

RESOLUTION NO. 20

**RESOLUTION OF THE OVERSIGHT BOARD OF THE SUCCESSOR AGENCY OF THE FORMER MILPITAS REDEVELOPMENT AGENCY APPROVING THE PROPOSED STANDSTILL AGREEMENT AND AUTHORIZING THE OVERSIGHT BOARD CHAIR TO EXECUTE THE AGREEMENT**

**WHEREAS**, the California State Legislature enacted Assembly Bill x1 26 to dissolve redevelopment agencies formed under the Community Redevelopment Law (Health and Safety Code section 33000 et seq.), as amended by Assembly Bill 1484, Statutes of 2012, enacted June 27, 2012 (the "Dissolution Law"); and

**WHEREAS**, pursuant to Health and Safety Code section 34177, the Oversight Board (the "Oversight Board") of the Successor Agency of the former Milpitas Redevelopment Agency (the "Successor Agency") shall direct the expeditious wind down the affairs of the redevelopment agency consistent with its fiduciary responsibilities to holders of enforceable obligations and the taxing entities; and

**WHEREAS**, in 2011 within the "claw back" period of the Dissolution Law, the City of Milpitas (the "City") transferred approximately \$147,108,600 in redevelopment agency assets to the City and the Milpitas Economic Development Corporation (the "MEDC"); and

**WHEREAS**, on August 28, 2012, the State Controller's Office ordered the City and the MEDC to immediately reverse all unallowable transfers of assets received from the former redevelopment agency and return such assets to the Successor Agency for disposition by the Oversight Board; and

**WHEREAS**, to date, the City and the MEDC have not returned assets, as directed by the State Controller; and

**WHEREAS**, the Oversight Board desires to protect the interests of the taxing entities represented by the Oversight Board, including but not limited to schools, special districts, county services, educational programs, city services, and the water district; and

**NOW, THEREFORE, BE IT RESOLVED** that the Oversight Board approves the draft Standstill Agreement considered at this meeting and attached hereto as Exhibit A.

**BE IT FUTHER RESOLVED** that the Oversight Board Chair is authorized to execute the Standstill Agreement.

**BE IT FUTHER RESOLVED** that the Oversight Board directs the Successor Agency to enter into said agreement to preserve the assets transferred from the former Redevelopment Agency to the MEDC and the City.

PASSED AND ADOPTED this 25<sup>th</sup> day of February, by the following vote:

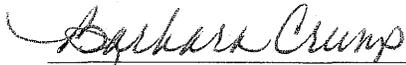
AYES: Mendizabal, Grilli, Karlen, Knopf, Murdter, Reliford, Williams

NOES:

ABSENT:

ABSTAIN:

ATTEST:



Barbara Crump, Oversight Board Secretary

APPROVED:



Oversight Board Chair

Michael Mendizabal

**AGREEMENT BETWEEN THE CITY OF MILPITAS,  
THE SUCCESSOR AGENCY TO THE CITY OF MILPITAS  
AND THE MILPITAS ECONOMIC DEVELOPMENT CORPORATION  
REGARDING PRESERVATION OF ASSETS PER OVERSIGHT BOARD REQUEST**

This Agreement is entered into this 25<sup>th</sup> day of February, 2013, by and between the Milpitas Economic Development Corporation, a non-profit public benefit corporation (the "MEDC"), the City of Milpitas (the "City"), and the Successor Agency to the Milpitas Redevelopment Agency (the "Successor Agency") at the request of its Oversight Board.

