

LOAN AGREEMENT

by and between the

City of Albany

and the

Albany Community Reinvestment Agency

Dated as of 6/20/2011

LOAN AGREEMENT

THIS LOAN AGREEMENT is made and entered into as of 6/20, 2011, by and between the CITY OF ALBANY, a municipal corporation (the "City"), and the ALBANY COMMUNITY REINVESTMENT AGENCY, a public entity, corporate and politic (the "Agency");

WITNESSETH:

WHEREAS, the Agency is a public body, corporate and politic, duly established and authorized to transact business and exercise powers under and pursuant to the provisions of Part 1 of Division 24 of the Health and Safety Code of the State of California (the "Redevelopment Law"), and has the power under Section 33601 of the Redevelopment Law to borrow money for any of its corporate purposes; and

WHEREAS, a redevelopment plan for the Albany Reinvestment Project Area (the "Project Area"), in the City of Albany, has been adopted in compliance with all requirements of the Redevelopment Law; and

WHEREAS, the Agency and the City have previously entered into that certain Public Improvement Grant and Cooperation Agreement dated January 17, 2011, whereby the Agency agreed to fund the costs associated with acquisition of certain property more particularly described in Exhibit B attached hereto (the "Property") and the installation of public improvements thereon and the City agreed to acquire the Property and design and install the public improvements and facilities installed on the Property; and

WHEREAS, in accordance with the terms of the Public Improvement Grant and Cooperation Agreement, the City has entered into a Purchase Agreement with Caltrans to acquire the Property for a purchase price of One Million Nine Hundred Thousand Dollars (\$1,900,000) and the Agency has provided the City with One Million Fifty Thousand Dollars (\$1,050,000) of the required purchase price; and

WHEREAS, the Agency has requested the City to make a loan (the "Loan") to the Agency hereunder for the purpose of providing the remaining funds necessary to acquire the Property under the terms of the purchase agreement with Caltrans and to fulfill the Agency's obligations under the Public Improvement Grant and Cooperation Agreement. The Property will be redeveloped consistent with the Albany Reinvestment Redevelopment Plan's goals and objectives, and the Agency hereby finds and determines that there will be significant public benefits accruing from such borrowing, consisting of demonstrable savings in effective interest rates and financing costs associated with the borrowing described herein; and

WHEREAS, the Agency and the City have determined that acquisition of the Property and construction of improvements thereon will be of benefit to the City, the Agency and the surrounding area by providing needed recreational facilities including a bicycle path connector to the Ohlone Greenway and the Bay Trail and will promote increased employment by creating construction jobs related to the installation of the public facilities as well as the providing the catalyst for private development in the Project Area; and

WHEREAS, in order to establish and declare the terms and conditions upon which the Loan is to be made and secured, the Agency and the City wish to enter into this Loan Agreement; and

WHEREAS, all acts and proceedings required by law necessary to make this Loan Agreement, when executed by the Agency and the City, the valid, binding and legal obligations of the Agency and the City, and to constitute this Loan Agreement a valid and binding agreement for the uses and purposes herein set forth in accordance with its terms, have been done and taken, and the execution and delivery of this Loan Agreement have been in all respects duly authorized;

NOW, THEREFORE, in consideration of the premises and the mutual agreements herein contained, the parties hereto do hereby agree as follows:

ARTICLE I.

DEFINITIONS

Section 1.01 Definitions. In addition, the following terms defined in this Section 1.01 shall, for all purposes of this Loan Agreement, have the respective meanings herein specified.

"Event of Default" means any of the events described in Section 5.01.

"Fiscal Year" means any twelve-month period extending from July 1 in one calendar year to June 30 of the succeeding calendar year, both dates inclusive, or any other twelve-month period selected and designated by the Agency as its official fiscal year period.

"Independent Redevelopment Consultant" means any consultant or firm of such consultants appointed by or acceptable to the Agency, and who, or each of whom: (a) is judged by the Agency to have experience in matters relating to the collection of Tax Revenues or otherwise with respect to the financing of redevelopment projects; (b) is in fact independent and not under the domination of the Agency; (c) does not have any substantial interest, direct or indirect, with the Agency, and (d) is not connected with the Agency as an officer or employee of the Agency, but who may be regularly retained to make reports to the Agency.

"Loan" means the loan made by the City to the Agency in the aggregate principal amount of \$850,000 as such amount may be amended by the City and the Agency from time to time pursuant to Section 2.01.

"Loan Agreement" means this Loan Agreement by and between the Agency and the City, as amended from time to time.

"Maximum Annual Debt Service" means, as of the date of calculation, the largest amount obtained by totaling, for the current or any future Fiscal Year, the sum of (a) the amount of interest payable on the Loan, all outstanding Senior Debt and all outstanding Parity Debt in such Fiscal Year, assuming that principal thereof is paid as scheduled, and (b) the amount of principal payable on the Loan, all outstanding Senior Debt and on all outstanding Parity Debt in such Fiscal Year.

