

1 AMENDED AND RESTATED LOAN AGREEMENT
2 (DOWNTOWN PROJECT AREA)

3 **32039**

4 THIS AMENDED AND RESTATED LOAN AGREEMENT is entered into on
5 January 20, 2011, between the CITY OF LONG BEACH, CALIFORNIA, ("City"), and the
6 REDEVELOPMENT AGENCY OF THE CITY OF LONG BEACH, CALIFORNIA
7 ("Agency), pursuant to a minute order adopted by the City Council of the City of Long
8 Beach on January 18, 2011, and a minute order adopted by the Board of the
9 Redevelopment Agency of the City of Long Beach, California on January 20, 2011.

10
11 Recitals:

12 A. The Agency is undertaking certain activities necessary for the execution of
13 the Downtown Redevelopment Project (the "Project") under the provisions of the
14 California Redevelopment Law and pursuant to the Redevelopment Plan for the
15 Project (the "Redevelopment Plan").

16 B. Under the Redevelopment Plan, the City shall aid and cooperate with the
17 Agency in carrying out the Project and take actions necessary to ensure the
18 fulfillment of the purposes of the Redevelopment Plan and to prevent the
19 recurrence or spread in the Project of conditions causing blight.

20 C. In order to assist these activities, the City has advanced funds and services
21 to the Agency in a series of loan agreements.

22 D. On September 11, 1974, the Agency and the City entered into a Contract
23 relating to the City's advancement of funds and services to the Agency, which was
24 subsequently amended on December 5, 1977, July 11, 1978 and November 14,
25 1983 (collectively referred to as "Loan #DT3"). The parties acknowledge that the
26 present balance owed by the Agency to City pursuant to Loan #DT3 is
27 \$80,335,988.91 as of September 30, 2010.

28 E. On October 20, 1992, the Agency and the City entered into a Loan

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ROBERT E. SHANNON, City Attorney
333 West Ocean Boulevard, 11th Floor
Long Beach, CA 90802-4664

1 Agreement ("Loan #DT423"). The parties acknowledge that the present balance
2 owed by the Agency to City pursuant to Loan #DT423 is \$12,937,614.61 as of
3 September 30, 2010.

4 F. On October 2, 2002, the Agency and the City entered into a Loan
5 Agreement ("Loan #DT562"). The parties acknowledge that the present balance
6 owed by the Agency to City pursuant to Loan #DT562 is \$1,565,011.97 as of
7 September 30, 2010.

8 G. The parties acknowledge that the total present balance owed by the Agency
9 to City pursuant to Loans #DT3, #DT423 and #DT562 is \$94,838,615.49 (the "City
10 Loan").

11 H. The Agency and City now desire to establish amend and restate Loans
12 #DT3, #DT423 and #DT562 in order to establish a single repayment schedule for
13 the City Loan.

14
15 THE PARTIES AGREE as follows:

16 Section 1. City Loan. Agency acknowledges that City has advanced
17 \$94,838,615.49 to Agency pursuant to Loans #DT3, #DT423 and #DT562 for the purpose
18 of carrying out the Redevelopment Plan. Agency agrees to repay the City Loan to City,
19 which balance shall accrue interest at the rate of three percent per annum, in accordance
20 with the amortization schedule attached as Exhibit "A" hereto. Agency reserves the right
21 to prepay the unpaid balance of the City Loan plus accrued interest without the payment
22 of penalties or premiums.

23 Section 2. Credit for Agency Services and Contributions to City. In
24 addition to any repayments made pursuant to Section 1 above, the principal balance of
25 the City Loan (and interest accrued thereon) may, at City's option, be reduced by an
26 amount equal to the costs incurred by the Agency for services and/or facilities provided to
27 the City for City programs and activities and monetary contributions made by the Agency
28 to the City for the furtherance of such City programs and activities. The Executive

1 Director of the Agency shall quarterly submit a statement to the City Manager evidencing
2 such incurred costs, and the City shall reduce either the principal balance of the City
3 Loan or the interest accrued thereon in a like amount.

4 Section 3. Defaults, Remedies. The repayment of these amounts by the
5 Agency shall be secured by "tax increment generated from the project area," which, for
6 the purposes of this Agreement shall mean property taxes paid on taxable property within
7 the Project and annually allocated and paid to the Agency pursuant to Section 33670 et
8 seq. of the California Health and Safety Code, subject to (a) any amounts required to be
9 set aside for low- and moderate-income housing purposes pursuant to California Health
10 and Safety Code Section 33334.6 and (b) all existing or future bonded indebtedness
11 incurred by the Agency relating to the implementation of the redevelopment plan for the
12 Project. The City shall have a lien against such tax increment generated from the Project
13 in the amount of any unpaid past-due payments.