Recitals

- A. The California Legislature in 2011 enacted ABx1 26 and in 2012 enacted AB 1484 (collectively AB x1 26 and AB 1484 are referred to herein as the "Dissolution Act") which required the dissolution of all redevelopment agencies as of February 1, 2012, and set forth certain procedures governing the dissolution process.
- B. The Dissolution Act required the establishment of successor agencies to the former redevelopment agencies, as well as the establishment of oversight boards to oversee and monitor certain actions of the successor agencies. Pursuant to the Dissolution Act, the City of Milpitas is the designated successor agency ("Successor Agency") to the former Milpitas Redevelopment Agency (the "Agency"). The Successor Agency is a separate legal entity from the City.
- C. The MEDC was created on March 7, 2011, by the City pursuant to the California Nonprofit Public Benefit Corporation Law.
- D. The State Controller's Asset Transfer Review found that the Agency transferred to the MEDC approximately Fifty Million, One hundred Sixty-one Thousand, Seven Hundred Sixty-three Dollars (\$50,161,763) in assets ("Working Capital"), as identified in Exhibit A, and incorporated herein by reference.
- E. The State Controller's Asset Transfer Review found that the Agency also transferred, by resolution, certain capital assets and properties held for resale ("Real Property") to the City, valued at approximately Ninety-six, Nine Hundred Forty-six Thousand, Eight Hundred Thirty-seven Dollars (\$96,946,837), as identified in Exhibit A, and incorporated herein by reference.
- F. The Successor Agency has been notified by the State Controller that it believes the asset transfers made by the Agency to MEDC and to the City were invalid and that the assets should be returned to the Successor Agency. Neither the MEDC, nor the City, have complied with the State Controller's order to return these assets. The MEDC contends that it is a separate legal entity formed in accordance with state law, and that the transfer of assets to it was completed in accordance with law and that the notice sent by the State Controller is incorrect as a matter of law.
- G. Pursuant to the Dissolution Act, the Oversight Board to Milpitas Successor Agency (the "Oversight Board") has certain monitoring and oversight functions over the activities of the

Successor Agency. In response to the State Controller's Asset Transfer review, and in order to protect the fiduciary interests of the affected taxing entities and the holders of enforceable obligations, the Oversight Board requested the Successor Agency enter into this Agreement to preserve assets transferred by the Agency to MEDC and the City, in accordance with the terms and conditions set forth herein.

H. The Successor Agency, the MEDC, the City, and the Oversight Board desire to enter into this Agreement as an expression of their intent to work together cooperatively and in good faith.

### Agreements

Section 1. Incorporation of Recitals. All of the recitals above are true and correct and are hereby incorporated into this Agreement.

Section 2. MEDC Obligations. By signing this Agreement, the MEDC attests that it has disclosed and provided copies of all existing MEDC contracts, including all contracts for services, as listed in Exhibit B. The MEDC will work cooperatively with the Oversight Board to provide the documents sought through its Public Records Act request.

Section 3. Tolling Provision. Any statute of limitations applicable to the transfer or expenditure of assets held by the MEDC shall be tolled and extended through the term of this Agreement to allow the Oversight Board, or the taxing entities it represents, to pursue all potential remedies upon the termination of this Agreement.

Section 4. Preservation of Assets.

(a) MEDC agrees that it shall: (i) not transfer, encumber, sell or convey any of the Real Property conveyed to it by the Agency or purchased with Working Capital, including personal property, fixtures and appurtenances; (ii) not transfer any Working Capital or interest on Working Capital to the City or any other party except as authorized under subsection (v) below; (iii) refrain from incurring any new financial obligations, including but not limited to new contracts or amendments to existing contracts for the transfer, encumbrance, or conveyance of Real Property, or contracts for services, including administrative services by City staff or other staff; (iv) refrain from exercising any option under any contract for the purchase of property; (v) satisfy only its outstanding obligations on contracts listed in Exhibit B, including the "Assignment and Assumption of Purchase and Sale Agreement" between the MEDC and the Agency, dated March 7, 2011, for the Mission West Properties ("Mission West Agreement").

(b) The City agrees that it shall: (i) not transfer, encumber, sell or convey any of the Real Property or Working Capital conveyed to it by the Agency, as listed on Exhibit A, including personal property, fixtures, and appurtenances; (ii) reimburse the Successor Agency, from its general fund, for any MEDC payments on the contracts listed in Exhibit B if a final, unappealed administrative or judicial determination holds that the transfer of assets to MEDC and/or the City was invalid or the obligation should not have been paid from MEDC funds, except for the "Assignment and Assumption of Purchase and Sale Agreement" between the MEDC and the Agency, dated March 7, 2011, for the Mission West Properties ("Mission West Agreement"). This provision shall survive the termination of this Agreement.

