

**PROPERTY TAX REVENUE SHARING AGREEMENT BETWEEN THE SANTA  
MONICA-MALIBU UNIFIED SCHOOL DISTRICT, REPRESENTING THE  
INTERESTS OF THE FUTURE SANTA MONICA UNIFIED SCHOOL DISTRICT, AND  
THE CITY OF MALIBU, REPRESENTING THE INTERESTS OF THE FUTURE  
MALIBU UNIFIED SCHOOL DISTRICT**

This Property Tax Sharing Agreement (“Agreement”) is entered into and effective \_\_\_\_, 2025 (“Effective Date”), between the Santa Monica-Malibu Unified School District (“SMMUSD”), representing the interests of the future Santa Monica Unified School District (“SMUSD”), and the City of Malibu (“City”), representing the interests of the future Malibu Unified School District (“MUSD”), hereinafter referred to as the “Parties”, and with respect to the following Recitals, which are incorporated by reference into this Agreement.

**A. RECITALS**

WHEREAS, SMMUSD is the current provider of transitional kindergarten through twelfth grade public education for students residing within the cities of Santa Monica and Malibu, as well as the adjacent unincorporated territory of Los Angeles County (“County”); and,

WHEREAS, SMMUSD and City have agreed to pursue the formation of MUSD from territory within SMMUSD with the intention of the two resulting public school districts serving their respective communities; and,

WHEREAS, Education Code section 35511(a)(2) allows for the action to form a new unified school district from all or parts of one or more existing unified school districts; and,

WHEREAS, on the Separation Date (as defined below), SMUSD will become the primary provider of transitional kindergarten through twelfth grade public education for students within the boundaries of the City of Santa Monica, California, which boundaries are reflected and included in Exhibit A, attached and incorporated in this agreement; and,

WHEREAS, on the Separation Date, MUSD will become the primary provider of transitional kindergarten through twelfth grade public education for students in the City, a portion of the City of Westlake Village, and contiguous adjacent unincorporated territory of Los Angeles County, which boundaries are reflected and included in Exhibit B, attached and incorporated in this agreement; and,

WHEREAS, on June 6, 1978, the voters of the State of California amended the California Constitution by adding Article XIII A (commonly referred to as Proposition 13), which limited the total amount of property taxes which could be levied on property by local taxing agencies having such property within their territorial jurisdiction to one percent (1%) of assessed value of such property; and,

WHEREAS, a portion of the one percent (1%) property tax revenues allocated within the boundaries of SMMUSD has, by law, been used to provide funding for educational programs since 1978 in SMMUSD; and,

PROPERTY TAX REVENUE SHARING AGREEMENT BETWEEN THE  
SANTA MONICA-MALIBU UNIFIED SCHOOL DISTRICT AND THE CITY OF MALIBU

WHEREAS, SMMUSD is currently a community-funded school district, also known as a “Basic Aid District,” whereby SMMUSD receives a majority of its general, unrestricted funding from local property taxes because local property taxes exceed the State of California’s (“State” or “California”) guaranteed per-student funding amount as calculated through the Local Control Funding Formula (“LCFF”) and is, therefore, allowed to retain all of the allotted property tax revenues; and,

WHEREAS, it is anticipated, but not certain, that both SMUSD and MUSD will each be Basic Aid Districts on the Separation Date and thereafter, whereby they will receive, under current State law, a majority of their general, unrestricted funding from local property taxes; and,

WHEREAS, the Parties agree that SMUSD and MUSD shall be allocated a sufficient share of funding to provide for a similar level of service at each school site as delivered by SMMUSD in the fiscal year prior to the Separation Date; and,

WHEREAS, SMMUSD and City enter into this Agreement based on a desire to set forth and agree upon a fair and equitable approach to the creation of two separate unified school districts and the division of real property tax revenue currently derived from the territory of SMMUSD and now allocated for educational services to SMMUSD; and,

WHEREAS, California Revenue and Taxation Code section 99 provides a description for the reallocation of the property tax revenue when a jurisdictional change occurs that will alter the service area or service responsibility of a local agency that can be utilized by the Los Angeles County Auditor-Controller to calculate the amount of property taxes that would be allocated to SMUSD and MUSD based on the Tax Rate Areas within each agency’s boundaries; and,

WHEREAS, the allocation of tax revenues is subject to negotiation per Revenue and Taxation Code section 99(i); and is otherwise allocated by district territory; and,

NOW, THEREFORE, the Parties agree as follows:

**B. DEFINITIONS**

1. For the purposes of this Agreement, and unless otherwise defined herein, the following terms shall have the meaning(s) set forth below:
  - a. “Annual Calculation Date” shall mean the date by which the calculations to determine the Property Tax Transfer Amount are completed each fiscal year, which shall be no later than October 15.
  - b. “Base Year” shall mean the fiscal year commencing on the Separation Date.
  - c. “CALPADS Form 1.17” shall mean a report of the data filed annually with the State of California Department of Education through the California Longitudinal Pupil Achievement Data System by which annual enrollment figures are certified.
  - d. “Fiscal Year” shall mean the 12-month period from July 1 until the next following June 30.

PROPERTY TAX REVENUE SHARING AGREEMENT BETWEEN THE  
SANTA MONICA-MALIBU UNIFIED SCHOOL DISTRICT AND THE CITY OF MALIBU

- e. “Growth Factor” shall be the annual increase in SMUSD Funding Target which shall be 1.04, unless the Parties have mutually agreed to modification of this amount, with allowable modifications constrained to less than 1.04, but more than 1.00.
- f. “JPA” shall mean a Joint Powers Authority formed to execute the terms of this Agreement.
- g. “Malibu School Sites” shall mean the schools currently operated by SMMUSD within the MUSD Boundaries, specifically the following campuses: Malibu High School (CDS 19-64980-1995737), Malibu Middle School (CDS 19-64980-0139311), Malibu Elementary School (CDS 19-64980-6022602), Webster Elementary School (CDS 19-64980-6022636), whereby “CDS” refers to the California Public School Directory’s County-District-School code for each school site. “MUSD Boundaries” shall mean the territory to be served by MUSD after the Separation Date that was previously part of the boundaries of SMMUSD, including the City, a portion of the City of Westlake Village, and contiguous adjacent unincorporated territory of Los Angeles County, as shown on the map in Exhibit B.
- h. “MUSD Enrollment” for a particular year shall mean the total student enrollment as reported by the California Department of Education through CALPADS from the first Wednesday of October of such school year for the Malibu School Sites.
- i. “Object Code” shall mean the four (4) digit code as defined in SACS for Local Educational Agencies (“LEA”) and that identifies the type of revenue received or expenditure made by an LEA.
- j. “Operational Transfer Agreement” shall mean that certain agreement entered into between SMMUSD and City to provide the framework for how the Parties will work together during the time preceding the formation of the future MUSD.
- k. “Per Pupil Cost Differential” shall equal \$600 per MUSD pupil.
- l. “Per Pupil Funding Need” shall be the difference between the SMUSD Target Per Pupil Revenue and the SMUSD Per Pupil Revenue.
- m. “Prior Year” with respect to a particular year, shall mean the immediately preceding 12 month period from July 1 through the next following June 30 before the Fiscal Year.
- n. “Projected Revenue Percentage Increase” shall be the percentage increase applied to individual revenue object codes for purposes of projecting revenues as demonstrated in Exhibits D1 and D2.
- o. “Property Tax Transfer Amount” shall mean the amount of property tax revenues transferred from MUSD to SMUSD pursuant to the calculations described in Sections 5 and 6 of this Agreement.

PROPERTY TAX REVENUE SHARING AGREEMENT BETWEEN THE  
SANTA MONICA-MALIBU UNIFIED SCHOOL DISTRICT AND THE CITY OF MALIBU

- p. “Property Tax Transfer Calculation” shall mean the calculations set forth in Sections 5 and 6 of this Agreement used to determine the Property Tax Transfer Amount.
- q. “Resource Code” shall mean the four-digit code as defined in SACS for LEAs and that identifies the source of revenue received.
- r. “SACS” is the State of California’s Standardized Account Code Structure, defining statewide Object Codes, Resource Codes, and other reporting conventions for LEAs.
- s. “Santa Monica School Sites” shall mean the schools operated by the SMMUSD within the SMUSD Boundaries, specifically the following campuses: Edison Elementary School (CDS 19-64980-6022545), Franklin Elementary School (CDS 19-64980-6022552), Grant Elementary School (CDS 19-64980-6022560), McKinley Elementary School (19-64980-6022594), John Muir Elementary School (CDS 19-64980-6022578), Will Rogers Elementary School (CDS 19-64980-6022644), Roosevelt Elementary School (CDS 19-64980-6022610), Santa Monica Alternative School House (CDS 19-64980-6093538), John Adams Middle School (CDS 19-64980-6058531), Lincoln Middle School (CDS 19-64980-6061659), Olympic High School (CDS 19-64980-1933373), and Santa Monica High School (CDS 19-64980-1938000).
- t. “Separation Date” shall mean the 1st of July in the year whereby the separate MUSD and SMUSD become officially operational as authorized by the California Department of Education.
- u. “SMMUSD Enrollment” for a particular year shall mean the total student enrollment as reported by the California Department of Education through CALPADS as of the first Wednesday of October of such school year until Separation.
- v. “SMUSD Boundaries” shall mean the territory to be served by SMUSD after the Separation Date, which was previously part of the boundaries of SMMUSD, including the City of Santa Monica, as shown on the map in Exhibit A.
- w. “SMUSD Enrollment” for a particular year shall mean the total student enrollment as reported by the California Department of Education through CALPADS from the first Wednesday of October of each school year for the Santa Monica School Sites.
- x. “SMUSD Funding Target” shall be the Unrestricted General Fund Revenues provided to SMUSD in a given year as determined in Sections 5 and 6 of this agreement, prior to and adjustments pursuant to Sections 7, 8, 9 and 10 of this agreement.
- y. “SMUSD Target Per Pupil Revenue” shall mean the revenue funding target for SMUSD as calculated in Section 5 in this Agreement.

PROPERTY TAX REVENUE SHARING AGREEMENT BETWEEN THE  
SANTA MONICA-MALIBU UNIFIED SCHOOL DISTRICT AND THE CITY OF MALIBU

- z. “Tax Rate Area” shall mean a geographical area comprised of a unique combination of taxing jurisdiction, including a city, county, school district, and special district.
- aa. “Unrestricted General Fund Revenues” shall mean the sum of Fund 01 - General Fund Unrestricted Revenues reported in Object Codes 8010 through 8799 and Resource Codes 0000 through 1999 of the Unaudited Actual Financial Statements as prepared in accordance with SACS.
- bb. “Unaudited Actual Financial Statements” shall mean the annual financial statements prepared and reported to the California Department of Education, which reflect the actual financial activities of the applicable school district for a Fiscal Year.
- cc. “Unification” shall mean dissolution of the SMMUSD and the formation of the SMUSD and MUSD.

**C. AGREEMENT**

1. Effect of Recitals. The foregoing Recitals are incorporated by reference into this Agreement.
2. Calculation of Property Tax Revenues. SMMUSD currently receives property tax revenues derived from one hundred and three (103) Tax Rate Areas, eleven (11) of which will be in the SMUSD Boundaries and ninety-two (92) of which will be in the MUSD Boundaries. The property tax revenues generated within the Tax Rate Areas within SMUSD Boundaries will be distributed to SMUSD after the Separation Date and, likewise, the property tax revenues generated within the Tax Rate Areas of MUSD Boundaries will be distributed to MUSD after the Separation Date. The property tax allocation will be calculated in the following manner:
  - a. In the Base Year, the Parties will request that the Los Angeles County Assessor (“Assessor”) prepare a report which identifies the Base Year assessed valuations for the territory that is subject to the jurisdictional change and the related Tax Rate Areas.
  - b. Using the report prepared by the Assessor pursuant to Section 2.a., the Parties shall request that the Los Angeles County Auditor-Controller (“Auditor-Controller”) estimate the amount of property tax revenue generated within the territory that is the subject of the jurisdictional change.
  - c. The Parties will request that the Auditor-Controller provide an estimate of what proportion of the property tax revenue determined pursuant to Paragraph 2(b) is attributable to either MUSD or SMUSD, pursuant to Revenue and Taxation Code sections 96.1 and 96.5.
3. Distribution of Property Tax Revenues. Upon Unification, the property tax revenues of the former SMMUSD will be redistributed to SMUSD and to MUSD as provided herein. The school district share of property tax revenues generated from the Tax Rate Areas within

PROPERTY TAX REVENUE SHARING AGREEMENT BETWEEN THE  
SANTA MONICA-MALIBU UNIFIED SCHOOL DISTRICT AND THE CITY OF MALIBU

MUSD Boundaries, as defined in Exhibit B, will be permanently allocated to MUSD. Likewise, the school district share of property tax revenues generated from Tax Rate Areas within the boundaries of SMUSD, as defined in Exhibit A, will be permanently allocated to SMUSD.

4. Sharing of Property Tax Revenues. The Parties have agreed to share property tax revenues in the following manner.
  - a. For the Base Year, a calculation will be completed by the JPA to determine the Property Tax Transfer Amount pursuant to Section 5 hereof.
  - b. In each subsequent Fiscal Year after the Base Year, the Property Tax Transfer Amount will be calculated by the JPA on the Annual Calculation Date pursuant to Section 6 hereof.
  
