EDUCATION ENHANCEMENT RESERVE
JOINT POWERS AGREEMENT

THIS AGREEMENT is dated for identification this 24th day of June, 2013, and is entered into by and between the SHORELINE REGIONAL PARK COMMUNITY, whose address is 500 Castro Street, Mountain View, California (hereinafter referred to as "SHORELINE COMMUNITY"), and the MOUNTAIN VIEW-LOS ALTOS UNION HIGH SCHOOL DISTRICT, a California public school district in Santa Clara County, California, and the MOUNTAIN VIEW WHISMAN SCHOOL DISTRICT, a California public school district in Santa Clara County, California (hereinafter referred to collectively as "DISTRICTS"). SHORELINE COMMUNITY and the DISTRICTS shall be referred to collectively as "the Parties."

WITNESSETH:

A. WHEREAS, pursuant to California Government Code Section 6502, commonly known as the "Joint Exercise of Powers Act," two (2) or more public agencies may, by agreement, jointly exercise any power common to the contracting parties; and

B. WHEREAS, each of the Parties to this Agreement is a "public agency" as that term is defined in California Government Code Section 6500; and

C. WHEREAS, the CITY OF MOUNTAIN VIEW (hereinafter referred to as "CITY") and DISTRICTS have a long history of collaboration on programs and facilities for the betterment of the Mountain View community. The collaborations have included CITY staffing and resources that benefit both DISTRICTS and the broader Mountain View community simultaneously, such as staffing and maintenance of sports centers; scheduling of athletic fields; Library programs such as teen services, homework assistance, Children's Summer Reading program, and Mobile Library Services; maintenance of playing fields at elementary and middle schools; and provision of CITY-owned land for high school use. Additionally, CITY has provided subsidies, discounted fees, or staffing and resources that directly benefit DISTRICTS, such as Police services through School Resource Officers and the Crossing Guard program; fire safety education and emergency preparedness services; the "Beyond the Bell" after-school program at four elementary schools and one middle school, "the BEAT" after-school program at another middle school, and access to golf course and performing arts programs. CITY and the Mountain View Whisman School District also collaborated on the award-winning Graham Reservoir/Sports Field project; and

D. WHEREAS, SHORELINE COMMUNITY was formed in 1969 and continues in its development phase. SHORELINE COMMUNITY is dedicated to enhancing the overall strength and vitality of the region, including the public schools that serve the Mountain View community; and

E. WHEREAS, SHORELINE COMMUNITY recognizes that there is potential financial impact on DISTRICTS from the existence of SHORELINE COMMUNITY. DISTRICTS recognize the continuing and perpetual nature of SHORELINE COMMUNITY in meeting critical environmental, open space, and recreation needs of the Mountain View community and the South Peninsula region as a whole; and

F. WHEREAS, SHORELINE COMMUNITY seeks to collaborate with DISTRICTS to foster and develop educational programs for DISTRICTS' students. SHORELINE COMMUNITY is one of the most significant high-technology locations in the world. The ability of SHORELINE COMMUNITY to continue to play such a critical role depends, in part, on quality schools attracting the necessary employment base to SHORELINE COMMUNITY, as well as providing a locally available supply of highly trained and skilled employees; and

G. WHEREAS, SHORELINE COMMUNITY and DISTRICTS have identified an approach to assist DISTRICTS with their technology education and other educational programs which support the vitality of SHORELINE COMMUNITY;

H. WHEREAS, SHORELINE COMMUNITY and DISTRICTS entered into an Agreement in 2006 to establish a Joint Powers Authority (JPA) in order to create an education enhancement reserve to provide funds to enhance the educational and technical capacity of students in DISTRICTS; and

I. WHEREAS, SHORELINE COMMUNITY and DISTRICTS entered into an Amendment to the JPA Agreement in 2010 to provide additional funding to DISTRICTS for a three (3) year period to temporarily mitigate the State of California's reduced funding to public schools; and

J. WHEREAS, SHORELINE COMMUNITY and DISTRICTS have successfully collaborated for many years to foster and develop educational programs for DISTRICTS' students; and

K. WHEREAS, SHORELINE COMMUNITY and DISTRICTS intend to continue and increase collaboration with the support of SHORELINE COMMUNITY through the JPA.