(c) In consideration of the commitments made by the City and MEDC, the Oversight Board shall not, during the term of this Agreement, intervene, delay, direct the Successor Agency to bring, or otherwise participate in, a court action seeking an injunction against further spending by the MEDC.

Section 5. Activity and Expenditure Reports. MEDC and the City agree to provide to the Oversight Board monthly written “Activity and Expenditure Reports” reflecting all of MEDC’s and the City’s activities and expenditures related to the transferred assets since the closing date of the previous report.

Section 6. Termination. The Parties agree that this agreement may be terminated by any Party upon 30 days written notice to the following persons:

NOTICE TO CITY OR SUCCESSOR AGENCY:

Tom Williams, City Manager, City of Milpitas  
Executive Director, Successor Agency to the City of Milpitas RDA  
455 E. Calaveras Blvd.  
Milpitas, CA 95035

NOTICE TO THE OVERSIGHT BOARD:

Milpitas Oversight Board Clerk, c/o County of Santa Clara  
Office of the County Executive  
Attn: Administrative Services Manager  
70 West Hedding Street, 11<sup>th</sup> Floor  
San Jose, CA 95110

NOTICE TO MEDC

[name], President  
Economic Development Corporation  
455 E. Calaveras Blvd.  
Milpitas, CA 95035

Section 7. Return of Assets. In the event there is a final, unappealed administrative determination or judgment by a court of competent jurisdiction that determines that the transfer of assets to MEDC and/or the City was invalid, and/or is subject to the “clawback” provisions of the Dissolution Act, the MEDC must return such assets to the Successor Agency in accord with such judgment or determination. This provision shall survive the termination of this Agreement.

Section 8. Term of Agreement. This Agreement shall take effect upon the date upon which the approval of the Agreement by the Oversight Board by resolution is deemed effective, pursuant to the provisions of Health and Safety Code section 34179(h), and shall terminate upon the earlier of either the return of all Real Property and Working Capital by the City and the MEDC to the Successor Agency, or upon such time as there is a final judgment by a court of competent jurisdiction, unless terminated earlier pursuant to Section 6, above.

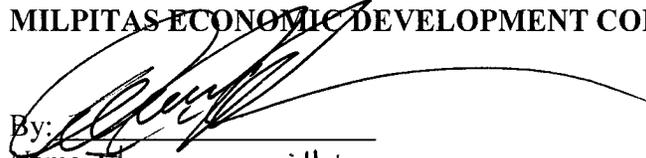
Section 9. No Admission. Nothing in this Agreement shall be construed as an admission, acknowledgment, or waiver by any party or the Oversight Board in any proceeding. The Oversight Board does not admit that the transfer of assets to the MEDC or the City, or that any City or MEDC expenditure of those assets, including the contracts listed in Exhibit B, are valid, and reserves all rights to contest the foregoing in the future. The City and MEDC reserve all claims to the validity of those contracts. This provision shall survive the termination of this Agreement.

Section 10. Authorization. The parties acknowledge that each, upon approval of its respective governing board and the Department of Finance, is authorized to enter into this Agreement.

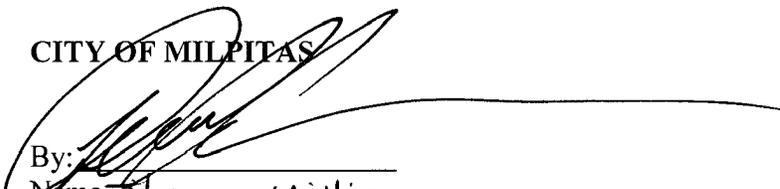
Section 11. Consent and Acknowledgment of Oversight Board. The Oversight Board, by Resolution No. 20 (the "Oversight Board Resolution") has reviewed and agrees with the terms of this Agreement, and has approved the execution of the Agreement by the Successor Agency. A true and correct copy of the Oversight Board Resolution is attached hereto as Exhibit C and incorporated herein by reference.

IN WITNESS WHEREOF, the parties have executed this Agreement as of the date first above written.