5. Base Year Property Tax Transfer Amount Calculation. By October 15, immediately following the Separation Date, the following calculation shall be completed by the JPA to determine the Base Year Property Tax Transfer Amount.
  - a. Calculate the Base Year SMUSD Target Per Pupil Revenue by completing the following calculation:
    - i. Identify the “SMMUSD Unrestricted General Fund Revenues” in the Fiscal Year prior to the Separation Date by totaling unrestricted revenues in Object Codes 8010 through 8799 of the SMMUSD Unaudited Actual Financial Statements and apply adjustments to negate one-time revenues, education foundation revenues, Measure GS (2022) revenues, revenues of any new local tax or fee approved to provide additional services to students excluding measure specifically sought to replace existing local revenue sources, and non-monetary accounting adjustments and accruals, as demonstrated in Step 1 of Exhibit C and delineated in Exhibit D.
      - (1) The property tax revenues as identified in Object Codes 8041 through 8048 shall be provided by the Auditor-Controller utilizing the amount provided in Sections 2 and 3 of this Agreement.
    - ii. Multiply the SMMUSD Unrestricted General Fund Revenues in the Fiscal Year prior to the Separation Date, calculated in Section 5.a.i., by the Growth Factor to determine the “Base Year SMMUSD Unrestricted General Fund Revenues”, as demonstrated in Step 2 of Exhibit C.
    - iii. Divide the Base Year SMMUSD Unrestricted General Fund Revenues, as calculated in Section 5.a.ii., by the SMMUSD Enrollment in the Fiscal Year prior to the Separation Date, to determine the “SMMUSD Unadjusted Per Pupil Revenue”, as demonstrated in Step 3 of Exhibit C.

PROPERTY TAX REVENUE SHARING AGREEMENT BETWEEN THE  
SANTA MONICA-MALIBU UNIFIED SCHOOL DISTRICT AND THE CITY OF MALIBU

- iv. Deduct the Per Pupil Cost Differential from the SMMUSD Unadjusted Per Pupil Revenue to establish the “Adjusted Per Pupil Revenue”, as demonstrated in Step 4 of Exhibit C.
  - b. Calculate the “SMUSD Computed Enrollment” in the last Fiscal Year before the Separation Date (capped at 88% of SMMUSD Enrollment for the last Fiscal Year before the Separation Date) by completing the following calculation:
    - i. Subtract the MUSD Enrollment in the Fiscal Year prior to Unification from the SMMUSD Enrollment in the Fiscal Year prior to Unification to determine the prior Fiscal Year SMUSD Enrollment, as demonstrated in Step 5 of Exhibit C.
    - ii. Divide the prior Fiscal Year SMUSD Enrollment by the SMMUSD Enrollment in the Fiscal Year prior to Unification, as demonstrated in Step 6 of Exhibit C.
    - iii. If the quotient expressed as a percentage computed in Section 5.b.ii., exceeds 88.0%, set the SMUSD Enrollment as Percentage of SMMUSD Enrollment to 88.0%, otherwise, set the SMUSD Enrollment as a percentage of SMMUSD Enrollment to the quotient computed in Section 5.b.ii., as demonstrated in Step 7 of Exhibit C.
    - iv. Multiply the SMMUSD Enrollment in the Fiscal Year prior to Unification by the percentage of SMMUSD Enrollment computed in Section 5.b.iii. to calculate the SMUSD Computed Enrollment in the last Fiscal Year before the Separation Date, as demonstrated in Step 8 of Exhibit C.
  - c. Calculate the “SMUSD Funding Target” by completing the following calculation:
    - i. Multiplying the Adjusted Per Pupil Revenue, as calculated in Section 5.a.iv., by the SMUSD Computed Enrollment to establish the Base Year SMUSD Funding Target, as demonstrated in Step 9 of Exhibit C.
  - d. Determine the Base Year Property Tax Transfer Amount by completing the following calculation, as shown in Exhibit C:
    - i. Allocate all SMMUSD Unrestricted General Fund Revenues, as identified in the SMMUSD Unaudited Actual Financial Statements for the Fiscal Year prior to the Separation Date, between SMUSD and MUSD based on the following, as shown in Exhibit D1:
      - (1) State Aid (Object Code 8011) shall be allocated between entities by such entities’ share of total enrollment, capped at a maximum of 88.0% to SMUSD.

PROPERTY TAX REVENUE SHARING AGREEMENT BETWEEN THE  
SANTA MONICA-MALIBU UNIFIED SCHOOL DISTRICT AND THE CITY OF MALIBU

- (2) Education Protection Account (Object Code 8012) shall be allocated between entities by such entities' share of total enrollment, capped at a maximum of 88.0% to SMUSD.
- (3) Property Tax Sources (Object Codes 8021-8048) shall be allocated to the territory in which the revenues are generated based upon calculations provided by the Auditor-Controller.
  - (a) Prior Year Taxes (Object Code 8043) shall be excluded from this calculation.
- (4) LCFE Transfers (Object Code 8096) shall be excluded from this calculation.
- (5) Federal Revenues (Object Code 8290) shall be allocated between entities by such entities' share of total enrollment, capped at a maximum of 88.0% to SMUSD.
- (6) Other State Revenues (Object Codes 8500-8590), shall be appropriated as ongoing revenues, allocated between entities by such entities' share of total enrollment, capped at a maximum of 88.0% to SMUSD, excluding one-time State allocations.
- (7) Parcel Taxes (Object Code 8621) shall be allocated based on location of the parcels.
- (8) Sales (Object Codes (8630-8639) shall be excluded from this calculation.
- (9) Leases (Object Code 8650) of SMUSD retained property shall be allocated to SMUSD. Leases (Object Code 8650) of MUSD retained property shall be allocated to MUSD.
- (10) Interest (Object Code 8660) shall be allocated between entities by such entities' share of total enrollment, capped at a maximum of 88.0% to SMUSD.
- (11) Transportation Fees (Object Code 8675) shall be allocated to MUSD.
- (12) Other Local Revenues (Object Codes 8699) shall be allocated based on the geographic source of funds.
  - (a) Measure Y/GSH, Santa Monica Joint Use shall be allocated to SMUSD.
  - (b) Malibu Joint Use shall be allocated to MUSD.

PROPERTY TAX REVENUE SHARING AGREEMENT BETWEEN THE  
SANTA MONICA-MALIBU UNIFIED SCHOOL DISTRICT AND THE CITY OF MALIBU

- (c) Other Local Revenues that are ongoing in nature shall be allocated based on the source of the revenue.
    - (d) Remaining Other Local Revenues that are one time in nature and revenues received from the Santa Monica and Malibu Education Foundations shall be excluded from this calculation.
  - ii. Determine the projected SMUSD Unrestricted General Fund Revenues by adding together all unrestricted General Fund revenues in Object Codes 8010 through 8799 (excluding Object Code 8043, Prior Year Taxes) allocated to SMUSD based on the Unaudited Actual Financial Statements as identified in Section 5.d.i. and increase such revenues based on the Projected Revenue Percentage Increase set forth in Exhibit D1, and demonstrated as Step 10 of Exhibit C.
  - iii. Divide the SMUSD Unrestricted General Fund Revenues as identified in Section 5.d.ii. by the SMUSD Enrollment in the Fiscal Year commencing with the Separation Date to determine the Base Year SMUSD Per Pupil Revenue, as demonstrated in Step 11 of Exhibit C.
  - iv. Divide the Base Year SMUSD Funding Target, as calculated in Section 5.c.i., by the SMUSD Enrollment in the Fiscal Year commencing with the Separation Date to determine the Base Year SMUSD Target Per Pupil Revenue, as demonstrated in Step 12 of Exhibit C.
  - v. Subtract the Base Year SMUSD Per Pupil Revenue, from Section 5.d.iii., from the Base Year SMUSD Target Per Pupil Revenue, from Section 5.d.iv., to determine Base Year Per Pupil Funding Need, as demonstrated in Step 13 of Exhibit C.
  - vi. If the Base Year Per Pupil Funding Need is positive, multiply the Base Year Per Pupil Funding Need by the SMUSD Enrollment for the current year to determine the Base Year Property Tax Transfer Amount, as demonstrated in Step 14 of Exhibit C.
    - (1) If the Base Year Per Pupil Funding Need is negative, the Base Year Property Tax Transfer Amount shall be \$0.
- 6. Annual Property Tax Transfer Calculation. Beginning in the first Fiscal Y following the Base Year, the following calculation shall be completed on each Annual Calculation Date to determine the Annual Property Tax Transfer Amount:
  - a. Divide the Prior Year SMUSD Funding Target by the Prior Year SMUSD Enrollment to determine the SMUSD “Actual Per Pupil Revenue”, as demonstrated in Step 1 of Exhibit E.

PROPERTY TAX REVENUE SHARING AGREEMENT BETWEEN THE  
SANTA MONICA-MALIBU UNIFIED SCHOOL DISTRICT AND THE CITY OF MALIBU

- b. Multiply the Prior Year SMUSD Funding Target by the Growth Factor to establish the current Fiscal Year SMUSD Funding Target, as demonstrated in Step 2 of Exhibit E.
- c. Divide the current Fiscal Year SMUSD Funding Target by the current Fiscal Year SMUSD Enrollment to establish the current year SMUSD Target Per Pupil Revenue, as demonstrated in Step 3 of Exhibit E.
- d. Determine the projected SMUSD Unrestricted General Fund Revenues by adding together all unrestricted General Fund revenues in Object Codes 8010 through 8799 as identified in the prior Fiscal Year Unaudited Actual Financial Statements of SMUSD, in the same manner identified in Section 5.d.i. in Exhibit D2, and increase such revenues based on the Projected Revenue Percentage Increase as set forth in Exhibit D2, and demonstrated as Step 4 of Exhibit E.
  - i. The property tax revenues as identified in Object Codes 8041 through 8048 shall be provided by the Auditor-Controller each year.
  - ii. Any new, on-going revenue source not explicitly identified in Exhibit D2 at the time of execution of this Agreement shall be excluded from the SMUSD Unrestricted General Fund Revenues, except for any revenues intended to replace all or part of an existing, on-going revenue stream previously received by SMUSD as such intent is expressed in the implementing resolution and/or ballot measure which shall be identified in Exhibit D2.
  - iii. Santa Monica Education Foundation revenues shall be excluded from the SMUSD Unrestricted General Fund Revenues.
- e. Divide the SMUSD Unrestricted General Fund Revenues by the current year SMUSD Enrollment as identified in the most recently available CALPADS Form 1.17 to determine the “SMUSD Actual Per Pupil Revenue”, as demonstrated in Step 5 of Exhibit E.
- f. Subtract the current year SMUSD Actual Per Pupil Revenue from the SMUSD Target Per Pupil Revenue to determine the Per Pupil Funding Need, as demonstrated in Step 6 of Exhibit E.
- g. If the current year Per Pupil Funding Need is positive, multiply the Per Pupil Funding Need by the SMUSD Enrollment as identified in the most recently available CALPADS Form 1.17 to determine the Property Tax Transfer Amount, as demonstrated in Step 7 of Exhibit E.
  - i. If the current year Per Pupil Funding Need is negative, the Property Tax Transfer Amount shall be \$0.
- h. In the event that there is a delay in the computation of the Property Tax Transfer Amount by the Annual Calculation Date, the Property Tax Transfer Amount for that

PROPERTY TAX REVENUE SHARING AGREEMENT BETWEEN THE  
SANTA MONICA-MALIBU UNIFIED SCHOOL DISTRICT AND THE CITY OF MALIBU

Fiscal Year shall initially be set at an amount equal to the Property Tax Transfer Amount for the immediately prior Fiscal Year.

7. Changes to Other Local Revenue Sources. In the event there is a permanent or temporary reduction or elimination of one or more of the Other Local Revenue Sources in Object Code 8699, and as identified in Exhibits D1 at the time of the execution of this Agreement, a proportionate adjustment shall be applied to MUSD's Property Tax Transfer Amount. The Property Tax Transfer Amount owed by MUSD shall be adjusted as follows, as demonstrated in Exhibit F:
- a. In the Fiscal Year of the change to Other Local Revenue Sources, the proportionate adjustment shall be calculated by multiplying the amount of the change to the Other Local Revenue by 12%. This shall be added to the amount determined by the Annual Property Tax Transfer Calculation which is based on the Projected Revenue Percentage Increase agreed upon by the Parties as identified in Exhibit D1.
    - i. Example: if SMUSD's Joint Use Lease Funding is reduced in the amount of eight million dollars (\$8,000,000), MUSD's Property Tax Transfer Amount shall be increased by nine hundred and sixty thousand dollars (\$960,000).
  - b. Once the change in Other Local Revenue Sources is reflected in the Unaudited Actual Financial Statements, in all other Fiscal Years subsequent to a change in Other Local Revenue Sources, as identified in Section 7.a., the proportionate adjustment shall be calculated by multiplying the amount of the change by 88%. This shall be subtracted from the amount determined (Step 7 of Exhibit E) by the Annual Property Tax Transfer Calculation which is based on the Projected Revenue Percentage Increase agreed upon by the Parties as identified in Exhibit D1.
    - i. Example: if SMUSD's Joint Use Lease Funding was reduced in the amount of eight million dollars (\$8,000,000), MUSD's Property Tax Transfer Amount shall be reduced by seven million forty thousand dollars (\$7,040,000).
    - ii. Once the proportionate adjustment amount has been established, the credit would continue annually, adjusting for inflation at the rate set forth for the identified revenue source in Exhibit D1, until all or a portion of the revenue source is re-instated back to its historical basis at the time of the original loss in revenue. If a portion of the revenue source is re-instated, the adjustment will be reduced proportionately, in accordance with this section of the agreement, as demonstrated in Exhibit F.
8. Other Loss of Other Local Revenue Sources. If there is a loss to Other Local Revenue Sources of SMUSD, not previously identified in Section 7, that exceeds 20% of the prior Fiscal Year receipts for that line item, there shall be an accounting performed by an independent financial professional engaged and funded by the JPA that compares the previous years' calculations with the current year calculations described in Sections 5 and