"Parity Debt" means any loans, bonds, notes, advances or indebtedness payable from Tax Revenues on a parity with the Loan, to finance the Agency's redevelopment activities, issued or incurred pursuant to and in accordance with the first paragraph of Section 2.07, or any Refunding Debt issued or incurred in accordance with the provisions of the second paragraph of Section 2.07.

"Plan Limitations" means the limitations contained or incorporated in the Redevelopment Plan on (a) the aggregate principal amount of indebtedness payable from Tax Revenues which may be outstanding at any time and (b) the period of time for establishing or repaying indebtedness payable from Tax Revenues.

"Project Area" means the area of the Albany Reinvestment Plan Redevelopment Project Area as described in the Redevelopment Plan.

"Redevelopment Law" means the Community Redevelopment Law of the State, constituting Part 1 of Division 24 of the Health and Safety Code of the State, and the acts amendatory thereof and supplemental thereto.

"Redevelopment Plan" means the Albany Reinvestment Area Redevelopment Plan, approved by Ordinance No. 98-04 enacted by the City Council of the City of Albany on June 15, 1998, together with any amendments thereof at any time duly authorized pursuant to the Redevelopment Law.

"Redevelopment Project" means the undertaking of the Agency pursuant to the Redevelopment Plan and the Redevelopment Law related to acquisition and redevelopment of the Property.

"Report" means a document in writing signed by an Independent Redevelopment Consultant and including: (a) a statement that the person or firm making or giving such Report has read the pertinent provisions of this Loan Agreement to which such Report relates; (b) a brief statement as to the nature and scope of the examination or investigation upon which the Report is based; and (c) a statement that, in the opinion of such person or firm, sufficient examination or investigation was made as is necessary to enable said consultant to express an informed opinion with respect to the subject matter referred to in the Report.

"Senior Debt" means any loans, bonds, notes, advances or indebtedness payable from Tax Revenues senior to the Loan, to finance the Agency's redevelopment activities, issued or incurred pursuant to and in accordance with the first paragraph of Section 2.06.

"Subordinate Debt" means any loans, advances or indebtedness issued or incurred by the Agency in accordance with the requirements of Section 2.07 which are either: (a) payable from, but not secured by a pledge of or lien upon, the Tax Revenues; or (b) secured by a pledge of or lien upon the Tax Revenues which is subordinate to the pledge of and lien upon the Tax Revenues hereunder for the security of the Loan and any Parity Debt.

"Tax Revenues" means all taxes annually allocated to the Agency with respect to the Project Area following the date of this Agreement pursuant to Article 6 of Chapter 6 (commencing with Section 33670) of the Redevelopment Law and Section 16 of Article XVI of the Constitution of the State and as provided in the Redevelopment Plan, including all payments, subventions and reimbursements (if any) to the Agency specifically attributable to ad valorem taxes lost by reason of tax exemptions and tax rate limitations.

"Written Request of the Agency" or "Written Certificate of the Agency" means a request or certificate, in writing, signed by the Chair, Vice Chair, Executive Director, or Treasurer of the Agency, or by any other officer of the Agency duly authorized by the Agency for that purpose.

Section 1.02 Rules of Construction. All references herein to "Articles," "Sections" and other subdivisions are to the corresponding Articles, Sections or subdivisions of this Loan Agreement, and the words "herein," "hereof," "hereunder" and other words of similar import refer to this Loan Agreement as a whole and not to any particular Article, Section or subdivision hereof.

ARTICLE II.

THE LOAN; APPLICATION OF LOAN PROCEEDS; PARITY DEBT

Section 2.01 Authorization. The City hereby agrees to lend to the Agency, from a portion of the City reserves the aggregate principal amount of Eight Hundred Fifty Thousand Dollars (\$850,000) under and subject to the terms of this Loan Agreement and the Redevelopment Law. This Loan Agreement constitutes a continuing agreement with the City to secure the full and final payment of the Loan, subject to the covenants, agreements, provisions and conditions herein contained.

Section 2.02 Disbursement and Application of Loan Proceeds.

On the Closing Date, the City shall cause to be available to the Agency the amount of Eight Hundred Fifty Thousand Dollars (\$850,000) which shall be disbursed to the Agency at such time as the Agency provides to the City a request for funds for financing of the Redevelopment Project.

Section 2.03 Interest

The outstanding Loan amount shall bear interest at the rate of three percent (3%) which interest shall be paid pursuant to the Loan repayment schedule in Exhibit A.