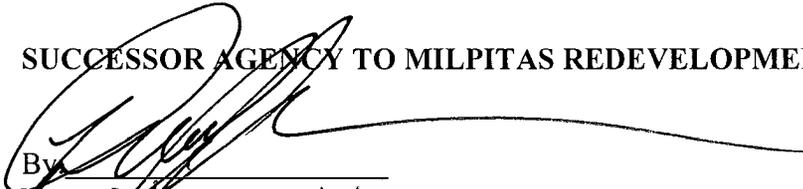
**MILPITAS ECONOMIC DEVELOPMENT CORPORATION**

By:   
Name: Thomas Williams  
Title: President

**CITY OF MILPITAS**

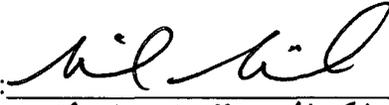
By:   
Name: Thomas Williams  
Title: City Manager

**SUCCESSOR AGENCY TO MILPITAS REDEVELOPMENT AGENCY**

By:   
Name: Thomas Williams  
Title: Executive Director

**As Requested and Approved by:**

**OVERSIGHT BOARD OF THE SUCCESSOR AGENCY TO MILPITAS  
REDEVELOPMENT AGENCY**

By:   
Name: Michael Mendizábal  
Title: Oversight Board Chairperson

**EXHIBIT A**

**List of Transferred Assets**

---

**Schedule 1—  
Unallowable Transfers to the City of Milpitas**

---

Capital Assets <sup>1</sup>	\$ 88,165,837
Properties Held for Resale <sup>1</sup>	<u>8,781,000</u>
Total Unallowable Transfers – City	<u>\$ 96,946,837</u>

---

<sup>1</sup> Detail Listing of Assets on Attachment 1.

**Schedule 2—  
Unallowable Transfers to the Milpitas  
Economic Development Corporation (MEDC)**

Current Assets	
Cash	\$ (2,417,334)
Investments Specific Funds	7,477,843
Market Gain Special Fund	18,184
Investments Pooled (LAIF)	37,600,000
Market Gain	995,789
Advance to Other Funds	6,389,612
Deferred Revenue	(310,451)
Tax Increment	<u>12,294,281</u>
Total Transfer to the MEDC	62,047,924
Transferred back to RDA <sup>1</sup>	<u>(11,886,161)</u>
Total Unallowable Transfers – MEDC <sup>2</sup>	<u>\$ 50,161,763</u>

<sup>1</sup> The amounts transferred back to the RDA from the MEDC were for RDA expenditures. The transfers were for \$9,707,455, \$1,061,094, and \$1,117,612, respectively.

<sup>2</sup> Detail Listing of Assets on Attachment 2.

---

**Schedule 3—  
Assets that Should Have Been  
Transferred to the Successor Agency**

---

Low and Moderate Income Housing Fund (Fund 290)	8,543,276
Construction in Process <sup>1</sup>	<u>79,079,116</u>
Total	<u>\$ 87,622,392</u>

---

<sup>1</sup> Detail Listing of Assets on Attachment 3.

## Attachment 1—

### Properties Held for Resale Transferred to the City On March 7, 2011

Description	Address	Parcel #	Amount
	1432 -1440 S. Main	086-22-031	1,792,200
SCVTA	Alder Site Redevelopment	086-02-076	<u>6,988,800</u>
<b>Total</b>	<b>Property Held for Resale</b>	<b>Unallowable Transfers</b>	<b>8,781,000</b>