NOW, THEREFORE, in consideration of the mutual terms, covenants and conditions herein agreed, the parties hereto agree as follows:

ARTICLE I – PURPOSE

It is the purpose of this Agreement to establish a JPA to create an Education Enhancement Reserve in which funds shall be used to enhance the educational and technology capacity of students in DISTRICTS' schools who, in turn, will contribute to the availability of a local technology workforce necessary to further COMMUNITY objectives.

ARTICLE II – POWERS

To achieve the purpose of this Agreement, the Parties are accorded the following powers and duties:

2.1 The JPA will administer payments through a three (3) member, unpaid Board of Directors (the "JPA Board") comprised of the Superintendent of each of the DISTRICTS and the SHORELINE COMMUNITY Manager, or their designees. The JPA Board will meet at least one (1) time per year and on a more frequent basis as determined necessary by a majority of the JPA Board. The SHORELINE COMMUNITY Manager shall serve as Chair.

2.2 The respective boards of DISTRICTS and SHORELINE COMMUNITY shall retain all policy-making authority with respect to the actions of the JPA Board.

ARTICLE III – PAYMENTS

3.1 Except as provided in Article IV, SHORELINE COMMUNITY Manager shall include scheduled payments in the annual budget of SHORELINE COMMUNITY. The annual payments will be facilitated through the use of two (2) restricted reserves to be maintained by the Treasurer of SHORELINE COMMUNITY on each of DISTRICTS' behalf. Once approved by SHORELINE COMMUNITY Board, the reserves shall be funded in July of each year.

3.2 For Fiscal Year 2012-13, DISTRICTS shall receive their second installment payment based on actual audited tax revenues of SHORELINE COMMUNITY for Fiscal Year 2012-13, owed under JPA Amendment 1 (dated for identification on April 1, 2011), by September 30, 2013.

3.3 For Fiscal Year 2013-14, the Minimum Payment for each DISTRICT shall be established effective July 1, 2013 as follows:

Mountain View Whisman School District: Two Million Eight Hundred Seventy-Four Thousand Dollars ($2,874,000).

Mountain View-Los Altos Union High School District: One Million Eight Hundred Forty Thousand Dollars ($1,840,000).

The payment will be issued on or before December 31, 2013.

3.4 Beginning Fiscal Year 2014-15, an annual payment will be made by December 31 each year which will be calculated by adjusting the prior year (e.g., Fiscal Year 2013-14) payment by the same percentage change in property tax revenues compared to the preceding fiscal year (e.g., Fiscal Year 2012-13). The annual payment shall not drop below the Minimum Payment. If the change in property tax revenues results in a calculation that the annual payment would be less than the Minimum Payment, and property tax revenues increase in the next fiscal year, the next payment will be calculated as though DISTRICTS' previous payment had declined by the same percentage as the property tax revenue.

For purposes of illustration, here are two examples (fictitious numbers are used for ease of calculation):

> Assuming the Minimum Payment is $1,000 in Fiscal Year 1 and the property tax revenues decreases by 10 percent between Fiscal Year 1 and the prior fiscal year. The annual payment for Fiscal Year 2 would be calculated to be $900. Since this amount is below the Minimum Payment, the annual payment for Fiscal Year 2 will be $1,000. Between Fiscal Years 1 and 2, property tax revenues increase 15 percent. Accordingly, the annual payment for Fiscal Year 3 shall be calculated as $900 x 1.15 percent = $1,035.
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> As another example, assuming the Minimum Payment is $1,000 in Fiscal Year 1 and the property tax revenues increases by 10 percent between Fiscal Year 1 and the prior Fiscal Year. The payment for Fiscal Year 2 would be $1,100. Property tax revenues decrease 15 percent in Fiscal Year 2 from Fiscal Year 1. The annual payment for Fiscal Year 3 shall be calculated as $1,100 ($1,100 x 15 percent = $165) = $935. Since $935 is less than the Minimum Payment, the annual payment shall be $1,000. Property tax revenues increase 10 percent in Fiscal Year 3 from Fiscal Year 2. The annual payment for Fiscal Year 4 shall be $935 x 1.10 percent = $1,028.50.