Section 2.04 Repayment of Loan. The Agency shall repay the principal and interest on the Loan in annual installments on December 1 of each year in accordance with the Loan Repayment Schedule set forth in Exhibit A. Any installment of principal or interest which is not paid when due shall continue to accrue interest at the net effective rate of interest then borne by the Loan from and including the date on which such principal or interest is payable to but not including the date of actual payment.

In the event the unpaid principal installments of the Loan shall be prepaid in whole or in part pursuant to Section 2.05, the schedule of principal installments set forth in Exhibit A hereto shall be reduced on a pro rata basis corresponding to the amount of the Loan prepaid.

Principal of and interest on the Loan shall be payable by the Agency to the City, in immediately available funds which constitute lawful money of the United States of America.

Section 2.05 Optional Prepayment of the Loan.

The Agency shall have the right to prepay the unpaid principal installments of the Loan at any time.

Section 2.06 Senior Debt. In addition to the Loan, the Agency may issue or incur Senior Debt in such principal amount as shall be determined by the Agency. The Agency may issue and deliver any Senior Debt subject to the following specific conditions which are hereby made conditions precedent to the issuance and delivery of such Senior Debt issued under this Section 2.06:

(a) No Event of Default shall have occurred and be continuing, and the Agency shall otherwise be in compliance with all covenants set forth in this Loan Agreement.

(b) The Tax Revenues for the then current Fiscal Year, as set forth in a Written Certificate of the Agency, based on assessed valuation of property in the Project Area as evidenced in the written records of the County, shall be at least equal to one hundred ten percent (110%) of Maximum Annual Debt Service.

(c) The issuance of such Senior Debt shall not cause the Agency to exceed any applicable Plan Limitations. Without limiting the generality of the foregoing, the Agency shall not issue any Senior Debt in the event and to the extent that either (i) the amount of Maximum Annual Debt Service plus the debt service on such Senior Debt in any Fiscal Year following such issuance exceeds the aggregate amount of Tax Revenues which are eligible under the Redevelopment Plan to be allocated to the Agency in any Fiscal Year, or (ii) the aggregate principal amount of all outstanding obligations of the Agency, including such Senior Debt,

exceeds any applicable limit in the Redevelopment Plan on the aggregate principal amount of indebtedness which the Agency is permitted to have outstanding at any one time.

The Agency shall deliver to the City a Written Certificate of the Agency certifying that the conditions precedent to the issuance of such Senior Debt set forth in subsections (a), (b), (c), and (d) above have been satisfied.

Section 2.07 Parity Debt. In addition to the Loan, the Agency may issue or incur Parity Debt in such principal amount as shall be determined by the Agency. The Agency may issue and deliver any Parity Debt subject to the following specific conditions which are hereby made conditions precedent to the issuance and delivery of such Parity Debt issued under this Section 2.07:

(a) No Event of Default shall have occurred and be continuing, and the Agency shall otherwise be in compliance with all covenants set forth in this Loan Agreement.

(b) The Tax Revenues for the then current Fiscal Year, as set forth in a Written Certificate of the Agency, based on assessed valuation of property in the Project Area as evidenced in the written records of the County, shall be at least equal to one hundred percent (100%) of Maximum Annual Debt Service.

(c) The issuance of such Parity Debt shall not cause the Agency to exceed any applicable Plan Limitations. Without limiting the generality of the foregoing, the Agency shall not issue any Parity Debt in the event and to the extent that either (i) the amount of Maximum Annual Debt Service in any Fiscal Year following such issuance exceeds the aggregate amount of Tax Revenues which are eligible under the Redevelopment Plan to be allocated to the Agency in any Fiscal Year, or (ii) the aggregate principal amount of all outstanding obligations of the Agency, including such Parity Debt, exceeds any applicable limit in the Redevelopment Plan on the aggregate principal amount of indebtedness which the Agency is permitted to have outstanding at any one time.

(d) The Agency shall deliver to the City a Written Certificate of the Agency certifying that the conditions precedent to the issuance of such Parity Debt set forth in subsections (a), (b), and (c) above have been satisfied.

Section 2.08 Issuance of Subordinate Debt. In addition to the Loan, any Senior Debt and any Parity Debt, from time to time the Agency may issue or incur Subordinate Debt in such principal amount as shall be determined by the Agency, provided that the issuance of such Subordinate Debt shall not cause the Agency to exceed any applicable Plan Limitations.

Section 2.09 Validity of Loan. The validity of the Loan shall not be dependent upon the completion of the Redevelopment Project or upon the performance by any person of its obligation with respect to the Redevelopment Project.

ARTICLE III.

PLEDGE AND APPLICATION OF TAX REVENUES

Section 3.01 Pledge of Tax Revenues. The Loan and all Parity Debt shall be equally secured by a first pledge of and lien on all of the Tax Revenues subordinate only to any Senior Debt issued pursuant to Section 2.06 above. Except for the Tax Revenues and other funds pledged hereunder, no funds or properties of the Agency shall be pledged to, or otherwise liable for, the payment of principal of or interest on the Loan.