PROPERTY TAX REVENUE SHARING AGREEMENT BETWEEN THE  
SANTA MONICA-MALIBU UNIFIED SCHOOL DISTRICT AND THE CITY OF MALIBU

6. The accounting shall include an evaluation of how new local revenues are categorized and included and whether there is evidence of the Parties intent that such new local revenues replace the prior local revenue source identified in Exhibit D1.
- a. Any subsequent corrections identified by the accounting and agreed to by the Parties shall be applied to the true-up calculation, as described below in Section 10.
  - b. If one or both of the Parties disagree with the independent accounting, the Parties shall follow the Dispute Resolution clause of this Agreement found at Section 14.
9. Fund Balance Allocation Adjustments. To maintain an adequate projected minimum General Fund Balance for MUSD in the initial years subsequent to Unification, the Property Tax Transfer Amount owed by MUSD shall be adjusted as follows, and as demonstrated in Exhibit G.
- a. To the extent that the initial allocation of Unrestricted General Fund Balance transfer to MUSD, as described in Section 8.f.i.1. of the OTA, exceeds 22% of total SMMUSD Fund Balance on its final day of operations, a credit for any allocation to MUSD in excess of 22% of total SMMUSD Fund Balance shall be repaid to SMUSD pursuant to Section 9.c. of this agreement.
  - b. Commencing in the second year of MUSD operations as an independent school district, to maintain minimum fund balance levels for MUSD through its first five years of operations, should the prior Fiscal Year Property Tax Transfer Amount exceed 42.5% of total MUSD LCFF Revenues as computed prior to any revenue sharing for that same Fiscal Year, there shall be an adjustment to the Property Tax Transfer Amount in the next subsequent Fiscal Year through and including sixth year after Unification as follows:
    - i. If after the completion of each of the first five fiscal years after Unification, the Property Tax Transfer Amount required for the first year of SMUSD operations exceeded 42.5% of the LCFF Revenues of MUSD, the property tax sharing amount for the next subsequent Fiscal Year shall be reduced by the amount by which the Prior Year Property Tax Transfer Amount exceeded 42.5% of MUSD LCFF Revenues.
  - c. Repayment of Fund Balance Allocation.
    - i. To the extent that the initial allocation of Unrestricted General Fund Balance allocated by SMMUSD to MUSD, as described in Section 8.f. of the Operational Transfer Agreement, results in an allocation in excess of 22% of the SMMUSD Unrestricted General Fund Balance, the amount in excess of 22% shall be repaid by MUSD to SMUSD as an adjustment to the Property Tax Transfer Amount commencing in the 10th year of operations after Unification, through the Fiscal Year ending June 30, 2042.
    - ii. To the extent that adjustments were made to the annual Property Tax Transfer Amount pursuant to Section 9.c., the sum of all such adjustments

PROPERTY TAX REVENUE SHARING AGREEMENT BETWEEN THE  
SANTA MONICA-MALIBU UNIFIED SCHOOL DISTRICT AND THE CITY OF MALIBU

made shall be repaid by MUSD to SMUSD as an adjustment to the Property Tax Transfer Amount commencing in the 10th year of operations after Unification, through the Fiscal Year ending June 30, 2042.

- iii. The sum of any adjustments to the Property Tax Transfer Amount as described in Sections 9.a., 9.b and 9.c. shall be repaid by MUSD to SMUSD as an adjustment to the Property Tax Transfer Amount in equal annual installments commencing in the 10th year of operations after Unification, through the Fiscal Year ending June 30, 2042.
  - iv. Any sum to be repaid per Section 9.d.iii. shall include interest. Interest on such sums shall accrue monthly at the Los Angeles County Pooled Surplus Investments Portfolio Earnings Rate as published in the Los Angeles County Treasurer's Report of Investments. Interest shall be compounded and computed on all sums owed to SMUSD through full repayment.
10. True-Up Calculations and Payments. On October 15 of each Fiscal Year, and each subsequent Fiscal Year thereafter, the actual revenues from the Prior Year, as provided in the Unaudited Actual Financial Statements, shall be used to true-up the Annual Property Tax Transfer Calculation. Any adjustments to the prior Fiscal Year Property Tax Transfer Amount based on actual revenues shall be made in the current Fiscal Year.
- a. Adjustment may be made to true-up for prior Fiscal Year if the annual audit report includes an audit adjustment to be booked for Prior Year unrestricted revenue.
  - b. On October 15 of the second Fiscal Year after Unification, in addition to Section 8.a., the Base Year Property Tax Transfer Calculation shall be recomputed utilizing actual certified CALPADS Form 1.17 for the Base Year applied to the Prior Year SMUSD Funding Target for the second Fiscal Year following Unification.
    - i. Any adjustments to the Property Tax Transfer Amount shall be made in the current Fiscal Year.
11. Property Tax Revenue Transfer. The Property Tax Transfer Amount shall be computed by the JPA no later than October 15 of each Fiscal Year and provided to the Auditor-Controller. The Auditor-Controller will re-allocate property taxes from MUSD to SMUSD and distribute the Property Tax Transfer Amount twice annually, in the same manner as the County of Los Angeles Property Tax Assessor's Office distributes property tax revenues to other public entities receiving property tax in the County. It is anticipated that such allocations will occur in December and April of each year.
12. Termination.
- a. Early Termination. The calculation described in Section 6 of this Agreement shall be completed each Fiscal Year on the Annual Calculation Date. If the calculation yields a result that requires no portion of property tax from MUSD tax rate areas to be transferred to SMUSD from the County Assessor for a period of three (3) consecutive years, and any accrued or deferred Property Tax Transfer amounts have

PROPERTY TAX REVENUE SHARING AGREEMENT BETWEEN THE  
SANTA MONICA-MALIBU UNIFIED SCHOOL DISTRICT AND THE CITY OF MALIBU

been fully repaid with interest, in accordance with Section 9.c.iv., of this Agreement, the Agreement automatically terminates, i.e., no additional calculations or payments will be made.

- b. In the event that there is no Property Tax Transfer from MUSD to SMUSD in the 2041-42 Fiscal Year, the Agreement shall automatically terminate on June 30, 2042.
- c. In the event that a Property Tax Transfer Amount from MUSD to SMUSD occurs in the 2041-42 Fiscal Year, payments will be tapered off over the course of either a Five-Year Termination Period or a Ten-Year Termination Period, each as described below.
  - i. Five-Year Termination Period. If the Property Tax Transfer Amount in the 2041-42 Fiscal Year is greater than zero dollars (\$0) but less than five million dollars (\$5,000,000), the Property Tax Transfer Amount shall be calculated as described in Section 6 and shall be reduced by twenty percent (20%) in the 2042-43 Fiscal Year, forty percent (40%) in the 2043-44 Fiscal Year, sixty percent (60%) in the 2044-45 Fiscal Year, sixty percent (80%) in the 2045-46 Fiscal Year, and terminating in the 2046-47 Fiscal Year.
    - (1) For example, in the 2042-43 Fiscal Year, the reduction is twenty percent (20%) of the Property Tax Transfer Amount calculated in Section 6. In the 2043-44 Fiscal Year, the reduction is forty percent (40%) of the Property Tax Transfer Amount calculated in Section 6. In the 2044-45 Fiscal Year, the reduction is sixty percent (60%) of the Property Tax Transfer Amount calculated in Section 6. This annual twenty percent (20%) reduction will continue until the 2046-47 Fiscal Year, at which time the reduction will be one hundred percent (100%) and the Property Tax Transfer Amount will be \$0.
    - (2) If the calculation described in Section 6 results in a Property Tax Transfer of zero dollars (\$0) for any Fiscal Year covered by Section 12.c.i.1., and any accrued or deferred Property Tax Transfer amounts have been fully repaid with interest, in accordance with Section 9.c.iv., of this Agreement, the Agreement shall terminate, i.e., no additional calculations or payments will be made. This termination applies to any Fiscal Year during the Five-Year Termination Period.
  - ii. Ten-Year Termination Period. If the Property Tax Transfer Amount in the 2041-42 Fiscal Year is five million dollars (\$5,000,000) or more, the Property Tax Transfer Amount shall be calculated as described in Section 6 and shall be reduced by ten percent (10%) in the 2042-43 Fiscal Year, twenty percent (20%) in the 2043-44 Fiscal Year, thirty percent (30%) in the 2044-45 Fiscal Year, forty percent (40%) in the 2045-46 Fiscal Year, fifty percent (50%) in the 2046-47 Fiscal Year, sixty percent (60%) in the 2047-48 Fiscal Year, seventy percent (70%) in the 2048-49 Fiscal Year, eighty

PROPERTY TAX REVENUE SHARING AGREEMENT BETWEEN THE  
SANTA MONICA-MALIBU UNIFIED SCHOOL DISTRICT AND THE CITY OF MALIBU

percent (80%) in the 2049-50 Fiscal Year, ninety percent (90%) in the 2050-51 Fiscal Year, and terminating in the 2051-52 Fiscal Year.

- (1) For example, in the 2042-43 Fiscal Year, the reduction is ten percent (10%) of the Property Tax Transfer Amount calculated in Section 6. In the 2043-44 Fiscal Year, the reduction is twenty percent (20%) of the Property Tax Transfer Amount calculated in Section 6. In the 2044-45 Fiscal Year, the reduction is thirty percent (30%) of the Property Tax Transfer Amount calculated in Section 6. This annual ten percent (10%) reduction will continue until the 2051-52 Fiscal Year, at which time the reduction will be one hundred percent (100%) and the Property Tax Transfer will be \$0.
- (2) If the calculation described in Section 6 results in a Property Tax Transfer of zero dollars (\$0) for any Fiscal Year covered by Section 12c.ii.1., and any accrued or deferred Property Tax Transfer amounts have been fully repaid with interest, in accordance with Section 9.c.iv, of this Agreement, the Agreement shall terminate, i.e., no additional calculations or payments will be made. This termination applies to any Fiscal Year during the Ten-Year Termination Period.

13. Recommendations for Modifications to the Calculations. If an unforeseen event occurs, it is the intent of the Parties to identify and implement protections where unforeseen changes in revenues significantly impact either Party. There are two (2) such conditions identified by the Parties: Significant Variance and Significant Change in Per Pupil Funding.

a. Significant Variance. A “Significant Variance” occurs when there is an unforeseen change in revenue, including but not limited to: natural disasters, changes in State law, acts of God, or changes in Federal funding affecting how California school districts are funded, including, but not limited to, the collection of property taxes distributed to public school districts, and/or changes to the amount of Local Revenues collected by the Parties.

i. If any of the events described in Section 13.a. occur and there is a resulting significant variance in the Property Tax Transfer Amount, as defined below in Section 13.a.i.1., then the remedy defined in Section 13.c. shall occur.

(1) For MUSD, a Significant Variance occurs when the methodology in Exhibits C, D1, D2, or E of this agreement results in a Property Tax Transfer Amount that exceeds the following:

(a) For the Base Year, the significant variance is defined by any contribution greater than 42.5% of the LCFF Revenues of MUSD.

(b) For each Fiscal Year after the Base Year, the significant variance is defined by a change from the prior Fiscal Year’s

PROPERTY TAX REVENUE SHARING AGREEMENT BETWEEN THE  
SANTA MONICA-MALIBU UNIFIED SCHOOL DISTRICT AND THE CITY OF MALIBU

Property Tax Transfer Amount beyond 3.5% of the prior  
year Property Tax Transfer Amount.

- b. Significant Change in Per Pupil Funding. When the calculation set forth in Section 6 results in a Property Tax Transfer Amount that would significantly impact the educational program delivery to students by reducing per pupil revenue, as set forth in Section 13.b.i. below, in any given Fiscal Year due to circumstances beyond the control of the SMUSD Board or administration, then the remedy defined in Section 13.c. shall occur.
    - i. For SMUSD, a Significant Change in Per Pupil Funding occurs if the financial modeling under Exhibits C, D1, D2, or E of this Agreement results in SMUSD Target Per Pupil Revenue growth of less than two percent (2%) over the immediate prior Fiscal Year SMUSD Actual Per Pupil Revenue.
  - c. Remedy. If there is a Significant Variance or a Significant Change in Per Pupil Funding for either Party, as defined above, then the JPA shall analyze the cause(s) of the Significant Variance and/or Significant Change in Per Pupil Funding, the anticipated duration and other relevant factors and shall develop non-binding recommendations for adjustments to Section 5 and Section 6 of this Agreement based on the guiding principles that no student is harmed, considering the revenues identified in Exhibit D1 and/or D2. After review of the non-binding recommendations, should either Party disagree on whether and/or how to implement the recommendations and/or if the Parties cannot otherwise arrive at a mutually agreeable adjustment, then either Party may utilize the Dispute Resolution process in Section 14. Prior to a resolution of the dispute, revenue sharing shall continue consistent with the terms and conditions set forth in this Agreement.
14. Dispute Resolution. In the event of a dispute, the Parties shall proceed in accordance with the provisions of this section including, but not limited to, diligently cooperating with one another and with the person(s) appointed to resolve the dispute, if any, and shall perform such acts as may be necessary to obtain a prompt and expeditious resolution of such dispute. All disputes shall be decided in accordance with this Agreement and consistent with applicable state and federal law.
- a. Initial Dispute Resolution. If there is a dispute arising out of or in connection with this Agreement, the Parties shall first attempt to resolve the dispute by convening a meeting within five (5) business days after the date that a written request for dispute resolution is submitted by one of the Parties. That meeting will include the Superintendents of each Party (and/or their representative(s)) and may include no more than three JPA Directors; one SMUSD appointee, one MUSD appointee, and the mutually-selected seventh director, as well as the JPA Treasurer. There shall be at least one meeting to attempt to resolve the dispute at this level, but the Parties may continue to negotiate in this manner until one or both Parties submits a request for Dispute Resolution by an Independent Arbiter to the JPA who shall have no connection to either SMUSD or MUSD.