### Capital Assets Transferred to the City On 3/7/11 and 3/28/11

Asset Description	Parcel #/Project #	Amount
Land-Parcel 1 & 2/Ayer HS	029-17-015	1,232,218
Land-Parcel 3/Ayer HS	029-17-013	616,109
Land-Parcel 4/Ayer HS	029-17012	616,109
Land-Parcel 5/Ayer HS	029-17-011	616,109
Land-1265 N. Milpitas Blvd(Public Works)	022-02-012	770,131
Land-Parcel 6/Ayer HS	029-17-010	616,109
Land-Parcel 7/Ayer HS	029-17-009	616,109
Land-Parcel 8/Ayer HS	029-17-008	616,109
Land-Parcel 9/Ayer HS	029-17-007	616,109
Land-Parcel 10/Ayer HS	029-17-006	616,109
Land-Parcel 11/Ayer HS	029-17-005	616,109
Land-Parcel 12/Ayer HS	029-17-004	616,109
Land-N. Main Street(Cracolice/YMCA)	086-10-025	39,441
Land-86 N.Main Street(Rodriguez)	028-24-025	401,690
Land - Apton 230 N. Main	028-34-001 thru-0093	6,800,000
Bldg & Improv-Community Center	n/a	825,590
Bldg & Improv-City Library	n/a	950,195
Bldg & Improv-Police & Public Works	n/a	4,441,845
Bldg & Improv-Corporate Yard	n/a	1,082,335
Bldg & Improv-Milpitas Sport Center	n/a	2,506,828
Bldg & Improv-Tower & Training Facility	n/a	328,063
Bldg & Improv-Fire Station #4	n/a	148,164
Bldg & Improv-Civic Center	CP8026	29,696,480
Bldg & Improv-Milpitas Sports Center	CP8053	4,416,813
Bldg & Improv-Police Dept-Public Works	CP8066	698,196
Bldg & Improv-ADA Fire Stations	CP8067	14,350
Bldg & Improv-Haz Material Remediation-City of Milpitas	CP8074	295,963
Bldg & Improv-Fire Station Replacement	CP8089	3,806,255
Bldg & Improv-Telecommunications Infrastructure	CP8093	3,203,374
Bldg & Improv-Storm Water Pump Improvement	CP8106	100,843
Bldg & Improv-Senior Center Renovation	CP8134	640,143
Bldg & Improv-Gateway Improv Tasman Drive	CP8146	329,543

Asset Description	Parcel #/Project #	Amount
Bldg & Improv-MSC Master Plan Imprv Phase 1	CP8149	1,146,160
Bldg & Improv-Refinish City Garage Floor	CP8150	23,610
Bldg & Improv-Interim Senior Center Project	CP8151	580,150
Bldg & Improv-Sports Center Large Gym Improv	CP8160	841,874
Bldg & Improv-Sports Center Underwater Pool	CP8163	90,418
Bldg & Improv-Public Works Security	CP8173	92,390
Bldg & Improv-Interim Senior Ctr Re-roofing	CP8178	79,853
Bldg & Improv-Sports Center Swimming Pool	CP8180	220,363
Bldg & Improv-Corporation Yard Canopies	CP8183	610,213
Bldg & Improv-Library Arts	CP8189	165,639
Land Improv-Senior Center Parking Lot	CP8005	0.00
Land Improv-Jacklin Median-Escuela to 680	CP8007	0.00
Land Improv-New Corporation Yard	CP8010	91,151
Land Improv-Milpitas Sport Center-East Parking Lot	CP8017/8042	469,465
Land Improv-City Hall Grounds Renovation	CP8028	0.00
Land Improv-Milpitas Sport Center-Pool Deck Drains	CP8054/8078	17,203
Land Improv-Civic Ctr Pond & Filtration System	CP8071	8,336
Land Improv-Public Works/Corp Yard Parking Lot	CP8083	243,689
Land Improv-Community Center Tot Lot	CP8088	43,188
Land Improv-Softball Scoreboards-Gill Pk	CP8097	33
Land Improv-Corp Yard Non-point Modifications	CP8099	220,122
Land Improv-MSC Sport Field Modifications	CP8101	10,162
Land Improv-Senior Center Entrance Modifications	CP8104	86,777
Land Improv-Civic Center Walkway Repair	CP8119	23,104
Land Improv-MSC Phases 11 & 12	CP8128	1,434
Land Improv-Range Improvements	CP8136	63,929
Land Improv-Gateway Identification	CP8137	117,421
Land Improv-City Gateway Identification(New)	CP8137B	18,245
Land Improv-City Hall Pond Improvements	CP8141	1,103,092
Land Improv-City Hall Parking/Circulation	CP8143	625,944
Mach & Equip-Senior Center Remodeling	CP8006E	0.00
Mach & Equip-Computer Master Plan	CP8020E	0.00
Mach & Equip-Computer Master Plan	CP8020E1	0.00
Mach & Equip-Phone Equipment	CP8027E1	0.00
Mach & Equip-Emergency Operation Center Equip	CP8036	249,907
Mach & Equip-New Finance System	CP8107	2,631,679
Mach & Equip-Network Hardware & Software	CP8108E	0.00
Mach & Equip-Network Hardware & Software	CP8108E1	22,370
Mach & Equip-Desktop Technology	CP8109	2,229,224
Mach & Equip-New Permits System	CP8110	58,112
Mach & Equip-Computer Aided Draft	CP8112	2,537,250
Mach & Equip-Police Records Management	CP8113E	10,930
Mach & Equip-Police & Fire CAD System	CP8115E	138
Mach & Equip-Information Management System	CP8131	660,920
Mach & Equip-Public Information	CP8132	0.00
Mach & Equip-Berryesa Pump Station Improvements	CP8138	1,198,612
Mach & Equip-Oakcreek Pump Station	CP8140	229,594
Mach & Equip-City Hall Technology	CP8142	0.00
Mach & Equip-E-Commerce	CP8145	0.00
Mach & Equip-Evidence Freezer	CP8159	90,554
CIP-Calaveras/Abel Dual Left Turn Lanes	CP8155	129,060
CIP-Street Resurfacing Project 2009	CP8194	2,233,972.
		<b>88,165,837</b>

