parties.

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

CITY OF HIDDEN HILLS

CITY OF CALABASAS

Eniko Gold, Mayor

Alicia Weintraub, Mayor

ATTEST:

ATTEST:

Deana L. Gonzalez, City Clerk

Analuz Mendoza, CMC, Interim City Clerk

APPROVED AS TO FORM:

APPROVED AS TO FORM:

Michael Jenkins, City Attorney

Matthew T. Summers, City Attorney