14 Failure by the Agency to make the above-described repayments shall
15 constitute a default under this Agreement, and the City may institute legal action to cure,
16 correct or remedy such default, to recover damages for such default, or to obtain any
17 other remedy including injunctive or declaratory relief, consistent with the purpose of this
18 Agreement.

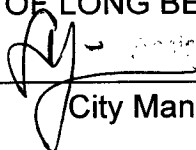
19 Section 4. Indebtedness by Agency. This Agreement constitutes an
20 indebtedness of the Agency incurred in carrying out the Project, and a pledging of tax
21 allocations from the Project to repay the indebtedness, under the provisions of Section 16
22 of Article XVI of the California Constitution and Sections 33670-33674 of the Health and
23 Safety Code; provided, however, that the pledge of tax allocations shall always be
24 subordinate and subject to the right of the Agency to pledge or commit tax allocations
25 from the Project to repay bonds or other indebtedness incurred by the Agency in carrying
26 out the Project.

27 Section 5. Prior Loans. In the event that this Amended and Restated
28 Loan Agreement or any portion thereof is found by a court of competent jurisdiction to be

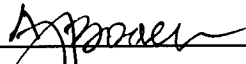
1 unenforceable, Loan #DT3, Loan #DT423 and Loan #DT562 shall be deemed reinstated
2 and in full force and effect.

3 THE PARTIES have executed this Amended and Restated Loan
4 Agreement as of the date first provided above.

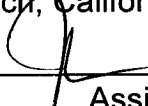
5
6 2.1, 2011

CITY OF LONG BEACH, CALIFORNIA
By 
City Manager
EXECUTED PURSUANT
TO SECTION 301 OF
THE CITY CHARTER.
CITY

9
10
11 Feb 1, 2011

REDEVELOPMENT AGENCY OF THE
CITY OF LONG BEACH, CALIFORNIA
By 
AGENCY

12
13 Approved as to form this 1st day of February, 2011.

14
15 ROBERT E. SHANNON, City Attorney
16 of the City of Long Beach
17 Attorney for the Redevelopment
18 Agency of the City of Long
19 Beach, California
20 By 
21 Assistant City Attorney
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Exhibit A
Amortization Schedule for Repayment of Outstanding Debt to City
Downtown Redevelopment Project Area
(Agreements DT3/12255 [09/11/1974], DT423/23670 [10/20/1992], and DT562/27982 [10/2/2002])

Due Date	Annual Payment	Remaining Balance	Compounded Interest 3% of Remaining Balance*
		94,838,615.49	
10/1/2011	1,000,000.00	96,683,773.95	2,845,158.46
10/1/2012	750,000.00	98,834,287.17	2,900,513.22
10/1/2013	750,000.00	101,049,315.79	2,965,028.62
10/1/2014	750,000.00	103,330,795.26	3,031,479.47
10/1/2015	750,000.00	105,680,719.12	3,099,923.86
10/1/2016	750,000.00	108,101,140.69	3,170,421.57
10/1/2017	750,000.00	110,594,174.91	3,243,034.22
10/1/2018	9,000,000.00	104,912,000.16	3,317,825.25
10/1/2019	9,000,000.00	99,059,360.17	3,147,360.00
10/1/2020	9,000,000.00	93,031,140.97	2,971,780.81
10/1/2021	9,000,000.00	86,822,075.20	2,790,934.23
10/1/2022	9,000,000.00	80,426,737.46	2,604,662.26
10/1/2023	9,000,000.00	73,839,539.58	2,412,802.12
10/1/2024	9,000,000.00	67,054,725.77	2,215,186.19
10/1/2025	9,000,000.00	60,066,367.54	2,011,641.77
10/1/2026	9,000,000.00	52,868,358.57	1,801,991.03
10/1/2027	9,000,000.00	45,454,409.32	1,586,050.76
10/1/2028	9,000,000.00	37,818,041.60	1,363,632.28
10/1/2029	9,000,000.00	29,952,582.85	1,134,541.25
10/1/2030	9,000,000.00	21,851,160.34	898,577.49
10/1/2031	9,000,000.00	13,506,695.15	655,534.81
10/1/2032	9,000,000.00	4,911,896.00	405,200.85
10/1/2033	5,059,252.88	0.00	147,356.88
Total Payments	<u>145,559,252.88</u>		

*Interest is capitalized on an annual basis based upon average annualized investment pool rate for the most recent fiscal year.