ARTICLE IV.

OTHER COVENANTS OF THE AGENCY

Section 4.01 Punctual Payment; Extension of Payments. The Agency will punctually pay or cause to be paid the principal of and interest on the Loan in strict conformity with the terms of this Loan Agreement, and it will faithfully observe and perform all of the conditions, covenants and requirements of this Loan Agreement.

Section 4.02 Limitation on Additional Indebtedness. The Agency hereby covenants that it shall not issue any bonds, notes or other obligations, enter into any agreement or otherwise incur any indebtedness, which is in any case payable from all or any part of the Tax Revenues, excepting only the Loan, any Senior Debt issued in accordance with Section 2.06, any Parity Debt and any Subordinate Debt, and any obligations entered into pursuant to Section 4.06.

Section 4.03 Payment of Claims. The Agency will pay and discharge, or cause to be paid and discharged, any and all lawful claims for labor, materials or supplies which, if unpaid, might become a lien or charge upon the Tax Revenues or any part thereof, or which might impair the security of the Loan. Nothing herein contained shall require the Agency to make any such payment so long as the Agency in good faith shall contest the validity of said claims.

Section 4.04 Books and Accounts; Financial Statements. The Agency will keep, or cause to be kept, proper books of record and accounts, separate from all other records and accounts of the Agency, in which complete and correct entries shall be made of all transactions relating to the Redevelopment Plan and the Tax Revenues. Such books of record and accounts shall at all times during business hours be subject, upon prior written request, to the reasonable inspection of the City.

The Agency will cause to be prepared and filed with the City annually, within one hundred and eighty (180) days after the close of each Fiscal Year so long as the Loan remains outstanding, complete audited financial statements with respect to such Fiscal Year showing the Tax Revenues and the financial condition of the Project, including the balances in all funds and accounts relating to the Project, as of the end of such Fiscal Year. In addition, no later than ninety (90) days after the close of each Fiscal Year, the Agency shall prepare a memorandum to the City setting forth the Tax Revenues for the preceding year, the Agency activities and uses of

the Loan funds in the preceding years and any information relevant to the Agency's ability to meet its obligations pursuant to this Agreement for the next Fiscal Year.

Section 4.05 Protection of Security and Rights. The Agency will preserve and protect the security of the Loan and the rights of the City. From and after the Closing Date, the Loan shall be incontestable by the Agency. The Loan and the provisions of this Loan Agreement are and will be the legal, valid and binding special obligations of the Agency in accordance with their terms, and the Agency shall at all times, to the extent permitted by law, defend, preserve and protect all the rights of the City under this Loan Agreement against all claims and demands of all persons whomsoever.

Section 4.06 Payments of Taxes and Other Charges. The Agency will pay and discharge, or cause to be paid and discharged, all taxes, service charges, assessments and other governmental charges which may hereafter be lawfully imposed upon the Agency or the properties then owned by the Agency in the Project Area, when the same shall become due. Nothing herein contained shall require the Agency to make any such payment so long as the Agency in good faith shall contest the validity of said taxes, assessments or charges. The Agency will duly observe and comply with all valid requirements of any governmental authority relative to the Redevelopment Project or any part thereof.

Section 4.07 Taxation of Leased Property. All ad valorem property taxes derived by the Agency pursuant to Section 33673 of the Redevelopment Law with respect to the lease of property for redevelopment shall be treated as Tax Revenues for all purposes of this Loan Agreement.

Section 4.08 Maintenance of Tax Revenues. The Agency shall comply with all requirements of the Redevelopment Law to insure the allocation and payment to it of the Tax Revenues, including without limitation the timely filing of any necessary statements of indebtedness with appropriate officials of the County and (in the case of supplemental revenues and other amounts payable by the State) appropriate officials of the State. The Agency shall not amend the Redevelopment Plan or enter into any agreement with any other governmental or private entity, which would have the effect of reducing the amount of Tax Revenues otherwise available to the Agency for payment of the Loan, unless the Agency shall first obtain the Report of an Independent Redevelopment Consultant stating that the Tax Revenues for the then current Fiscal Year (calculated on the assumption that such reduction of Tax Revenues was in effect throughout such Fiscal Year), shall be at least equal to one hundred percent (100%) of Maximum Annual Debt Service and all Parity Debt.

Section 4.09 Payment of Expenses; Indemnification. The Agency shall pay to the City from time to time all compensation for all services rendered under this Loan Agreement, including but not limited to all reasonable expenses, charges, legal and consulting fees and other disbursements and those of its attorneys, agents and employees, incurred in and about the performance of its powers and duties hereunder and thereunder.