PROPERTY TAX REVENUE SHARING AGREEMENT BETWEEN THE  
SANTA MONICA-MALIBU UNIFIED SCHOOL DISTRICT AND THE CITY OF MALIBU

- b. Dispute Resolution by an Independent Arbiter. If the dispute cannot be resolved with the Initial Dispute Resolution process, then the dispute will be submitted to an independent arbiter to be agreed upon by the Parties. If the Parties cannot agree on the independent arbiter within fifteen (15) calendar days, the Parties shall within five (5) calendar days thereafter, request the JPA select the independent arbiter by a majority vote of the JPA Directors. The arbiter selected through this method is hereinafter referred to as the “Independent Arbiter”. The JPA will select an Independent Arbiter and send notice to the Parties of their selection within fifteen (15) calendar days of the identity of the Independent Arbiter selected by the JPA. Within fifteen (15) calendar days of the JPA sending notice to the Parties identifying the Independent Arbiter, each party shall separately submit the following written information to the Independent Arbiter: (a) an explanation of the nature of the dispute; (b) the Party’s position; (c) the dollar amount and/or financial impact of the dispute; and (d) any supporting documents the Party believes will aid the Independent Arbiter in arriving at a decision. In addition to the Parties and their representatives, participants in this stage of the process may also include no more than three JPA Directors; one MUSD appointee, one SMUSD appointee and the mutually-selected seventh Director. The Independent Arbiter can, but does not have to, request additional information from either party and/or the JPA and may conduct one or more hearings. The Independent Arbiter will issue a written decision within ninety (90) calendar days of the JPA sending notice to the Parties identifying the Independent Arbiter. The decision of the Independent Arbiter shall be final except as to questions of law pursuant to Section 14.d. herein below.
- c. If the JPA deems the amount in dispute to be immaterial, the JPA has discretion to discount the Property Tax Transfer Amount that is provided to the Auditor-Controller, as described in Section 11, to allow time for the Independent Arbiter to reach a resolution of a financial dispute. Alternatively, the JPA can determine whether any adjustment should be made in the true-up calculation described in Section 10.
- d. Nothing in this Agreement, however, shall be construed as making final the decision of any Independent Arbiter on a question of law, which shall be settled in accordance with applicable federal and state law.
15. Caveats to Calculations and Exhibits. Every effort was made to make the calculations in the exhibits as accurate as possible. However, because the formula is based on estimates and assumptions, the actual funding may differ from the amounts identified in the Exhibits to this Agreement. As such, in the event there is a conflict between any provision of this Agreement and any portion of any Exhibit, the language in this Agreement shall govern and control.
16. Entire Agreement/Amendment. This Agreement constitutes the entire understanding and agreement between the Parties as to those matters therein contained and supersedes any and all prior or contemporaneous agreements, representations, and understandings of the Parties on the subject matter hereof. This Agreement may be amended at any time by

PROPERTY TAX REVENUE SHARING AGREEMENT BETWEEN THE  
SANTA MONICA-MALIBU UNIFIED SCHOOL DISTRICT AND THE CITY OF MALIBU

mutual agreement of the Parties, but any such amendment must be in writing, dated, and signed by the Parties and attached hereto.

17. Attorneys' Fees. If any legal action or proceeding is brought to enforce or interpret this Agreement, not including the Dispute Resolution described in Section 14, each Party shall bear their own attorneys' fees, including any such fees and costs as may be incurred in enforcing any judgment or order entered in any such action.
18. Severability. In the event any portion of this Agreement is declared void by a court of competent jurisdiction, such portion shall be severed from this Agreement and the remaining provisions shall remain in effect, unless the result of such severance would be to substantially alter this Agreement or the obligations of the parties, in which case JPA shall be tasked with creating a substitute agreement that aligns with the original intent of this Agreement.
19. Waiver. Any failure of a party to insist upon strict compliance with any term, undertaking, or condition of this Agreement shall not be deemed to be a waiver of such term, undertaking, or condition. To be effective, a waiver must be in writing, signed and dated by the Parties.
20. Representation by Counsel. The Parties acknowledge and agree that they were, or had the opportunity to be, represented individually by legal counsel with respect to the matters that are the subject of this Agreement and that they are fully advised with respect to their respective rights and obligations resulting from signing this Agreement.
21. Governing Law and Venue. This Agreement shall be governed by and construed in accordance with the laws of the State of California. The Parties agree that venue for any dispute, subject to the provisions of Section 14, shall be in Los Angeles County, California.
22. Section Headings. The headings on each of the sections and subsections of this Agreement are for the convenience of the Parties only and do not limit or expand the contents of any such section or subsection.
23. Exhibits. The exhibits attached to this Agreement and the numbers therein are demonstrative. Each exhibit is intended to be dynamic and will be used annually to calculate the aforementioned formulas based on the accurate and relevant data available to the Parties each fiscal year.
24. No Assignment. Neither Party may assign this Agreement in whole or in part.

**[SIGNATURES ON THE FOLLOWING PAGE]**

PROPERTY TAX REVENUE SHARING AGREEMENT BETWEEN THE  
SANTA MONICA-MALIBU UNIFIED SCHOOL DISTRICT AND THE CITY OF MALIBU

IN WITNESS WHEREOF, the Parties hereto have entered into this Agreement as of the  
Effective Date set forth above.

**SANTA MONICA-MALIBU UNIFIED  
SCHOOL DISTRICT**

By: \_\_\_\_\_  
Dr. Antonio Shelton, Superintendent

Approved As To Form:

**ATKINSON, ANDELSON, LOYA, RUUD &  
ROMO**

By: \_\_\_\_\_  
David Soldani, Shareholder

**CITY OF MALIBU**

By: \_\_\_\_\_  
Candace Bond, Interim City Manager

Approved As To Form:

**BEST BEST & KRIEGER LLP**

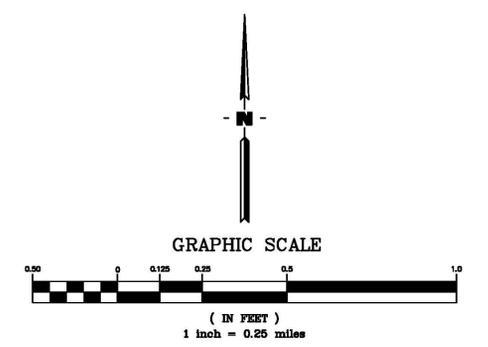
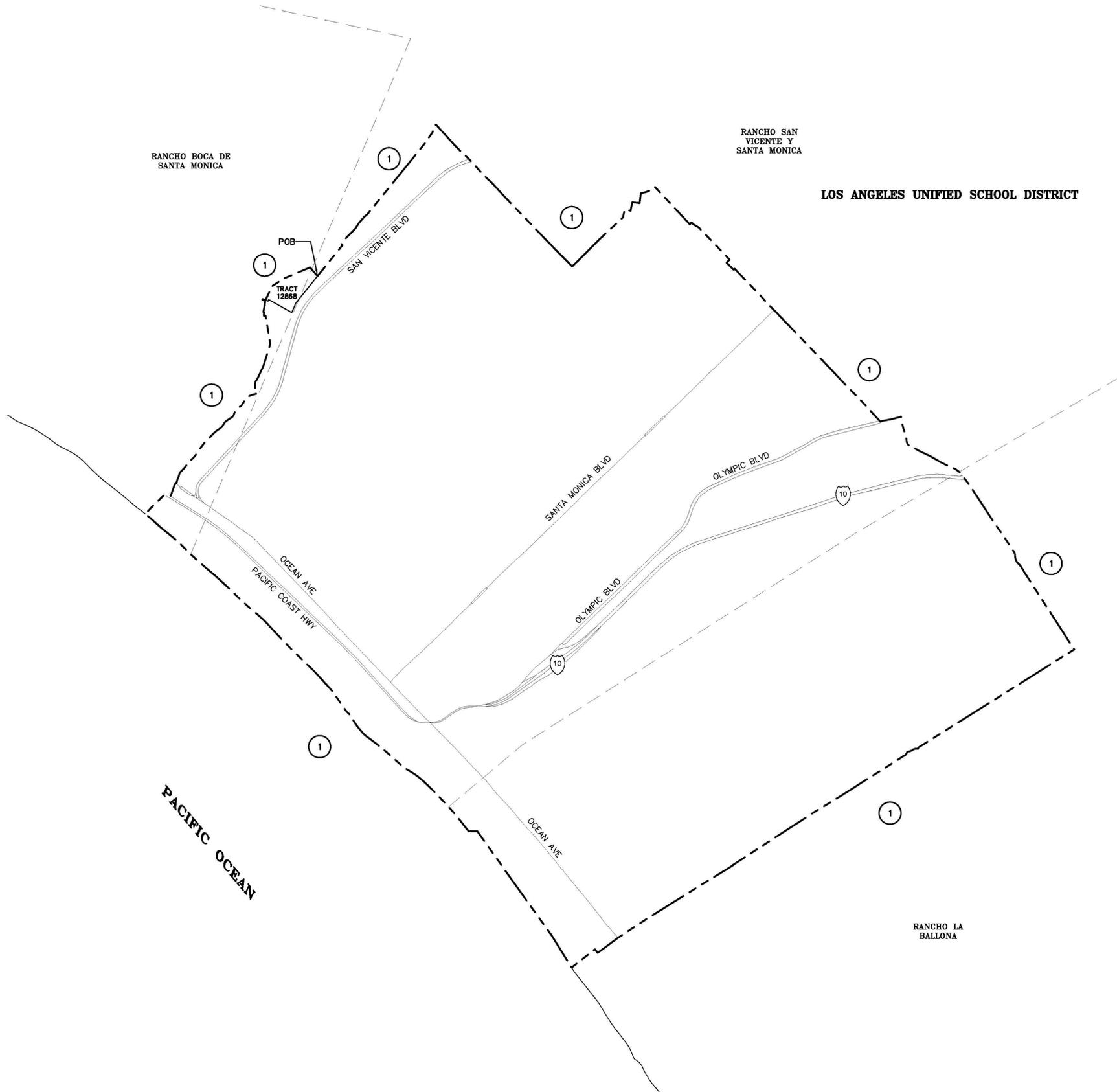
By: \_\_\_\_\_  
Christine Wood, Partner

PROPERTY TAX REVENUE SHARING AGREEMENT BETWEEN THE  
SANTA MONICA-MALIBU UNIFIED SCHOOL DISTRICT AND THE CITY OF MALIBU

**EXHIBITS**

**Exhibit A:** SMUSD Boundaries

LEGAL DESCRIPTION OF THE  
 SCHOOL FACILITIES IMPROVEMENT DISTRICT NO. 1  
 OF THE  
 SANTA MONICA-MALIBU UNIFIED SCHOOL DISTRICT  
 BEGINNING AT THE MOST EASTERLY CORNER OF LOT 1 OF TRACT NO. 12868, AS  
 SHOWN ON MAP FILED IN BOOK 271, PAGES 40 AND 41, OF MAPS, IN THE OFFICE  
 OF THE RECORDER OF THE COUNTY OF LOS ANGELES, SAID POINT BEING THE  
 NORTHEAST CORNER OF CITY OF SANTA MONICA ANNEXATION NO. 7, EFFECTIVE  
 DATE JANUARY 9, 1979;  
 1. THENCE ALONG THE BOUNDARY OF THE CITY OF SANTA MONICA AS SAME  
 EXISTED ON JANUARY 9, 1979 AND FOLLOWING THE SAME IN ALL ITS  
 VARIOUS COURSES AND CURVES TO THE POINT OF BEGINNING.



LEGEND:  
 --- SFID BOUNDARY LINE  
 (1) LINE NUMBER PER LEGAL DESCRIPTION

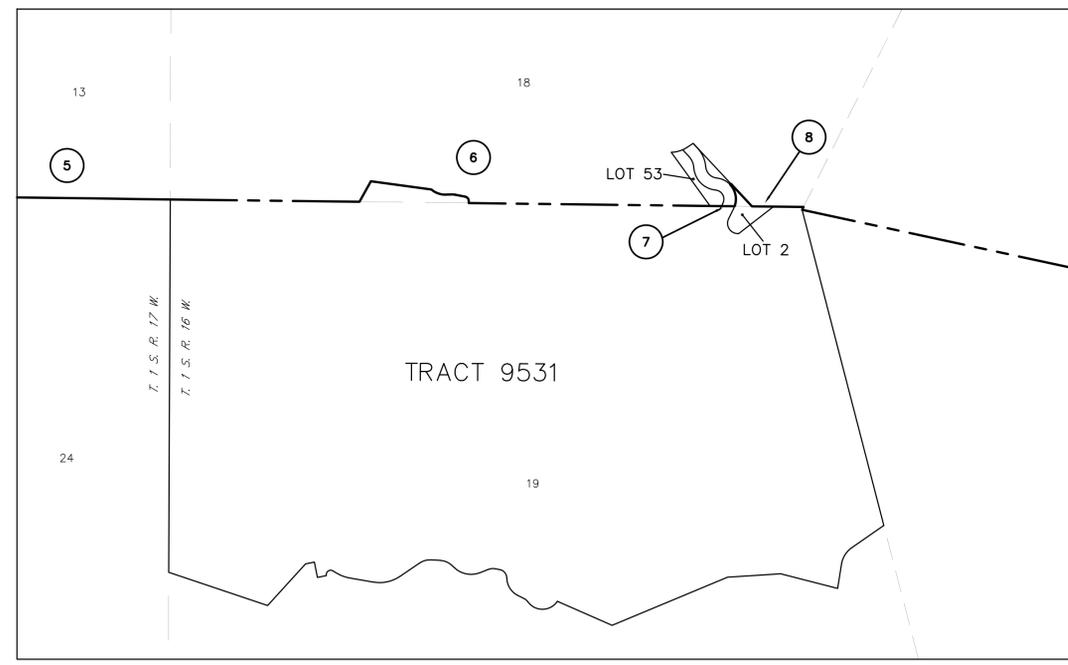
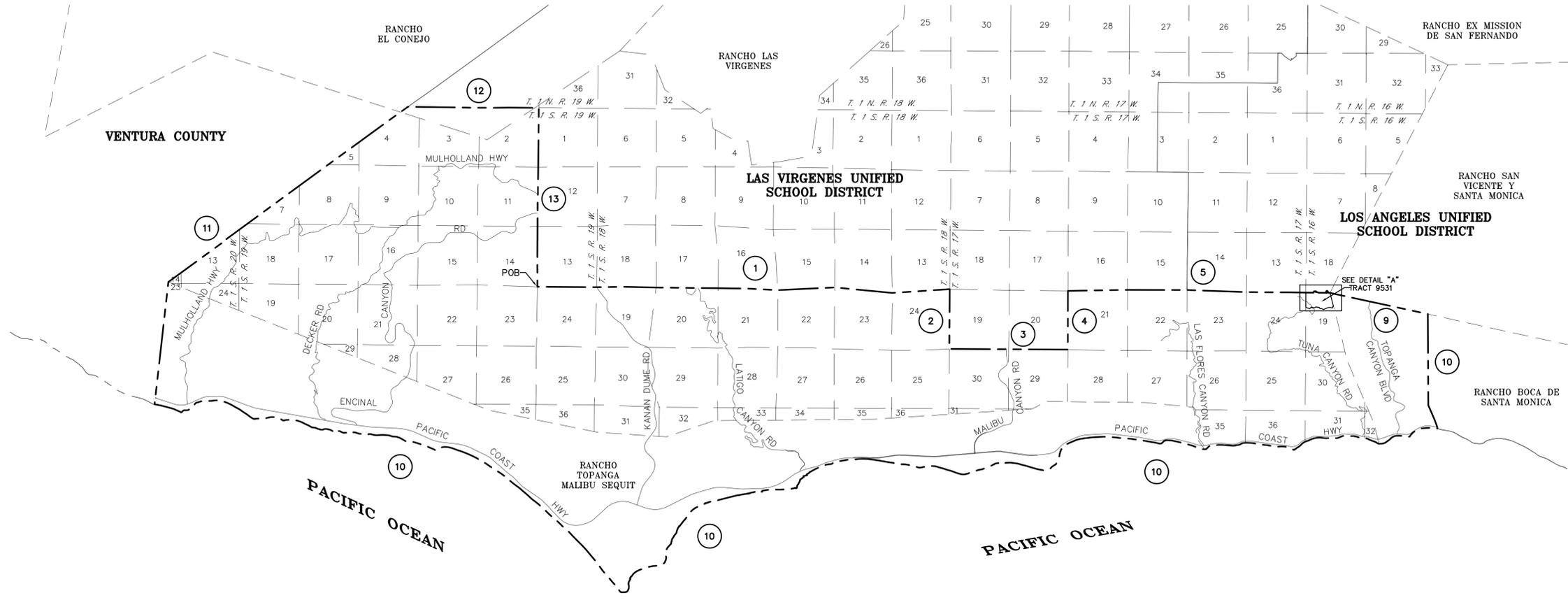
**SFID #1 - SANTA MONICA**  
 SANTA MONICA - MALIBU UNIFIED SCHOOL DISTRICT  
 LOS ANGELES COUNTY, CA