3.5. DISTRICTS shall use annual payments for expenditures consistent with the goals of the JPA. Expenditures shall include, without limitation, the following: (1) acquisition of materials, equipment, and licenses to provide students and staff with access to current and regularly updated technological tools, resources, and infrastructure; (2) materials, equipment, licenses, personnel, and consultants in support

of student preparation for further education and the development of skills considered critical for the success of businesses and operations in SHORELINE COMMUNITY; (3) costs reasonably associated with the impact of SHORELINE COMMUNITY on DISTRICTS' students, schools, and facilities, including, without limitation, impact on student enrollment, traffic, and safety; and (4) creating and maintaining learning environments that provide academic rigor and foster 21st Century Learning Skills such as critical thinking and problem solving, collaboration and leadership, initiative and entrepreneurialism, and effective communication. Drawdown from the restricted reserve may be treated as grant to DISTRICTS.

ARTICLE IV – SUSPENSION OF PAYMENT AND AMENDMENT

4.1 Suspension of Payment. All obligations made pursuant to this Agreement are expressly subordinate to SHORELINE COMMUNITY's existing and future debt obligations, including future debt service obligations for debt that is yet to be issued. SHORELINE COMMUNITY'S existing and future debt obligations have first call and priority on all SHORELINE COMMUNITY revenues. Payments made pursuant to this Agreement may be suspended in whole or in part in the event of a financial, environmental, natural, or other disaster that preempts SHORELINE COMMUNITY's ability to make the payments. This determination shall be made solely and exclusively by SHORELINE COMMUNITY. Any suspension of payment as a result of this provision shall be preceded by a one (1) year advance written notice from SHORELINE COMMUNITY to DISTRICTS.

4.2 Potential Claims for Revenues and Amendment. The payments set forth pursuant to this Agreement are exclusive and in lieu of any other potential claims for revenues from SHORELINE COMMUNITY for the term of this Agreement. In the event that the net benefit of the payments is diminished in whole or in part by the manner in which DISTRICTS are funded or are required to report these payments, this Agreement will need to be amended, if possible, before future payments are made. If the Parties cannot agree on an amendment, SHORELINE COMMUNITY reserves the right to discontinue payments until an acceptable amendment, if any, can be agreed upon by the Parties.

4.3 Documents and Assurances. The JPA Board, through its Chair, shall execute any and all documents as may be requested in writing by SHORELINE COMMUNITY to implement this Article, including, but not limited to, recognition and assurances that the payments pursuant to this Agreement is subordinate to other obligations of SHORELINE COMMUNITY.

4.4 In consideration of the additional payments provided by SHORELINE COMMUNITY to the education enhancement reserve in this Agreement, DISTRICTS covenant that they will not take any action or cause any action to be taken, including actions at law or administrative or legislative action to overturn, revoke, or change the

financial structure of SHORELINE COMMUNITY provided in the Mountain View Shoreline Regional Park Community Act ("Shoreline Act") during the term of this Agreement. Furthermore, DISTRICTS understand and agree the payments described in Article III of this Agreement shall be modified as set forth herein if any of the following occur:

1. If subsequent events result in either DISTRICT receiving its full property tax allocation that would have been allocated by law to such DISTRICT in the absence of the existence of SHORELINE COMMUNITY, then each DISTRICT which received its full property tax allocation during a fiscal year shall not receive the payment described in Article III of this Agreement for that fiscal year; and/or

2. If a restructuring of SHORELINE COMMUNITY tax structure occurs, through legislative or legal changes, which results in the transfer to either DISTRICT of revenues historically received by SHORELINE COMMUNITY, the annual payment to each DISTRICT required under Article III of this Agreement will be reduced dollar-for-dollar equal to the amount of that transfer received by such DISTRICT during such fiscal year; and/or

3. If either DISTRICT files a legal challenge to the existence of SHORELINE COMMUNITY or the validity of any provision of the Shoreline Act or proposes legislation to overturn, revoke, or change the financing structure of SHORELINE COMMUNITY, or causes such action to be taken, in violation of the first paragraph of this Section 4.4, then the payment described under Article III of this Agreement to DISTRICT which filed the legal challenge, proposed the legislation, or caused such action to be taken, shall be suspended until such challenge or proposed legislation has been finally resolved.