The Agency further covenants and agrees to indemnify and save the City and its officers, directors, agents and employees, harmless against any losses, expenses and liabilities which it

may incur arising out of or in connection with the exercise and performance of its powers and duties hereunder, including the costs and expenses of defending against any claim of liability, but excluding any and all losses, expenses and liabilities which are due to the negligence or intentional misconduct of the City, its officers, directors, agents or employees. The obligations of the Agency under this paragraph shall survive the payment of the Loan and the discharge of this Loan Agreement.

Section 4.10 Redevelopment of Project Area. The Agency shall ensure that all activities undertaken by the Agency with respect to the redevelopment of the Project Area are undertaken and accomplished in conformity with all applicable requirements of the Redevelopment Plan and the Redevelopment Law.

Section 4.11 Further Assurances. The Agency will adopt, make, execute and deliver any and all such further resolutions, instruments and assurances as may be reasonably necessary or proper to carry out the intention or to facilitate the performance of this Loan Agreement and for the better assuring and confirming unto the City the rights and benefits provided in this Loan Agreement.

ARTICLE V.

EVENTS OF DEFAULT AND REMEDIES

Section 5.01 Events of Default. The following events shall constitute Events of Default hereunder:

- (a) Failure by the Agency to pay the principal of or interest on the Loan or any Senior Debt or Parity Debt when and as the same shall become due and payable.
- (b) Failure by the Agency to observe and perform any of the covenants, agreements or conditions on its part contained in this Loan Agreement, other than as referred to in the preceding clause (a), for a period of sixty (60) days after written notice specifying such failure and requesting that it be remedied has been given to the Agency by the City; provided, however, that if in the reasonable opinion of the Agency the failure stated in such notice can be corrected, but not within such sixty (60) day period, such failure shall not constitute an Event of Default if corrective action is instituted by the Agency within such sixty (60) day period and thereafter is diligently pursued until such failure is corrected.
- (c) The filing by the Agency of a petition or answer seeking reorganization or arrangement under the federal bankruptcy laws or any other applicable law of the United States of America, or if a court of competent jurisdiction shall approve a petition, filed with or without the consent of the Agency, seeking reorganization under the federal bankruptcy laws or any other applicable law of the United States of America, or if, under the provisions of any other law for the relief or aid of debtors, any court of competent jurisdiction shall assume custody or control of the Agency or of the whole or any substantial part of its property.

If an Event of Default has occurred and is continuing, the City may, exercise any remedies available to the City in law or at equity. Immediately upon becoming aware of the occurrence of an Event of Default, the City shall give notice of such Event of Default to the Agency by telephone, telecopier or other telecommunication device, promptly confirmed in writing.

Section 5.02. Application of Funds Upon Default.

All amounts received by the City pursuant to any right given or action taken by the City under the provisions of Article V of this Loan Agreement, shall be applied by the City in the following order:

First, to the payment of the fees, costs and expenses of the City in declaring such Event of Default and in carrying out the provisions of this Article V, including reasonable compensation to its agents, attorneys and counsel; and

Second, to the payment of the whole amount of interest on and principal of the Loan and any Parity Debt then due and unpaid, with interest on overdue installments of principal and interest to the extent permitted by law; provided, however, that in the event such amounts shall be insufficient to pay in full the full amount of such interest and principal, then such amounts shall be applied in the following order of priority:

- (a) first, to the payment of all installments of interest on the Loan,
- (b) second, to the payment of all installments of principal of the Loan, and
- (c) third, to the payment of interest on overdue installments of principal and interest.

Section 5.03. No Waiver.

Nothing in this Article V or in any other provision of this Loan Agreement, shall affect or impair the obligation of the Agency, which is absolute and unconditional, to pay from the Tax Revenues and other amounts pledged hereunder, the principal of and interest and premium (if any) on the Loan to the City when due, as herein provided, or affect or impair the right of action, which is also absolute and unconditional, of the City to institute suit to enforce such payment by virtue of the contract embodied in this Loan Agreement.

A waiver of any default by the City shall not affect any subsequent default or impair any rights or remedies on the subsequent default. No delay or omission of the City to exercise any right or power accruing upon any default shall impair any such right or power or shall be construed to be a waiver of any such default or an acquiescence therein, and every power and remedy conferred upon the City by the Redevelopment Law or by this Article V may be enforced and exercised from time to time and as often as shall be deemed expedient by the City.

If a suit, action or proceeding to enforce any right or exercise any remedy shall be abandoned or determined adversely to the City, the Agency and the City shall be restored to their

former positions, rights and remedies as if such suit, action or proceeding had not been brought or taken.

Section 5.04. Agreement to Pay Attorneys' Fees and Expenses.