**DURYEY**  
 & ASSOCIATES  
 Surveying and Mapping  
 2702 N. Perry Street Spokane, WA 99207 (509) 465-8007  
 www.duryea-associates.com

|                        |                  |
|------------------------|------------------|
| DATE: JUNE 2018        | SHEET: 1 OF 1    |
| SCALE: 1" = 0.25 MILES |                  |
| PROJECT SURVEYOR: MJD  |                  |
| DRAWN BY: MSM          |                  |
| LAST DATE OF REVISION: | JOB NO.: 18-2447 |

PROPERTY TAX REVENUE SHARING AGREEMENT BETWEEN THE  
SANTA MONICA-MALIBU UNIFIED SCHOOL DISTRICT AND THE CITY OF MALIBU

**Exhibit B:** MUSD Boundaries

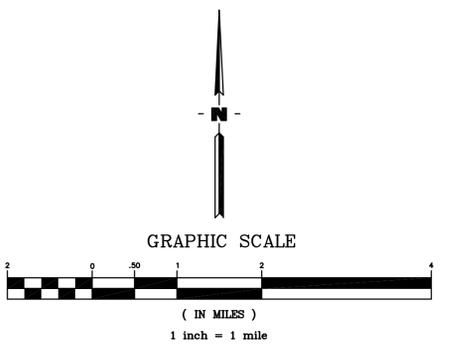


DETAIL "A"  
1 inch = 300 feet

LEGAL DESCRIPTION OF THE  
SCHOOL FACILITIES IMPROVEMENT DISTRICT NO. 2  
OF THE  
SANTA MONICA-MALIBU UNIFIED SCHOOL DISTRICT

- BEGINNING AT THE NORTHWEST CORNER OF THE SECTION 24, TOWNSHIP 1 SOUTH, RANGE 19 WEST, S.B.M.;
1. THENCE EASTERLY ALONG SECTION LINES TO THE NORTHEAST CORNER OF SECTION 24, TOWNSHIP 1 SOUTH, RANGE 18 WEST, S.B.M.;
  2. THENCE SOUTHERLY ALONG SECTION LINE TO THE SOUTHEAST CORNER OF THE SAID LAST MENTIONED SECTION;
  3. THENCE EASTERLY ALONG SECTION LINES TO THE SOUTHWEST CORNER OF SECTION 21, TOWNSHIP 1 SOUTH, RANGE 17 WEST, S.B.M.;
  4. THENCE NORTHERLY ALONG SECTION LINE TO THE NORTHWEST CORNER OF SAID LAST MENTIONED SECTION;
  5. THENCE EASTERLY ALONG SECTION LINES TO THE MOST WESTERLY NORTHWESTERLY CORNER OF THE TRACT NO. 9531, AS SHOWN ON MAP FILED IN BOOK 142, PAGES 93 AND 97, INCLUSIVE, OF MAPS, IN THE OFFICE OF THE RECORDER OF THE COUNTY OF LOS ANGELES;
  6. THENCE EASTERLY ALONG THE BOUNDARY OF SAID TRACT AND FOLLOWING THE SAME IN ALL ITS VARIOUS COURSES AND CURVES TO THE SOUTHWESTERLY CORNER OF LOT 53 IN BLOCK 3 OF SAID TRACT;
  7. THENCE EASTERLY ALONG THE SOUTHERLY LINE OF SAID LOT AND THE EASTERLY PROLONGATION THEREOF TO THE BOUNDARY OF LOT 2 IN BLOCK 4 OF SAID TRACT;
  8. THENCE NORTHERLY ALONG SAID LAST MENTIONED BOUNDARY AND FOLLOWING THE SAME IN ALL ITS VARIOUS COURSES AND CURVES TO THE MOST EASTERLY CORNER OF SAID LAST MENTIONED LOT;
  9. THENCE EASTERLY ALONG THE NORTHERLY BOUNDARY OF SAID TRACT TO THE BOUNDARY OF THE CITY OF LOS ANGELES AS SAME EXISTED ON APRIL 3, 1973;
  10. THENCE SOUTHWESTERLY ALONG THE BOUNDARY OF SAID CITY AND FOLLOWING THE SAME IN ALL ITS VARIOUS COURSES TO THE BOUNDARY OF THE COUNTY OF LOS ANGELES, AS SAME EXISTED ON SAID DATE (IN THE PACIFIC OCEAN);
  11. THENCE WESTERLY ALONG THE BOUNDARY OF SAID COUNTY AND FOLLOWING THE SAME IN ALL ITS VARIOUS COURSES TO THE SAN BERNARDINO BASE LINE;
  12. THENCE EASTERLY ALONG SAID BASE LINE TO THE NORTHWEST CORNER OF SECTION 1, TOWNSHIP 1 SOUTH, RANGE 19 WEST, S.B.M.;
  13. THENCE SOUTHERLY ALONG SECTION LINES TO THE POINT OF BEGINNING.

LEGEND:  
 SFID BOUNDARY LINE  
 LINE NUMBER PER LEGAL DESCRIPTION



SFID #2 - MALIBU  
SANTA MONICA - MALIBU UNIFIED SCHOOL DISTRICT  
LOS ANGELES COUNTY, CA

**DURYEA**  
R & ASSOCIATES  
Surveying and Mapping

2702 N. Perry Street Spokane, WA 99207 (509) 465-8007  
www.duryea-associates.com

|                        |                  |
|------------------------|------------------|
| DATE: JUNE 2018        | SHEET: 1 OF 1    |
| SCALE: 1" = 1 MILE     |                  |
| PROJECT SURVEYOR: MJD  |                  |
| DRAWN BY: MSM          |                  |
| LAST DATE OF REVISION: | JOB NO.: 18-2447 |

PROPERTY TAX REVENUE SHARING AGREEMENT BETWEEN THE  
SANTA MONICA-MALIBU UNIFIED SCHOOL DISTRICT AND THE CITY OF MALIBU

**Exhibit C:** Sample Calculation of Base Year Property Tax Transfer Amount (2 pages, one with inputs one with formulas)

**Exhibit C: Base Year Property Tax Transfer Calculation**

**COMPUTATION OF BASE YEAR TARGET SMUSD PER PUPIL REVENUE**

| Steps            | Year | Formula         | Financial Terms Descriptions                 |                  |
|------------------|------|-----------------|--|------------------|
| Step 1 (5.a.i)   | PY   | From Exhibit D1 | SMMUSD Total Unrestricted Revenues           | \$ 166,000,829   |
| Step 2 (5.a.ii)  | -    | input           | Growth Factor                                | 104.0%           |
| Step 2 (5.a.ii)  | CY   | projection      | Base Year SMMUSD Total Unrestricted Revenues | \$ 172,640,862   |
| Step 3 (5.a.iii) | PY   | input           | SMMUSD Enrollment - Prior Year               | 9,113            |
| Step 3 (5.a.iii) | CY   |                 | SMMUSD Unadjusted Per Pupil Revenue          | \$ 18,944        |
| Step 4 (5.a.iv)  | -    | input           | Per Pupil Cost Differential                  | \$ (600)         |
| Step 4 (5.a.iv)  | CY   |                 | <b>Adjusted Per Pupil Revenue</b>            | <b>\$ 18,344</b> |

**COMPUTATION OF SMUSD COMPUTED ENROLLMENT**

| Steps            | Year | Formula | Financial Terms Descriptions                        |              |
|------------------|------|---------|---|--------------|
| Step 5 (5.b.i)   | PY   |         | SMMUSD Enrollment - Prior Year                      | 9,113        |
| Step 5 (5.b.i)   | PY   | input   | MUSD Enrollment - Prior Year                        | 1,087        |
| Step 5 (5.b.i)   | PY   |         | SMUSD Enrollment - Prior Year                       | 8,026        |
| Step 6 (5.b.ii)  | PY   |         | SMUSD Enrollment as Percentage of SMMUSD Enrollment | 88.1%        |
| Step 7 (5.b.iii) | -    |         | Applied SMUSD Enrollment Percentage - 88% Cap       | 88.0%        |
| Step 8 (5.b.iv)  | -    | factor  | <b>SMUSD Computed Enrollment</b>                    | <b>8,019</b> |

**COMPUTATION OF SMUSD FUNDING TARGET**

| Steps          | Year | Formula | Financial Terms Descriptions          |                       |
|----------------|------|---------|---------------------------------------|-----------------------|
| Step 9 (5.c.i) | CY   |         | Adjusted Per Pupil Revenue            | \$ 18,344             |
| Step 9 (5.c.i) | -    | factor  | SMUSD Computed Enrollment             | 8,019                 |
| Step 9 (5.c.i) | CY   |         | <b>Base Year SMUSD Funding Target</b> | <b>\$ 147,112,295</b> |

**COMPUTATION OF BASE YEAR PROPERTY TAX TRANSFER AMOUNT**

| Steps             | Year | Formula   | Financial Terms Descriptions                    |                      |
|-------------------|------|---|---|----------------------|
| Step 10 (5.d.ii)  | CY   | From Exhibit D1                                     | SMUSD Unrestricted General Fund Revenues        | \$ 128,982,385       |
| Step 11 (5.d.iii) | CY   | input   | SMUSD Enrollment - Current Year                 | 7,705                |
| Step 11 (5.d.iii) | CY   | 5h actual rev /<br>5h act enroll                    | <b>Base Year SMUSD Per Pupil Revenue</b>        | <b>\$ 16,740</b>     |
| Step 12 (5.d.iv)  | CY   |   | Base Year SMUSD Funding Target                  | \$ 147,112,295       |
| Step 12 (5.d.iv)  | CY   |   | SMUSD Enrollment - Current Year                 | 7,705                |
| Step 12 (5.d.iv)  | CY   |   | <b>Base Year Target SMUSD Per Pupil Revenue</b> | <b>\$ 19,093</b>     |
| Step 13 (5.d.v)   | CY   | 5.f.(2) - 5.h. pp rev<br>actual                     | Base Year Per Pupil Funding Need                | \$ 2,353             |
| Step 14 (5.d.vi)  | CY   |   | SMUSD Enrollment - Current Year                 | 7,705                |
| Step 14 (5.d.vi)  | CY   | (if 5h pp trueup ><br>0, 5h pp trueup x<br>5g1b, 0) | <b>Base Year Property Tax Transfer Amount</b>   | <b>\$ 18,129,910</b> |

**Exhibit C: Base Year Property Tax Transfer Calculation**

| <b>PROOFING COMPUTATIONS &amp; TESTS</b>                      |                       |
|---|-----------------------|
| <b>TOTAL SMUSD FUNDING</b>                                    |                       |
| SMUSD Unrestricted General Fund Revenues                      | \$ 128,982,385        |
| Base Year Property Tax Transfer Amount                        | \$ 18,129,910         |
| Total SMUSD Unrestricted General Fund Revenues - Post Sharing | <u>\$ 147,112,295</u> |
| <b>SMUSD PER PUPIL FUNDING - PRIOR YEAR</b>                   |                       |
| SMMUSD Total Unrestricted Revenues                            | \$ 166,000,829        |
| SMMUSD Enrollment - Prior Year                                | <u>9,113</u>          |
| Unadjusted Per Pupil Funding                                  | \$ 18,216             |
| Per Pupil Cost Differential                                   | <u>\$ (600)</u>       |
| Adjusted Prior Year SMUSD Per Pupil Funding                   | <u>\$ 17,616</u>      |
| <b>SMUSD REVENUE - PRIOR YEAR</b>                             |                       |
| SMUSD Enrollment - Prior Year (Actual)                        | 8,026                 |
| Adjusted Prior Year SMUSD Per Pupil Funding                   | <u>\$ 17,616</u>      |
| SMUSD Revenue - Prior Year                                    | <u>\$ 141,384,626</u> |
| <b>SMUSD CHANGE IN ENROLLMENT</b>                             |                       |
| Current Year SMUSD Enrollment                                 | <b>7,705</b>          |
| Prior Year SMUSD Enrollment                                   | <u><b>8,026</b></u>   |
| SMUSD Enrollment Growth/(Decline)                             | <u><b>(321)</b></u>   |
| <b>GROWTH IN TOTAL SMUSD REVENUE</b>                          | <b>4.051%</b>         |
| <b>GROWTH IN PER PUPIL SMUSD FUNDING</b>                      | <b>8.386%</b>         |