## Attachment 2—

### Unallowable Asset Transfers to the Milpitas Economic Development Corporation

#### Current Assets

Date	Account #	Type of Asset	Fund 390	Fund 391	Fund 392	Fund 395	Total
3/07/11	1000	Cash	(6,579,505.16)	3,759,786.63	400,230.00	2,154.46	(2,417,334)
3/07/11	1060	Investments Specific Funds				7,477,842.99	7,477,843
3/07/11	1067	Market Gain Specific Fund				18,184.28	18,184
3/07/11	1050	Investments Pooled	37,600,000.00				37,600,000
3/07/11	1057	Market Gain	995,788.91				995,789
3/07/11	1400	Advance to Other Funds	6,389,612.20				6,389,612
3/07/11	2400	Deferred Revenue	(310,451.20)				(310,451)
3/15/11	3981	Increment	2,343,848.85				2,343,849
3/31/11	3981	Increment	1,171,924.44				1,171,924
4/18/11	3981	Increment	4,330,140.33				4,330,140
4/29/11	3981	Increment	1,365,517.46				1,365,517
5/31/11	3981	Increment	54,117.46				54,117
6/30/11	3981	Increment	2,890,690.31				2,890,690
6/30/11	3981	Increment	138,043.52				138,044
			50,389,727.03	3,759,786.63	400,230.00	7,498,181.73	62,047,924
				Transfer to EDC			62,047,924
				Transferred Back to RDA			(9,707,455)
				Transferred Back to RDA			(1,061,094)
				Transferred Back to RDA			(1,117,612)
				Amount Demanded	Back from EDC		<b>50,161,763</b>