In the event either party to this Agreement should default under any of the provisions hereof and the nondefaulting party should employ attorneys or incur other expenses for the collection of moneys or the enforcement or performance or observance of any obligation or agreement on the part of the defaulting party herein contained, the defaulting party agrees that it will on demand therefor pay to the non defaulting party, as the case may be, the reasonable fees of such attorneys and such other expenses so incurred.

Section 5.05. Remedies Not Exclusive.

No remedy herein conferred upon or reserved to the City is intended to be exclusive of any other remedy. Every such remedy shall be cumulative and shall be in addition to every other remedy given hereunder or now or hereafter existing, at law or in equity or by statute or otherwise, and may be exercised without exhausting and without regard to any other remedy conferred by the Redevelopment Law or any other law.

ARTICLE VI.

MISCELLANEOUS

Section 6.01. Benefits Limited to Parties.

Nothing in this Loan Agreement, expressed or implied, is intended to give to any person other than the Agency, and the City, any right, remedy or claim under or by reason of this Loan Agreement. All covenants, stipulations, promises or agreements in this Loan Agreement contained by and on behalf of the Agency shall be for the sole and exclusive benefit of the City.

Section 6.02. Successor is Deemed Included in All References to Predecessor.

Whenever in this Loan Agreement either the Agency or the City is named or referred to, such reference shall be deemed to include the successors or assigns thereof, and all the covenants and agreements in this Loan Agreement contained by or on behalf of the Agency or the City shall bind and inure to the benefit of the respective successors and assigns thereof whether so expressed or not.

Section 6.04. Amendment. This Loan Agreement may be amended by the parties hereto but only by a written instrument signed by both parties.

Section 6.05. Waiver of Personal Liability. No member, officer, agent or employee of the Agency shall be individually or personally liable for the payment of the principal of or

interest on the Loan; but nothing herein contained shall relieve any such member, officer, agent or employee from the performance of any official duty provided by law.

Section 6.06. Payment on Business Days. Whenever in this Loan Agreement any amount is required to be paid on a day which is not a Business Day, such payment shall be required to be made on the Business Day immediately following such day, provided that interest on such payment shall not accrue from and after such day.

Section 6.07. Notices. Any notice, request, complaint, demand or other communication under this Loan Agreement shall be given by first class mail or personal delivery to the party entitled thereto at its address set forth below, or by telecopy or other form of telecommunication, at its number set forth below. Notice shall be effective either (a) upon transmission by telecopy or other form of telecommunication, (b) 48 hours after deposit in the United States mail, postage prepaid, or (c) in the case of personal delivery to any person, upon actual receipt. The City or the Agency may, by written notice to the other parties, from time to time modify the address or number to which communications are to be given hereunder.

If to the City:	City of Albany 1000 San Pablo Avenue Albany, CA 94706 Attn: City Manager
If to the Agency:	Albany Community Reinvestment Agency 1000 San Pablo Avenue Albany, Ca 94706 Attn: Executive Director

Section 6.08. Partial Invalidity. If any Section, paragraph, sentence, clause or phrase of this Loan Agreement shall for any reason be held illegal, invalid or unenforceable, such holding shall not affect the validity of the remaining portions of this Loan Agreement. The Agency hereby declares that it would have adopted this Loan Agreement and each and every other Section, paragraph, sentence, clause or phrase hereof and authorized the Loan irrespective of the fact that anyone or more Sections, paragraphs, sentences, clauses, or phrases of this Loan Agreement may be held illegal, invalid or unenforceable.

Section 6.09. Article and Section Headings and References. The headings or titles of the several Articles and Sections hereof, and any table of contents appended to copies hereof, shall be solely for convenience of reference and shall not affect the meaning, construction or effect of this Agreement. All references herein to "Articles," "Sections" and other subdivisions are to the corresponding Articles, Sections or subdivisions of this Agreement; the words "herein," "hereof," "hereby," "hereunder" and other words of similar import refer to this Agreement as a whole and not to any particular Article, Section or subdivision hereof; and words of the masculine gender shall mean and include words of the feminine and neuter genders.

Section 6.10. Execution of Counterparts. This Agreement may be executed in any number of counterparts, each of which shall for all purposes be deemed to be an original and all of which shall together constitute but one and the same instrument.

Section 6.11. Governing Law. This Agreement shall be construed and governed in accordance with the laws of the State.

IN WITNESS WHEREOF, The City of Albany and the Albany Reinvestment Agency have caused this Loan Agreement to be signed by their respective officers all as of the day and year first above written.