SAMPLE EXHIBIT  
FOR DISCUSSION ONLY

PROPERTY TAX REVENUE SHARING AGREEMENT BETWEEN THE  
SANTA MONICA-MALIBU UNIFIED SCHOOL DISTRICT AND THE CITY OF MALIBU

**Exhibit D:** Allocation of SMMUSD Revenues and Projected Annual Percentage Increases in Revenues

| REVENUES  | Resource Codes | Object Code | STEP 1 -> (5.a.i)               |  | STEP 2 -> (5.a.ii) |                                   | STEP 3 -> (5.d.ii)        |   | Basis for           |        |  |
|---|----------------|-------------|---------------------------------|--|--------------------|-----------------------------------|---------------------------|---|---------------------|--------|--|
|   |                |             | Unrestricted Fund SACS - Report | ADJUSTED Unrestricted General Fund SACS - Report | Allocation Factor  | SMUSD Allocated Share of Revenues | Agreed Upon Growth Factor | Subsequent Year Inflated Estimate of Unrestricted General Fund Revenues | Allocation          | Growth | Comments   |
| <b>LCFF SOURCES</b>   |                |             |                                 |  |                    |                                   |                           |   |                     |        |  |
| <b>Principal Apportionment</b>                                  |                |             |                                 |  |                    |                                   |                           |   |                     |        |  |
| State Aid - Current Year  |                | 8011        | \$ 8,585,843.00                 | \$ 8,585,843.00                                  | 88.1%              | \$ 7,561,722.37                   | 0.0%                      | \$ 7,561,722.37   | Enrollment          | FLAT   |  |
| Education Protection Account State Aid - Current Year           |                | 8012        | 1,891,744.00                    | 1,891,744.00                                     | 88.1%              | 1,666,096.49                      | 0.0%                      | 1,666,096.49  | Enrollment          | FLAT   |  |
| State Aid - Prior Years   |                | 8019        | -                               | -  |                    | -                                 | 0.0%                      | -   |                     |        |  |
| <b>Tax Relief Subventions</b>                                   |                |             |                                 |  |                    |                                   |                           |   |                     |        |  |
| Homeowner Exemption   |                | 8021        | 361,385.49                      | 361,385.49                                       | 0.0%               |                                   | 0.0%                      |   | County A/C Computed | FLAT   | Information to be obtained from Los Angeles County Auditor-Controller                    |
| Timber Yield Tax  |                | 8022        | -                               | -  |                    |                                   | 0.0%                      |   |                     |        |  |
| Other Subventions/In-Lieu Taxes                                 |                | 8029        | 176,176.29                      | 176,176.29                                       | 0.0%               |                                   | 0.0%                      |   | County A/C Computed | FLAT   | Information to be obtained from Los Angeles County Auditor-Controller                    |
| <b>County &amp; District Taxes</b>                              |                |             |                                 |  |                    |                                   |                           |   |                     |        |  |
| Secured Roll Taxes  |                | 8041        | 74,602,458.34                   | 82,784,543.34                                    | 0.0%               | 70,350,000.00                     |                           | 74,008,200.00   | County A/C Computed | N/A    | Information to be obtained from Los Angeles County Auditor-Controller                    |
| Unsecured Roll Taxes  |                | 8042        | 2,528,109.76                    | 2,087,884.76                                     | 0.0%               |                                   |                           |   | County A/C Computed | N/A    | Information to be obtained from Los Angeles County Auditor-Controller                    |
| Prior Year Taxes  |                | 8043        | 5,636,072.95                    | -  | 0.0%               |                                   |                           |   | Excluded            | N/A    |  |
| Supplemental Taxes  |                | 8044        | -                               | -  |                    |                                   |                           |   |                     |        |  |
| Education Revenue Augmentation Fund (ERAF)                      |                | 8045        | (86.37)                         | 86.37  |                    |                                   |                           |   | Excluded            | N/A    |  |
| Community Redevelopment Funds (SB 617/699/1992)                 |                | 8047        | 19,572,246.06                   | 20,152,704.06                                    | 0.0%               |                                   |                           |   | SMUSD               | N/A    | Allocated to SMUSD only as RDA only impacts Property Tax collections from the SMUSD area |
| Penalties & Interest from Delinquent Taxes                      |                | 8048        | 54,043.60                       | -  |                    |                                   |                           |   | Excluded            | N/A    |  |
| <b>Miscellaneous Funds (EC 41604)</b>                           |                |             |                                 |  |                    |                                   |                           |   |                     |        |  |
| Royalties and Bonuses   |                | 8081        | -                               | -  |                    |                                   | 0.0%                      |   |                     |        |  |
| Other In-Lieu Taxes   |                | 8082        | -                               | -  |                    |                                   | 0.0%                      |   |                     |        |  |
| Less: Non-LCFF (50%) Adjustment                                 |                | 8089        | -                               | -  |                    |                                   | 0.0%                      |   |                     |        |  |
| <b>LCFF Transfers</b>   |                |             |                                 |  |                    |                                   |                           |   |                     |        |  |
| Unrestricted LCFF Transfers - Current Year                      |                | 8091        | -                               | -  |                    |                                   |                           |   |                     |        |  |
| All Other LCFF Transfers - Current Year                         |                | 8091        | -                               | -  |                    |                                   |                           |   |                     |        |  |
| LCFF Transfers - to Charter Schools in Lieu of Property Taxes   |                | 8096        | (316,708.39)                    | 316,708.39                                       | 0.0%               |                                   |                           |   | Excluded            | N/A    |  |
| Property Taxes Transfers  |                | 8097        | -                               | -  |                    |                                   |                           |   |                     |        |  |
| LCFF/Revenue Limit Transfers - Prior Years                      |                | 8099        | -                               | -  |                    |                                   |                           |   |                     |        |  |
| <b>TOTAL, LCFF SOURCES</b>                                      |                |             | <b>\$ 113,091,284.73</b>        | <b>\$ 116,040,280.94</b>                         |                    | <b>\$ 79,577,818.86</b>           |                           | <b>\$ 83,236,018.86</b>   |                     |        |  |
| <b>FEDERAL REVENUE</b>  |                |             |                                 |  |                    |                                   |                           |   |                     |        |  |
| Maintenance and Operations                                      |                | 8110        | \$ -                            | \$ -   |                    | \$ -                              | 0.0%                      | \$ -  | Excluded            | N/A    | based on SELPA formula   |
| Forest Reserve Funds  |                | 8260        | -                               | -  |                    | -                                 | 0.0%                      | -   | Excluded            | N/A    | based on SELPA formula   |
| Flood Control Funds   |                | 8270        | -                               | -  |                    | -                                 | 0.0%                      | -   | Excluded            | N/A    | all restricted - not part of 4% guarantee. Will be actual starting in year 1             |
| Wildlife Reserve Funds  |                | 8280        | -                               | -  |                    | -                                 | 0.0%                      | -   | Excluded            | N/A    | all restricted - not part of 4% guarantee. Will be actual starting in year 2             |
| FEMA  |                | 8281        | -                               | -  |                    | -                                 | 0.0%                      | -   | Excluded            | N/A    | all restricted - not part of 4% guarantee. Will be actual starting in year 3             |
| Interagency Contracts Between LEAs                              |                | 8285        | -                               | -  |                    | -                                 | 0.0%                      | -   | Excluded            | N/A    | all restricted - not part of 4% guarantee. Will be actual starting in year 4             |
| All Other Fed Revenue   | All Other      | 8290        | 236,765.79                      | 236,765.79                                       | 88.1%              | 208,524.33                        | 0.0%                      | 208,524.33  | Enrollment          | FLAT   |  |
| <b>TOTAL, FEDERAL REVENUE</b>                                   |                |             | <b>\$ 236,765.79</b>            | <b>\$ 236,765.79</b>                             |                    | <b>\$ 208,524.33</b>              |                           | <b>\$ 208,524.33</b>  |                     |        |  |
| <b>OTHER STATE REVENUE</b>                                      |                |             |                                 |  |                    |                                   |                           |   |                     |        |  |
| Mandated Cost Reimbursements                                    |                | 8550        | \$ 419,710.00                   | \$ 419,710.00                                    | 88.1%              | \$ 369,646.93                     | 0.0%                      | \$ 369,646.93   | Enrollment          | FLAT   |  |
| Lottery - Unrestricted and Instructional Materials              |                | 8560        | 1,789,618.89                    | 1,789,618.89                                     | 88.1%              | 1,576,152.88                      | 0.0%                      | 1,576,152.88  | Enrollment          | FLAT   |  |
| Pass-Through Revenues from State Sources                        |                | 8590        | -                               | -  | 88.1%              | -                                 | 0.0%                      | -   | Excluded            | N/A    |  |
| All Other State Revenues  | All Other      | 8590        | -                               | -  | 88.1%              | -                                 | 0.0%                      | -   | Enrollment          | FLAT   | exclude ALL non-ongoing  |
| <b>TOTAL, OTHER STATE REVENUE</b>                               |                |             | <b>\$ 2,209,328.89</b>          | <b>\$ 2,209,328.89</b>                           |                    | <b>\$ 1,945,799.81</b>            |                           | <b>\$ 1,945,799.81</b>  |                     |        |  |
| <b>OTHER LOCAL REVENUE</b>                                      |                |             |                                 |  |                    |                                   |                           |   |                     |        |  |
| <b>Non-Ad Valorem Taxes</b>                                     |                |             |                                 |  |                    |                                   |                           |   |                     |        |  |
| Parcel Taxes  |                | 8621        | \$ 13,365,563.57                | \$ 13,365,563.57                                 | 70.4%              | \$ 9,408,094.97                   | 2.0%                      | \$ 9,596,256.87   | PARCEL COUNT        | 2.00%  |  |
| Other   |                | 8622        | -                               | -  |                    | -                                 | 0.0%                      | -   |                     |        |  |
| <b>Sales</b>  |                |             |                                 |  |                    |                                   |                           |   |                     |        |  |
| Sale of Equipment/Supplies                                      |                | 8631        | -                               | -  | 0.0%               | -                                 | 0.0%                      | -   |                     |        |  |
| Sale of Publications  |                | 8632        | -                               | -  | 0.0%               | -                                 | 0.0%                      | -   | Excluded            | N/A    | not general fund   |
| Food All Other Sales  |                | 8634        | -                               | -  | 0.0%               | -                                 | 0.0%                      | -   | Excluded            | N/A    | usually minor  |
| All Other Sales   |                | 8639        | -                               | -  | 0.0%               | -                                 | 0.0%                      | -   |                     |        |  |
| <b>Leases and Rentals</b>                                       |                | 8650        | 520,062.90                      | 520,062.90                                       | 100.0%             | 520,062.90                        | 2.0%                      | 530,464.16  | SM Only             | 2.00%  | do lease agreements have a 2% escalator?   |
| <b>Interest</b>   |                | 8660        | 1,401,457.66                    | 1,401,457.66                                     | 88.1%              | 1,234,291.58                      | 0.0%                      | 1,234,291.58  | Enrollment          | FLAT   |  |
| <b>Net Increase (Decrease) in the Fair Value of Investments</b> |                | 8662        | (2,011,449.00)                  | 2,011,449.00                                     | 0.0%               | -                                 |                           | -   |                     |        |  |
| <b>Fees and Contracts</b>                                       |                |             |                                 |  |                    |                                   |                           |   |                     |        |  |
| Adult Education Fees  |                | 8671        | -                               | -  |                    | -                                 | 0.0%                      | -   |                     |        |  |
| Non-Resident Students   |                | 8672        | -                               | -  |                    | -                                 | 0.0%                      | -   |                     |        |  |
| Transportation Fees from Individuals                            |                | 8675        | 60,088.69                       | (60,088.69)                                      | 0.0%               | -                                 | 0.0%                      | -   |                     |        |  |
| Interagency Services  |                | 8677        | -                               | -  |                    | -                                 | 0.0%                      | -   |                     |        |  |
| All Other Fees and Contracts                                    |                | 8689        | -                               | -  |                    | -                                 | 0.0%                      | -   |                     |        |  |
| <b>Other Local Revenue</b>                                      |                |             |                                 |  |                    |                                   |                           |   |                     |        |  |
| Plus: Misc Funds Non-LCFF (50%) Adjustment                      |                | 8691        | -                               | -  |                    | -                                 | 0.0%                      | -   |                     |        |  |
| Pass-Through Revenues From Local Sources                        |                | 8697        | -                               | -  |                    | -                                 | 0.0%                      | -   |                     |        |  |
| <b>All Other Local Revenues</b>                                 |                |             |                                 |  |                    |                                   |                           |   |                     |        |  |
| Measure Y/GSH   | 0000-1999      | 8699        | 17,828,099.00                   | 17,828,099.00                                    | 100.0%             | 17,828,099.00                     | 0.0%                      | 17,828,099.00   | SM Only             | FLAT   |  |
| Santa Monica Joint Use  | 0000-1999      | 8699        | 10,146,061.00                   | 10,146,061.00                                    | 100.0%             | 10,146,061.00                     | 2.0%                      | 10,348,982.22   | SM Only             | 2.00%  |  |
| Santa Monica Education Foundation                               | 0000-1999      | 8699        | 1,219,792.00                    | 1,219,792.00                                     | 100.0%             | 1,219,792.00                      | 0.0%                      | 1,219,792.00  | SM Only             | FLAT   |  |
| Malibu Joint Use  | 0000-1999      | 8699        | 199,261.00                      | 199,261.00                                       | 0.0%               | -                                 | 2.0%                      | -   | Maibu Only          | N/A    |  |
| Malibu Education Foundation                                     | 0000-1999      | 8699        | -                               | -  | 0.0%               | -                                 | 0.0%                      | -   | Maibu Only          | N/A    |  |
| Miscellaneous Other Local Revenues                              | 0000-1999      | 8699        | 2,834,156.56                    | 2,834,156.56                                     | 100.0%             | 2,834,156.56                      | 0.0%                      | 2,834,156.56  | Analysis            | FLAT   |  |
| <b>Tuition</b>  |                | 8710        | -                               | -  |                    | -                                 | 0.0%                      | -   |                     |        |  |
| <b>All Other Transfers In</b>                                   |                | 8781-8783   | -                               | -  |                    | -                                 | 0.0%                      | -   |                     |        |  |
| <b>Transfers of Apportionments</b>                              |                |             |                                 |  |                    |                                   |                           |   |                     |        |  |
| Other Transfers of Apportionments                               |                |             |                                 |  |                    |                                   |                           |   |                     |        |  |
| From Districts or Charter Schools                               | All Other      | 8791        | -                               | -  |                    | -                                 | 0.0%                      | -   |                     |        |  |
| From County Offices   | All Other      | 8792        | -                               | -  |                    | -                                 | 0.0%                      | -   |                     |        |  |
| From JPAs   | All Other      | 8793        | -                               | -  |                    | -                                 | 0.0%                      | -   |                     |        |  |
| All Other Transfers In from All Others                          | All Other      | 8799        | -                               | -  |                    | -                                 | 0.0%                      | -   |                     |        |  |
| <b>TOTAL, OTHER LOCAL REVENUES</b>                              |                |             | <b>\$ 45,563,093.38</b>         | <b>\$ 47,514,453.69</b>                          |                    | <b>\$ 43,190,558.02</b>           |                           | <b>\$ 43,592,042.39</b>   |                     |        |  |
| <b>TOTAL UNRESTRICTED GENERAL FUND REVENUES</b>                 |                |             | <b>\$ 161,100,472.79</b>        | <b>\$ 166,000,829.31</b>                         |                    | <b>\$ 124,922,701.02</b>          |                           | <b>\$ 128,982,385.39</b>  |                     |        |  |