**Exhibit B**

**List of EDC Contracts and Acquisition of Land**

**[Insert Attachment 2 provided by City Attorney 12/11/12]**

Attachment 2

EDC contracts and Acquisition of Land

Date	Contractor	Description	Amount	Paid from EDC	Paid from City Fund	Remaining obligation
06/21/11	Shalleck Collaborative Inc	Consultant for audio Visual system (Project #9001)	100,000.00	(90,482.81)		9,517.19
07/20/11	Brad Farmer, CPA	Preparation of Form 1023	1,200.00	(1,200.00)		-
10/18/11	Chamber of Commerce	Business outreach and retention	60,000.00	(60,000.00)		-
01/21/12	Brad Farmer, CPA	EDC Tax returns	800.00	(800.00)		-
01/30/12	CRW Inc #17194	Police Evidence Room Improvement (Project #9003)	56,579.00	(56,579.00)		-
		City Staff Project Administration (Project #9003)	21,732.66	(21,732.66)		-
01/30/12	PCD #17553	City Hall Audio Visual Improvement (Project #9001)	1,146,650.00	(914,378.29)		232,271.71
		City Staff Project Administration & Inspection (Project #9001)	100,000.00	(56,850.68)		43,149.32
01/31/12	Preston Pipeline #10062	Wrigley Ford Dredging (Project #9002)	294,061.00	(206,965.48)		87,095.52
		City Staff Project Administration (Project #9002)	50,000.00	(26,365.54)		23,634.46
02/07/12	Fairbank, Maslin, Maullin, Metz & Assoc	Tax Measure Survey	32,500.00	(32,500.00)		-
06/26/12	Goldfarb & Lipman #17558	EDC legal services	80,000.00	(28,438.14)		51,561.86
		Subtotal	1,943,522.66	(1,496,292.60)	-	447,230.06
02/15/11	Mission West	Purchase of land - assigned from RDA on 3/7/11	21,780,000.00	(6,000,000.00)	(2,951,535.72)	12,828,464.28
03/08/12	APN #86-22-029 and 030	Land Purchase agreement 1452-1488 South Main	4,200,000.00	(4,200,000.00)		-
		Subtotal	25,980,000.00	(10,200,000.00)	(2,951,535.72)	12,828,464.28
		Total	27,923,522.66	(11,696,292.60)	(2,951,535.72)	13,275,694.34

**Exhibit C**  
**Oversight Board Resolution**

RESOLUTION NO. 20

**RESOLUTION OF THE OVERSIGHT BOARD OF THE SUCCESSOR AGENCY OF  
THE FORMER MILPITAS REDEVELOPMENT AGENCY APPROVING THE  
PROPOSED STANDSTILL AGREEMENT AND AUTHORIZING THE OVERSIGHT  
BOARD CHAIR TO EXECUTE THE AGREEMENT**

**WHEREAS**, the California State Legislature enacted Assembly Bill x1 26 to dissolve redevelopment agencies formed under the Community Redevelopment Law (Health and Safety Code section 33000 et seq.), as amended by Assembly Bill 1484, Statutes of 2012, enacted June 27, 2012 (the "Dissolution Law"); and

**WHEREAS**, pursuant to Health and Safety Code section 34177, the Oversight Board (the "Oversight Board") of the Successor Agency of the former Milpitas Redevelopment Agency (the "Successor Agency") shall direct the expeditious wind down the affairs of the redevelopment agency consistent with its fiduciary responsibilities to holders of enforceable obligations and the taxing entities; and

**WHEREAS**, in 2011 within the "claw back" period of the Dissolution Law, the City of Milpitas (the "City") transferred approximately \$147,108,600 in redevelopment agency assets to the City and the Milpitas Economic Development Corporation (the "MEDC"); and

**WHEREAS**, on August 28, 2012, the State Controller's Office ordered the City and the MEDC to immediately reverse all unallowable transfers of assets received from the former redevelopment agency and return such assets to the Successor Agency for disposition by the Oversight Board; and

**WHEREAS**, to date, the City and the MEDC have not returned assets, as directed by the State Controller; and

**WHEREAS**, the Oversight Board desires to protect the interests of the taxing entities represented by the Oversight Board, including but not limited to schools, special districts, county services, educational programs, city services, and the water district; and

**NOW, THEREFORE, BE IT RESOLVED** that the Oversight Board approves the draft Standstill Agreement considered at this meeting and attached hereto as Exhibit A.

**BE IT FUTHER RESOLVED** that the Oversight Board Chair is authorized to execute the Standstill Agreement.

**BE IT FUTHER RESOLVED** that the Oversight Board directs the Successor Agency to enter into said agreement to preserve the assets transferred from the former Redevelopment Agency to the MEDC and the City.

PASSED AND ADOPTED this 25<sup>th</sup> day of February, by the following vote:

AYES: Mendizabal, Grilli, Karlen, Knopf, Mordter, Reliford, Williams

NOES:

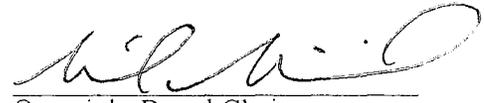
ABSENT:

ABSTAIN:

ATTEST:

  
Barbara Crump, Oversight Board Secretary

APPROVED:

  
Oversight Board Chair  
Michael Mendizabal