ALBANY COMMUNITY REINVESTMENT
AGENCY, a public body, corporate and
politic

By Jeanne Wala
~~Executive Director~~ Chair

CITY OF ALBANY, a municipal corporation

By Bob Leonard
City Manager

EXHIBIT A: LOAN REPAYMENT SCHEDULE
LOAN REPAYMENT SCHEDULE

			Interest rate	5%	
Year	Payment	Interest	Principle	Balance	
0				850,000.00	
1	57,133.35	25,500.00	31,633.35	818,366.65	
2	57,133.35	24,551.00	32,582.35	785,784.30	
3	57,133.35	23,573.53	33,559.82	752,224.48	
4	57,133.35	22,566.73	34,566.62	717,657.86	
5	57,133.35	21,529.74	35,603.61	682,054.25	
6	57,133.35	20,461.63	36,671.72	645,382.53	
7	57,133.35	19,361.48	37,771.87	607,610.65	
8	57,133.35	18,228.32	38,905.03	568,705.62	
9	57,133.35	17,061.17	40,072.18	528,633.44	
10	57,133.35	15,859.00	41,274.35	487,359.09	
11	57,133.35	14,620.77	42,512.58	444,846.52	
12	57,133.35	13,345.40	43,787.95	401,058.56	
13	57,133.35	12,031.76	45,101.59	355,956.97	
14	57,133.35	10,678.71	46,454.64	309,502.33	
15	57,133.35	9,285.07	47,848.28	261,654.05	
16	57,133.35	7,849.62	49,283.73	212,370.32	
17	57,133.35	6,371.11	50,762.24	161,608.08	
18	57,133.35	4,848.24	52,285.11	109,322.97	

19	57,133.35	3,279.69	53,853.66	55,469.31
20	57,133.39	1,664.08	55,469.31	(0.00)
TOTALS	1,142,667	292,667.04	850,000	

REQUIREMENTS

- 1 Principal amount \$850,000.00
- 2 Maximum term 20 years
- 3 Maximum annual payment increase - none
- 4 Single annual payments of principal and interest

Exhibit B
Property Description

Space above this line for Recorder's Use

DIRECTOR'S DEED

District	County	Route	Post Mile	Number
4	Ala	80	7.6	DD-000019-02-01

The STATE OF CALIFORNIA, acting by and through its Director of Transportation, does hereby grant to

all that real property in the City of Albany, County of Alameda,

State of California, described as:

Please see EXHIBIT "A" attached.

MAIL TAX
STATEMENTS TO:

EXHIBIT "A"

Portions of Calhoun Street, Washington Avenue (now Bayview Street), Arthur Street, Pierce Street, and Blocks 1, 2, 3, and 4 of that "Amended Map of Sunset Terrace, Oakland Twp., Alameda County, California", filed April 8, 1907 in Book 22 of Maps, Page 68, Alameda County Records; and also, those portions of those certain parcels of land described in the deeds to the State of California recorded in the County of Alameda, State of California as follows:

<u>Recording Date</u>	<u>Book</u>	<u>Page</u>
December 24, 1934	3130	220
February 11, 1938	3569	404
December 17, 1943	4467	162
March 12, 1957	8309	311

and more particularly described as a whole as follows:

COMMENCING at the southerly terminus of that certain course described as "N. 21°17'15" W., 492.43 feet" in Parcel 6 in that certain instrument entitled "Relinquishment of State Highway in the City of Albany, Road IV-Ala-69, 7-Alb, Relinquishment No. 22036", recorded October 9, 1961 in Reel 425 at Image 832, Official Records of Alameda County; thence along the general westerly line of said Parcel 6, the following five (5) courses: (1) from a tangent that bears S. 21°17'15" E. along a curve to the right with a radius 483.00 feet, through an angle of 29°03'41", an arc length of 244.99 feet; (2) S. 07°46'26" W, 96.79 feet; (3) along a tangent curve to the left with a radius of 317.00 feet, through an angle of 21°04'28", an arc length of 116.60 feet; (4) S. 13°18'02" E., 237.80 feet; and (5) S. 11°24'17" E., 166.05 feet to the southeasterly corner of Lot 24 of said Block 3; thence leaving said general westerly line, S. 76°50'00" W. along the southerly line of last said Lot 24, a distance of 79.10 feet to a point in the northeasterly prolongation of the northwesterly line of the parcel of land described in deed (State Director's Deed No. 21-DD), recorded July 10, 1964 in Reel 1256, at Image 452, Official Records of Alameda County, said point being the most easterly corner of the parcel of land as described in the deed to State of California, recorded March 28, 1957 in Book 8324, Page 361, Official Records of said county; thence along said northeasterly prolongation and said northwesterly line S. 24°54'56" W., 317.59 feet to the northeasterly corner of Lot 11 of said Block 4; thence along the general easterly lines of said Lot 11, and Lots 10, 9, and 8 of last said Block, S. 13°10'00" E., 99.99 feet to the southeasterly corner of last said Lot 8; thence along the southerly line of last said Lot 8, S. 76°50'00" W., 103.00 feet to the easterly line of Cleveland Avenue (50 feet wide) of said Amended Map of Sunset Terrace; thence along said easterly line of said Cleveland Avenue, N. 10°26'30" W., 260.24 feet to the beginning of a non-tangent curve; thence from a tangent that bears N. 15°42'00" E., along said curve to the left with a radius of 4535.00 feet, through an angle of 8°19'10", an arc length of 658.48 feet to the beginning of a

compound curve; thence along last said curve to the left with a radius of 1885.00 feet, through an angle of $9^{\circ}11'25''$, an arc length of 302.36 feet; thence N. $48^{\circ}32'08''$ E., 107.61 feet to the point of commencement.

