

OFFICE OF THE CITY ATTORNEY
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LOAN AGREEMENT
BETWEEN
CITY OF LONG BEACH
AND
REDEVELOPMENT AGENCY OF THE
CITY OF LONG BEACH, CALIFORNIA
(CENTRAL REDEVELOPMENT PROJECT AREA)
30196

THIS AGREEMENT is entered into on August 3 2007,
between the REDEVELOPMENT AGENCY OF THE CITY OF LONG BEACH,
CALIFORNIA, a public body, corporate and politic (the "Agency"), and the CITY OF
LONG BEACH, a municipal corporation (the "City"), pursuant to a minute order adopted
by the City Council of the City of Long Beach at its meeting held on July 10, 2007.

Recitals:

- A. The Agency is undertaking certain activities necessary for the execution of the Central Redevelopment Project (the "Project") under the provisions of the California Community Redevelopment Law and pursuant to the Redevelopment Plan for the Project.
- B. Under the Redevelopment Plan, the City shall aid and cooperate with the Agency in carrying out the Project and take actions necessary to ensure the fulfillment of the purposes of the Redevelopment Plan and to prevent the recurrence or spread in the Project of conditions causing blight.
- C. In order to assist these activities, City agrees to loan funds to the Agency to undertake redevelopment in the Project area.

THE AGENCY AND CITY agree as follows:

- 1. City Loan. City hereby advances the sum of Twenty-two Million Dollars (\$22,000,000.00) to the Agency for the purpose of acquiring and development of parks and open space within the Project area (the "City Loan").

1 2. Repayment of City Loan. In consideration of the City's advancement
2 of the City Loan, Agency agrees to repay the City Loan to the City from Agency funds
3 that are not committed to other project activities. Until completely repaid, the City Loan
4 shall accrue interest at a rate equal to that earned by the City on the City's tax and
5 revenue anticipation notes, which may change from time to time.

6 3. Credit for Agency Services and Contributions to City. In addition to
7 any repayments made pursuant to paragraph 2 above, the principal balance of the City
8 Loan (and interest accrued thereon) will be reduced by an amount equal to the costs
9 incurred by the Agency for services and/or facilities provided to the City for City programs
10 and activities and monetary contributions made by Agency to the City for the furtherance
11 of such City programs and activities. The Executive Director of the Agency shall
12 quarterly submit a statement to the City Manager evidencing such incurred costs, and the
13 City shall reduce either the principal balance of the City Loan or the interest accrued
14 thereon in a like amount.

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

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

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1 Agreement.

2 5. Indebtedness by Agency. This Agreement constitutes an
3 indebtedness of the Agency incurred in carrying out the Project, and a pledging of tax
4 allocations from the Project to repay the indebtedness, under the provisions of Section 16
5 of Article XVI of the California Constitution and Sections 33670-33674 of the Health and
6 Safety Code; provided, however, that the pledge of tax allocations shall always be
7 subordinate and subject to the right of the Agency to pledge or commit tax allocations
8 from the Project to repay bonds or other indebtedness incurred by the Agency in carrying
9 out the Project.

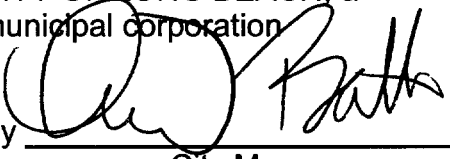
10 THE PARTIES have executed this Agreement as of the date first written
11 above.

REDEVELOPMENT AGENCY OF THE
CITY OF LONG BEACH, CALIFORNIA

12
13
14 By 
15 Executive Director/Secretary

16 AGENCY

17
18 CITY OF LONG BEACH, a
19 municipal corporation

20 By 
21 City Manager

22 CITY

23 Approved as to form this 25th day of July, 2007.

24 ROBERT E. SHANNON, City Attorney

25
26 By 
27 Assistant

28 HAM:f
7/19/07
#07-03574