| REVENUES  | Resource Codes | Object Code | STEP 1 -> (5.a.i)                       |  | STEP 2 -> (5.d.i) |                                   | STEP 3 -> (5.d.ii)        |   | Basis for           |        |  |
|---|----------------|-------------|---|--|-------------------|-----------------------------------|---------------------------|---|---------------------|--------|--|
|   |                |             | Unrestricted General Fund SACS - Report | ADJUSTED Unrestricted General Fund SACS - Report | Allocation Factor | SMUSD Allocated Share of Revenues | Agreed Upon Growth Factor | Subsequent Year Inflated Estimate of Unrestricted General Fund Revenues | Allocation          | Growth | Comments   |
| <b>LCFF SOURCES</b>   |                |             |   |  |                   |                                   |                           |   |                     |        |  |
| <b>Principal Apportionment</b>                                  |                |             |   |  |                   |                                   |                           |   |                     |        |  |
| State Aid - Current Year  |                | 8011        | \$ 7,543,206.42                         | \$ 7,543,206.42                                  | 100.0%            | \$ 7,543,206.42                   | 0.0%                      | \$ 7,543,206.42   | Enrollment          | FLAT   |  |
| Education Protection Account State Aid - Current Year           |                | 8012        | 1,662,016.82                            | 1,662,016.82                                     | 100.0%            | 1,662,016.82                      | 0.0%                      | 1,662,016.82  | Enrollment          | FLAT   |  |
| State Aid - Prior Years   |                | 8019        | 446.31                                  | 446.31   | 100.0%            | 446.31                            | 0.0%                      | 446.31  |                     |        |  |
| <b>Tax Relief Subventions</b>                                   |                |             |   |  |                   |                                   |                           |   |                     |        |  |
| Homeowner Exemption   |                | 8021        | 238,374.08                              | 238,374.08                                       | 100.0%            | 238,374.08                        | 0.0%                      | 238,374.08  | County A/C Computed | FLAT   | Information to be obtained from Los Angeles County Auditor-Controller                    |
| Timber Yield Tax  |                | 8022        | -                                       | -  |                   | -                                 | 0.0%                      | -   |                     |        |  |
| Other Subventions/In-Lieu Taxes                                 |                | 8029        | 122,887.89                              | 122,887.89                                       | 100.0%            | 122,887.89                        | 0.0%                      | 122,887.89  | County A/C Computed | FLAT   | Information to be obtained from Los Angeles County Auditor-Controller                    |
| <b>County &amp; District Taxes</b>                              |                |             |   |  |                   |                                   |                           |   |                     |        |  |
| Secured Roll Taxes  |                | 8041        | 54,347,413.59                           | 54,347,413.59                                    | 100.0%            | 54,347,413.59                     |                           | 57,064,784.27   | County A/C Computed | N/A    | Information to be obtained from Los Angeles County Auditor-Controller                    |
| Unsecured Roll Taxes  |                | 8042        | 1,760,383.25                            | 1,760,383.25                                     | 100.0%            | 1,760,383.25                      |                           | 1,848,402.41  | County A/C Computed | N/A    | Information to be obtained from Los Angeles County Auditor-Controller                    |
| Prior Year Taxes  |                | 8043        | 1,815,411.39                            | (1,815,411.39)                                   | 0.0%              | -                                 |                           | -   | Excluded            | N/A    |  |
| Supplemental Taxes  |                | 8044        | 1,705.68                                | 1,705.68   | 100.0%            | 1,705.68                          |                           | 1,790.97  |                     |        |  |
| Education Revenue Augmentation Fund (ERAF)                      |                | 8045        | -                                       | -  | 0.0%              | -                                 |                           | -   | Excluded            | N/A    |  |
| Community Redevelopment Funds (SB 617/699/1992)                 |                | 8047        | 21,799,348.48                           | 21,799,348.48                                    | 100.0%            | 21,799,348.48                     |                           | 22,889,315.90   | SMUSD               | N/A    | Allocated to SMUSD only as RDA only impacts Property Tax collections from the SMUSD area |
| Penalties & Interest from Delinquent Taxes                      |                | 8048        | 62,065.63                               | (62,065.63)                                      | 0.0%              | -                                 |                           | -   | Excluded            | N/A    |  |
| <b>Miscellaneous Funds (EC 41604)</b>                           |                |             |   |  |                   |                                   |                           |   |                     |        |  |
| Royalties and Bonuses   |                | 8081        | -                                       | -  |                   | -                                 | 0.0%                      | -   |                     |        |  |
| Other In-Lieu Taxes   |                | 8082        | -                                       | -  |                   | -                                 | 0.0%                      | -   |                     |        |  |
| Less: Non-LCFF (50%) Adjustment                                 |                | 8089        | -                                       | -  |                   | -                                 | 0.0%                      | -   |                     |        |  |
| <b>LCFF Transfers</b>   |                |             |   |  |                   |                                   |                           |   |                     |        |  |
| Unrestricted LCFF Transfers - Current Year                      |                | 8091        | -                                       | -  |                   | -                                 |                           | -   |                     |        |  |
| All Other LCFF Transfers - Current Year                         |                | 8091        | -                                       | -  |                   | -                                 |                           | -   |                     |        |  |
| LCFF Transfers - to Charter Schools in Lieu of Property Taxes   |                | 8096        | (144,286.00)                            | 144,286.00                                       | 0.0%              | -                                 |                           | -   | Excluded            | N/A    |  |
| Property Taxes Transfers  |                | 8097        | -                                       | -  |                   | -                                 |                           | -   |                     |        |  |
| LCFF/Revenue Limit Transfers - Prior Years                      |                | 8099        | -                                       | -  |                   | -                                 |                           | -   |                     |        |  |
| <b>TOTAL, LCFF SOURCES</b>                                      |                |             | <b>\$ 89,208,973.56</b>                 | <b>\$ 87,475,782.54</b>                          |                   | <b>\$ 87,475,782.54</b>           |                           | <b>\$ 91,371,225.09</b>   |                     |        |  |
| <b>FEDERAL REVENUE</b>  |                |             |   |  |                   |                                   |                           |   |                     |        |  |
| Maintenance and Operations                                      |                | 8110        | \$ -                                    | \$ -   |                   | \$ -                              | 0.0%                      | \$ -  | Excluded            | N/A    | based on SELPA formula   |
| Forest Reserve Funds  |                | 8260        | -                                       | -  |                   | -                                 | 0.0%                      | -   | Excluded            | N/A    | based on SELPA formula   |
| Flood Control Funds   |                | 8270        | -                                       | -  |                   | -                                 | 0.0%                      | -   | Excluded            | N/A    | all restricted - not part of 4% guarantee. Will be actual starting in year 1             |
| Wildlife Reserve Funds  |                | 8280        | -                                       | -  |                   | -                                 | 0.0%                      | -   | Excluded            | N/A    | all restricted - not part of 4% guarantee. Will be actual starting in year 2             |
| FEMA  |                | 8281        | -                                       | -  |                   | -                                 | 0.0%                      | -   | Excluded            | N/A    | all restricted - not part of 4% guarantee. Will be actual starting in year 3             |
| Interagency Contracts Between LEAs                              |                | 8285        | -                                       | -  |                   | -                                 | 0.0%                      | -   | Excluded            | N/A    | all restricted - not part of 4% guarantee. Will be actual starting in year 4             |
| All Other Fed Revenue   | All Other      | 8290        | -                                       | -  | 100.0%            | -                                 | 0.0%                      | -   | Enrollment          | FLAT   |  |
| <b>TOTAL, FEDERAL REVENUE</b>                                   |                |             | <b>\$ -</b>                             | <b>\$ -</b>                                      |                   | <b>\$ -</b>                       |                           | <b>\$ -</b>   |                     |        |  |
| <b>OTHER STATE REVENUE</b>                                      |                |             |   |  |                   |                                   |                           |   |                     |        |  |
| Mandated Cost Reimbursements                                    |                | 8550        | \$ 345,770.88                           | \$ 345,770.88                                    | 100.0%            | \$ 345,770.88                     | 0.0%                      | \$ 345,770.88   | Enrollment          | FLAT   |  |
| Lottery - Unrestricted and Instructional Materials              |                | 8560        | 1,521,434.50                            | 1,521,434.50                                     | 100.0%            | 1,521,434.50                      | 0.0%                      | 1,521,434.50  | Enrollment          | FLAT   |  |
| Pass-Through Revenues from State Sources                        |                | 8590        | -                                       | -  |                   | -                                 | 0.0%                      | -   | Excluded            | N/A    |  |
| All Other State Revenues  | All Other      | 8590        | 327,448.90                              | 327,448.90                                       | 100.0%            | 327,448.90                        | 0.0%                      | 327,448.90  | Enrollment          | FLAT   | exclude ALL non-ongoing  |
| <b>TOTAL, OTHER STATE REVENUE</b>                               |                |             | <b>\$ 2,194,654.28</b>                  | <b>\$ 2,194,654.28</b>                           |                   | <b>\$ 2,194,654.28</b>            |                           | <b>\$ 2,194,654.28</b>  |                     |        |  |
| <b>OTHER LOCAL REVENUE</b>                                      |                |             |   |  |                   |                                   |                           |   |                     |        |  |
| <b>Non-Ad Valorem Taxes</b>                                     |                |             |   |  |                   |                                   |                           |   |                     |        |  |
| Parcel Taxes  |                | 8621        | \$ 10,084,459.14                        | \$ 10,084,459.14                                 | 100.0%            | \$ 10,084,459.14                  | 2.0%                      | \$ 10,286,148.32  | PARCEL COUNT        | 2.00%  |  |
| Other   |                | 8622        | -                                       | -  |                   | -                                 | 0.0%                      | -   |                     |        |  |
| <b>Sales</b>  |                |             |   |  |                   |                                   |                           |   |                     |        |  |
| Sale of Equipment/Supplies                                      |                | 8631        | -                                       | -  | 0.0%              | -                                 | 0.0%                      | -   |                     |        |  |
| Sale of Publications  |                | 8632        | -                                       | -  | 0.0%              | -                                 | 0.0%                      | -   | Excluded            | N/A    | not general fund   |
| Foot All Other Sales  |                | 8634        | -                                       | -  | 0.0%              | -                                 | 0.0%                      | -   | Excluded            | N/A    | usually minor  |
| All Other Sales   |                | 8639        | -                                       | -  | 0.0%              | -                                 | 0.0%                      | -   |                     |        |  |
| <b>Leases and Rentals</b>                                       |                | 8650        | 1,798,950.00                            | 1,798,950.00                                     | 100.0%            | 1,798,950.00                      | 2.0%                      | 1,834,929.00  | SM Only             | 2.00%  | do lease agreements have a 2% escalator?   |
| <b>Interest</b>   |                | 8660        | 2,135,174.62                            | 2,135,174.62                                     | 100.0%            | 2,135,174.62                      | 0.0%                      | 2,135,174.62  | Enrollment          | 0.00%  |  |
| <b>Net Increase (Decrease) in the Fair Value of Investments</b> |                | 8662        | 540,630.95                              | (540,630.95)                                     | 0.0%              | -                                 |                           | -   |                     |        |  |
| <b>Fees and Contracts</b>                                       |                |             |   |  |                   |                                   |                           |   |                     |        |  |
| Adult Education Fees  |                | 8671        | -                                       | -  |                   | -                                 | 0.0%                      | -   |                     |        |  |
| Non-Resident Students   |                | 8672        | -                                       | -  |                   | -                                 | 0.0%                      | -   |                     |        |  |
| Transportation Fees from Individuals                            |                | 8675        | -                                       | -  | 0.0%              | -                                 | 0.0%                      | -   |                     |        |  |
| Interagency Services  |                | 8677        | -                                       | -  |                   | -                                 | 0.0%                      | -   |                     |        |  |
| All Other Fees and Contracts                                    |                | 8689        | -                                       | -  |                   | -                                 | 0.0%                      | -   |                     |        |  |
| <b>Other Local Revenue</b>                                      |                |             |   |  |                   |                                   |                           |   |                     |        |  |
| Plus: Misc Funds Non-LCFF (50%) Adjustment                      |                | 8691        | -                                       | -  |                   | -                                 | 0.0%                      | -   |                     |        |  |
| Pass-Through Revenues From Local Sources                        |                | 8697        | -                                       | -  |                   | -                                 | 0.0%                      | -   |                     |        |  |
| All Other Local Revenues  |                |             |   |  |                   |                                   |                           |   |                     |        |  |
| Measure Y/GSH   | 0000-1999      | 8699        | 18,556,185.00                           | 18,556,185.00                                    | 100.0%            | 18,556,185.00                     | 0.0%                      | 18,556,185.00   |                     |        |  |
| Santa Monica Joint Use  | 0000-1999      | 8699        | 10,551,903.00                           | 10,551,903.00                                    | 100.0%            | 10,551,903.00                     | 2.0%                      | 10,762,941.06   |                     |        |  |
| Santa Monica Education Foundation                               | 0000-1999      | 8699        | 2,445,379.00                            | 2,445,379.00                                     | 100.0%            | 2,445,379.00                      | 0.0%                      | 2,445,379.00  |                     |        |  |
| Malibu Joint Use  | 0000-1999      | 8699        | -                                       | -  | 0.0%              | -                                 | 2.0%                      | -   |                     |        |  |
| Malibu Education Foundation                                     | 0000-1999      | 8699        | -                                       | -  | 0.0%              | -                                 | 0.0%                      | -   |                     |        |  |
| Miscellaneous Other Local Revenues                              | 0000-1999      | 8699        | 788,419.55                              | 788,419.55                                       | 100.0%            | 788,419.55                        | 0.0%                      | 788,419.55  |                     |        |  |
| <b>Tuition</b>  |                | 8710        | -                                       | -  |                   | -                                 | 0.0%                      | -   |                     |        |  |
| <b>All Other Transfers In</b>                                   |                | 8781-8783   | -                                       | -  |                   | -                                 | 0.0%                      | -   |                     |        |  |
| <b>Transfers of Apportionments</b>                              |                |             |   |  |                   |                                   |                           |   |                     |        |  |
| Other Transfers of Apportionments                               |                |             |   |  |                   |                                   |                           |   |                     |        |  |
| From Districts or Charter Schools                               | All Other      | 8791        | -                                       | -  |                   | -                                 | 0.0%                      | -   |                     |        |  |
| From County Offices   | All Other      | 8792        | -                                       | -  |                   | -                                 | 0.0%                      | -   |                     |        |  |
| From JPAs   | All Other      | 8793        | -                                       | -  |                   | -                                 | 0.0%                      | -   |                     |        |  |
| All Other Transfers In from All Others                          | All Other      | 8799        | -                                       | -  |                   | -                                 | 0.0%                      | -   |                     |        |  |
| <b>TOTAL, OTHER LOCAL REVENUES</b>                              |                |             | <b>\$ 46,901,101.25</b>                 | <b>\$ 46,360,470.30</b>                          |                   | <b>\$ 46,360,470.30</b>           |                           | <b>\$ 46,809,176.55</b>   |                     |        |  |
| <b>TOTAL UNRESTRICTED GENERAL FUND REVENUES</b>                 |                |             | <b>\$ 138,304,729.09</b>                | <b>\$ 136,030,907.12</b>                         |                   | <b>\$ 136,030,907.12</b>          |                           | <b>\$ 140,375,055.91</b>  |                     |        |  |