4.5 Subject to Section 4.1 above and in the event that a third party files a legal challenge to the existence of SHORELINE COMMUNITY or the validity of any provision of the Shoreline Act or proposes legislation to overturn, revoke, or change the financing structure of SHORELINE COMMUNITY, the Parties hereto agree to meet and confer with each other to discuss the potential fiscal implications of such legal challenge or proposed legislation on SHORELINE COMMUNITY and its ability to carry out its obligations hereunder.

ARTICLE V – DURATION

5.1 Term and Termination. This Agreement shall become effective on July 1, 2013, and shall supersede any prior agreements. This Agreement shall continue in full force and effect until June 30, 2023, provided SHORELINE COMMUNITY is in existence. By June 30, 2019, the JPA Board shall address the planned termination of this Agreement based on the facts, circumstances, and funding levels of all three (3) agencies, whether and on what terms any payments shall be extended in its current

form or a different form. Each member of the JPA Board shall make any necessary recommendations to their respective agencies. In the event that the JPA Board does not recommend and/or an extension of this Agreement is not approved by any agency, this Agreement shall expire on June 30, 2023.

ARTICLE VI – GENERAL PROVISIONS

6.1 Severability. It is hereby declared to be the intention of the signatories to this Agreement that the paragraphs, sentences, clauses, and phrases of this Agreement are severable and if any phrase, clause, sentence, paragraph, or article of this Agreement shall be declared unconstitutional or invalid for any reason by the valid judgment or decree of a court of competent jurisdiction, such unconstitutionality or invalidity shall not affect any of the remaining paragraphs, clauses, phrases, sentences, and articles of this Agreement.

6.2 Notices. All notices required or given pursuant to this Agreement shall be deemed properly served when deposited, postage prepaid, in the United States Mail, addressed as follows:

To SHORELINE COMMUNITY:

Shoreline Community Manager
Shoreline Regional Park Community
500 Castro Street
Mountain View, CA 94041

To MOUNTAIN VIEW-LOS ALTOS UNION HIGH SCHOOL DISTRICT:

Superintendent
Mountain View-Los Altos Union High School District
1299 Bryant Avenue
Mountain View, CA 94040

To MOUNTAIN VIEW WHISMAN SCHOOL DISTRICT:

Superintendent
Mountain View Whisman School District
750 San Pierre Way, Suite A
Mountain View, CA 94043

6.3 Nonreliance. SHORELINE COMMUNITY and DISTRICTS remain independent entities, and no covenant or representation contained herein shall be interpreted to require any action or forbearance by any party contrary to the independent will or action of said agency.

6.4 Amendment. This Agreement may be amended in writing and signed by all the Parties.

6.5 Entire Agreement. This Agreement contains the entire understanding between the Parties with respect to the subject matter herein. There are no representations, agreements, or understandings (whether oral or written) between or among the Parties relating to the subject matter of this Agreement which are not fully expressed herein.

6.6 Public Records. The Parties recognize and acknowledge that SHORELINE COMMUNITY is subject to the California Public Records Act, California Government Code Section 6250 and following. Public records are subject to disclosure.

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IN WITNESS WHEREOF, the parties hereby execute this Agreement.

SHORELINE REGIONAL PARK COMMUNITY:

By: _____
Manager

MOUNTAIN VIEW-LOS ALTOS UNION HIGH SCHOOL DISTRICT:

By: _____
Superintendent

APPROVED AS TO CONTENT:

_____
Assistant Manager

MOUNTAIN VIEW WHISMAN SCHOOL DISTRICT:

By: _____
Superintendent

FINANCIAL APPROVAL:

_____
Treasurer

APPROVED AS TO FORM:

_____
Counsel

MSD/7/MGR
602-06-18-13A-E