PROPERTY TAX REVENUE SHARING AGREEMENT BETWEEN THE  
SANTA MONICA-MALIBU UNIFIED SCHOOL DISTRICT AND THE CITY OF MALIBU

**Exhibit E:** Sample Calculation of Annual Property Tax Transfer Amount (2 pages, one with inputs one with formulas)

**Exhibit E: Annual Property Tax Transfer Calculation****COMPUTATION TO DETERMINE SMUSD PER PUPIL REVENUE**

| Steps        | Year | Formula | Financial Terms Descriptions    |                  |
|--------------|------|---------|---------------------------------|------------------|
| Step 1 (6.a) | PY   |         | Prior Year SMUSD Funding Target | \$ 147,112,295   |
| Step 1 (6.a) | PY   |         | Prior Year SMUSD Enrollment     | 7,705            |
| Step 1 (6.a) | PY   |         | <b>SMUSD Per Pupil Revenue</b>  | <b>\$ 19,093</b> |

**COMPUTATION TO DETERMINE SMUSD FUNDING TARGET**

| Steps        | Year | Formula | Financial Terms Descriptions             |                       |
|--------------|------|---------|--|-----------------------|
| Step 2 (6.b) | PY   |         | Prior Year SMUSD Funding Target          | \$ 147,112,295        |
| Step 2 (6.b) |      |         | Growth Factor                            | 104%                  |
| Step 2 (6.b) | CY   |         | <b>Current Year SMUSD Funding Target</b> | <b>\$ 152,996,787</b> |

**COMPUTATION TO DETERMINE SMUSD TARGET PER PUPIL REVENUE**

| Steps        | Year | Formula | Financial Terms Descriptions          |                  |
|--------------|------|---------|---------------------------------------|------------------|
| Step 3 (6.c) | CY   |         | Current Year SMUSD Funding Target     | \$ 152,996,787   |
| Step 3 (6.c) | CY   |         | Current Year SMUSD Enrollment         | 7,555            |
| Step 3 (6.c) | CY   |         | <b>Target SMUSD Per Pupil Revenue</b> | <b>\$ 20,251</b> |

**COMPUTATION TO DETERMINE SMUSD UNRESTRICTED GENERAL FUND REVENUE**

| Steps        | Year | Formula         | Financial Terms Descriptions                   |                       |
|--------------|------|-----------------|--|-----------------------|
| Step 4 (6.d) |      | From Exhibit D2 | <b>SMUSD Unrestricted General Fund Revenue</b> | <b>\$ 140,375,056</b> |

**COMPUTATION TO DETERMINE SMUSD ACTUAL PER PUPIL REVENUE**

| Steps        | Year | Formula | Financial Terms Descriptions            |                  |
|--------------|------|---------|---|------------------|
| Step 5 (6.e) |      |         | SMUSD Unrestricted General Fund Revenue | \$ 140,375,056   |
| Step 5 (6.e) | CY   |         | SMUSD Enrollment                        | 7,555            |
| Step 5 (6.e) |      |         | <b>SMUSD Actual Per Pupil Revenue</b>   | <b>\$ 18,580</b> |

**COMPUTATION TO DETERMINE PER PUPIL FUNDING NEED**

| Steps        | Year | Formula | Financial Terms Descriptions   |                 |
|--------------|------|---------|--------------------------------|-----------------|
| Step 6 (6.f) | CY   |         | Target SMUSD Per Pupil Revenue | \$ 20,251       |
| Step 6 (6.f) | CY   |         | SMUSD Actual Per Pupil Revenue | 18,580          |
| Step 6 (6.f) | CY   |         | <b>Per Pupil Funding Need</b>  | <b>\$ 1,671</b> |

**COMPUTATION TO DETERMINE PROPERTY TAX TRANSFER AMOUNT**

| Steps        | Year | Formula | Financial Terms Descriptions        |                      |
|--------------|------|---------|-------------------------------------|----------------------|
| Step 7 (6.g) | CY   |         | Per Pupil Funding Need              | \$ 1,671             |
| Step 7 (6.g) |      |         | Per Pupil Funding Need is Positive? | TRUE                 |
| Step 7 (6.g) | CY   |         | SMUSD Enrollment                    | 7,555                |
| Step 7 (6.g) | CY   |         | <b>Property Tax Transfer Amount</b> | <b>\$ 12,621,731</b> |

**Exhibit E: Annual Property Tax Transfer Calculation**

| <b>PROOFING COMPUTATIONS &amp; TESTS</b>                      |    |                    |
|---|----|--------------------|
| <b>TOTAL SMUSD FUNDING</b>                                    |    |                    |
| SMUSD Unrestricted General Fund Revenues                      | \$ | 140,375,056        |
| Base Year Property Tax Transfer Amount                        | \$ | 12,621,731         |
| Total SMUSD Unrestricted General Fund Revenues - Post Sharing | \$ | <u>152,996,787</u> |
| <b>SMUSD PER PUPIL FUNDING - PRIOR YEAR</b>                   |    |                    |
| SMUSD Total Unrestricted Revenues                             | \$ | 147,112,295        |
| SMUSD Enrollment - Prior Year                                 |    | <u>7,705</u>       |
| Prior Year SMUSD Per Pupil Funding                            | \$ | <u>19,093</u>      |
| <b>SMUSD PER PUPIL FUNDING - CURRENT YEAR</b>                 |    |                    |
| SMUSD Total Unrestricted Revenues                             | \$ | 152,996,787        |
| SMUSD Enrollment - Prior Year                                 |    | <u>7,555</u>       |
| Current Year SMUSD Per Pupil Funding                          | \$ | <u>20,251</u>      |
| <b>SMUSD PER PUPIL FUNDING - GROWTH OVER PRIOR YEAR</b>       |    |                    |
| Current Year SMUSD Per Pupil Funding                          | \$ | 20,251             |
| Prior Year SMUSD Per Pupil Fundomg                            | \$ | <u>19,093</u>      |
| Per Pupil Funding Growth Percentage                           |    | <u>6.1%</u>        |
| <b>SMUSD TOTAL FUNDING - GROWTH OVER PRIOR YEAR</b>           |    |                    |
| Current Year Total SMUSD Per Pupil Funding                    | \$ | 152,996,787        |
| Prior Year Total SMUSD Per Pupil Funding                      | \$ | <u>147,112,295</u> |
| Total Funding Growth Percentage                               |    | <u>4.0%</u>        |

SAMPLE EXHIBIT  
FOR DISCUSSION ONLY

PROPERTY TAX REVENUE SHARING AGREEMENT BETWEEN THE  
SANTA MONICA-MALIBU UNIFIED SCHOOL DISTRICT AND THE CITY OF MALIBU

**Exhibit F:** Calculations to Address Change in Other Local Revenues

IN PROGRESS EXHIBIT F

Permanent or Temporary Changes in Allocation of Other Local Revenue Sources

| Other Local Revenue Source                              | 2021-22     | 2022-23     | 2023-24           | 2024-25               | 2025-26               | 2026-27               | 2027-28               | 2028-29               | 2029-30               | 2030-31               | 2031-32               | 2032-33               | 2033-34               |
|---|-------------|-------------|-------------------|-----------------------|-----------------------|-----------------------|-----------------------|-----------------------|-----------------------|-----------------------|-----------------------|-----------------------|-----------------------|
| <b>Instance #1</b>                                      |             |             |                   |                       |                       |                       |                       |                       |                       |                       |                       |                       |                       |
| Joint Use Impairment Amount                             | \$ -        | \$ -        | \$ (8,000,000)    | \$ (8,000,000)        | \$ (8,000,000)        | \$ (8,000,000)        | \$ (8,000,000)        | \$ (8,000,000)        | \$ (6,000,000)        | \$ (6,000,000)        | \$ (6,000,000)        | \$ (4,000,000)        | \$ -                  |
| Recoupment of Impaired Revenue                          | \$ -        | \$ -        | \$ -              | \$ -                  | \$ -                  | \$ -                  | \$ -                  | \$ 2,000,000          | \$ -                  | \$ -                  | \$ 2,000,000          | \$ 4,000,000          | \$ -                  |
| Loss Reflected In Unaduted Actual Report?               |             |             | NO                | YES                   |                       |
| Percentage for Property Tax Sharing Adjustment          | 0.00%       | 0.00%       | 12.00%            | -88.00%               | -88.00%               | -88.00%               | -88.00%               | -88.00%               | -88.00%               | -88.00%               | -88.00%               | -88.00%               | 0.00%                 |
| <b>Property Tax Transfer Adjustment for Instance #1</b> | <b>\$ -</b> | <b>\$ -</b> | <b>\$ 960,000</b> | <b>\$ (7,040,000)</b> | <b>\$ (5,280,000)</b> | <b>\$ (5,280,000)</b> | <b>\$ (5,280,000)</b> | <b>\$ (3,520,000)</b> | <b>\$ -</b>           |
| <b>Instance #2</b>                                      |             |             |                   |                       |                       |                       |                       |                       |                       |                       |                       |                       |                       |
| Sales Tax Allocation Reduction                          | \$ -        | \$ -        | \$ -              | \$ -                  | \$ -                  | \$ -                  | \$ -                  | \$ (3,500,000)        | \$ (3,500,000)        | \$ (3,500,000)        | \$ (3,500,000)        | \$ (3,500,000)        | \$ (3,500,000)        |
| Recoupment of Impaired Revenue                          | \$ -        | \$ -        | \$ -              | \$ -                  | \$ -                  | \$ -                  | \$ -                  | \$ -                  | \$ -                  | \$ -                  | \$ -                  | \$ -                  | \$ -                  |
| Loss Reflected In Unaduted Actual Report?               |             |             |                   |                       |                       |                       |                       | NO                    | YES                   | YES                   | YES                   | YES                   | YES                   |
| Percentage for Property Tax Sharing Adjustment          | 0.00%       | 0.00%       | 0.00%             | 0.00%                 | 0.00%                 | 0.00%                 | 0.00%                 | 12.00%                | -88.00%               | -88.00%               | -88.00%               | -88.00%               | -88.00%               |
| <b>Property Tax Transfer Adjustment for Instance #2</b> | <b>\$ -</b> | <b>\$ -</b> | <b>\$ -</b>       | <b>\$ -</b>           | <b>\$ -</b>           | <b>\$ -</b>           | <b>\$ -</b>           | <b>\$ 420,000</b>     | <b>\$ (3,080,000)</b> |

SAMPLE EXHIBIT ONLY  
FOR DISCUSSION ONLY