CONTAINING 4.453 acres, more or less.

EXCEPTING THEREFROM those portions of said Calhoun Street, Washington Avenue (now Bayview Street), Arthur Street, and Pierce Street, lying within the above described 4.453 acres parcel.

CONTAINING a net area of 3.704 acres, more or less.

TOGETHER with all right, title and interest of Grantor in and to those portions of said Calhoun Street, Washington Avenue (now Bayview Street), Arthur Street, and Pierce Street lying within said 4.453 acres parcel.

CONTAINING 0.749 acres, more or less.

RESERVING unto the State of California, an EASEMENT for maintenance purposes and incidents thereto upon, over, under and across a strip of land 2.00 feet wide, the westerly sideline being described as follows:

COMMENCING at the most westerly corner of the herein above described 4.453 acres parcel of land; thence along the general westerly line of last said parcel, from a radial line that bears S. $74^{\circ}18'00''$ E., along a curve to the left with a radius of 4535.00 feet, through an angle of $7^{\circ}06'35''$; an arc length of 562.74 feet.

The sidelines of said strip of land shall be prolonged or shortened so as to begin at the easterly line of said Cleveland Avenue.

CONTAINING 1,130 square feet, more or less.

It is hereby expressed, that the Grantee, their successors and assigns, shall have the right to fully use the surface of the above described easement parcel of land, provided, however, that no buildings or other structures shall be placed or erected thereon.

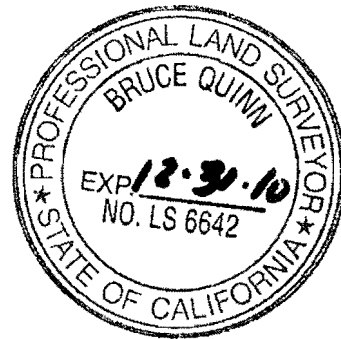
There shall be no abutter's rights of access appurtenant to the above-described real property in and to the adjacent State freeway.

The bearings and distances used in the above descriptions are on the California Coordinate System of 1927, Zone 3. Multiply the above distance by 1.0000683 to obtain ground level distances.

This real property description has been prepared by me, or under my direction, in conformance with the Professional Land Surveyors Act

Bruce Quinn
Date 10.19.2010

Licensed Land Surveyor



Subject to special assessments if any, restrictions, reservations, and easements of record.

This conveyance is executed pursuant to the authority vested in the Director of Transportation by law and, in particular, by the Streets and Highways Code.

WITNESS my hand and the seal of the Department of Transportation of the State of California, this _____ day of _____ 20_____.

STATE OF CALIFORNIA
DEPARTMENT OF TRANSPORTATION

APPROVED AS TO FORM AND PROCEDURE

CINDY McKIM
Director of Transportation

ATTORNEY
DEPARTMENT OF TRANSPORTATION

By _____
Attorney in Fact
R. A. MACPHERSON
Deputy District Director – Right of Way

STATE OF CALIFORNIA }
County of _____ } SS

ACKNOWLEDGMENT

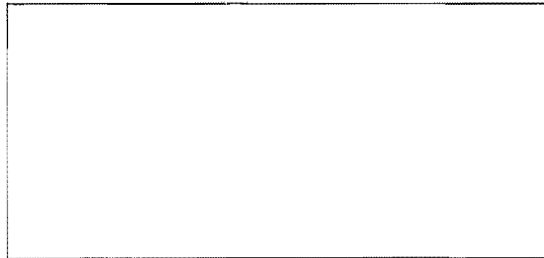
On _____ before me, _____
(here insert name and title of the officer)

personally appeared _____,
who proved to me on the basis of satisfactory evidence to be the person(s) whose name(s) is/are subscribed to the within instrument and acknowledged to me that he/she/they executed the same in his/her/their authorized capacity(ies), and that by his/her/their signature(s) on the instrument the person(s), or the entity upon behalf of which the person(s) acted, executed the instrument.

I certify under PENALTY OF PERJURY under the laws of the State of California that the foregoing paragraph is true and correct.

WITNESS my hand and official seal.

(Notary Public's signature in and for said County and State)

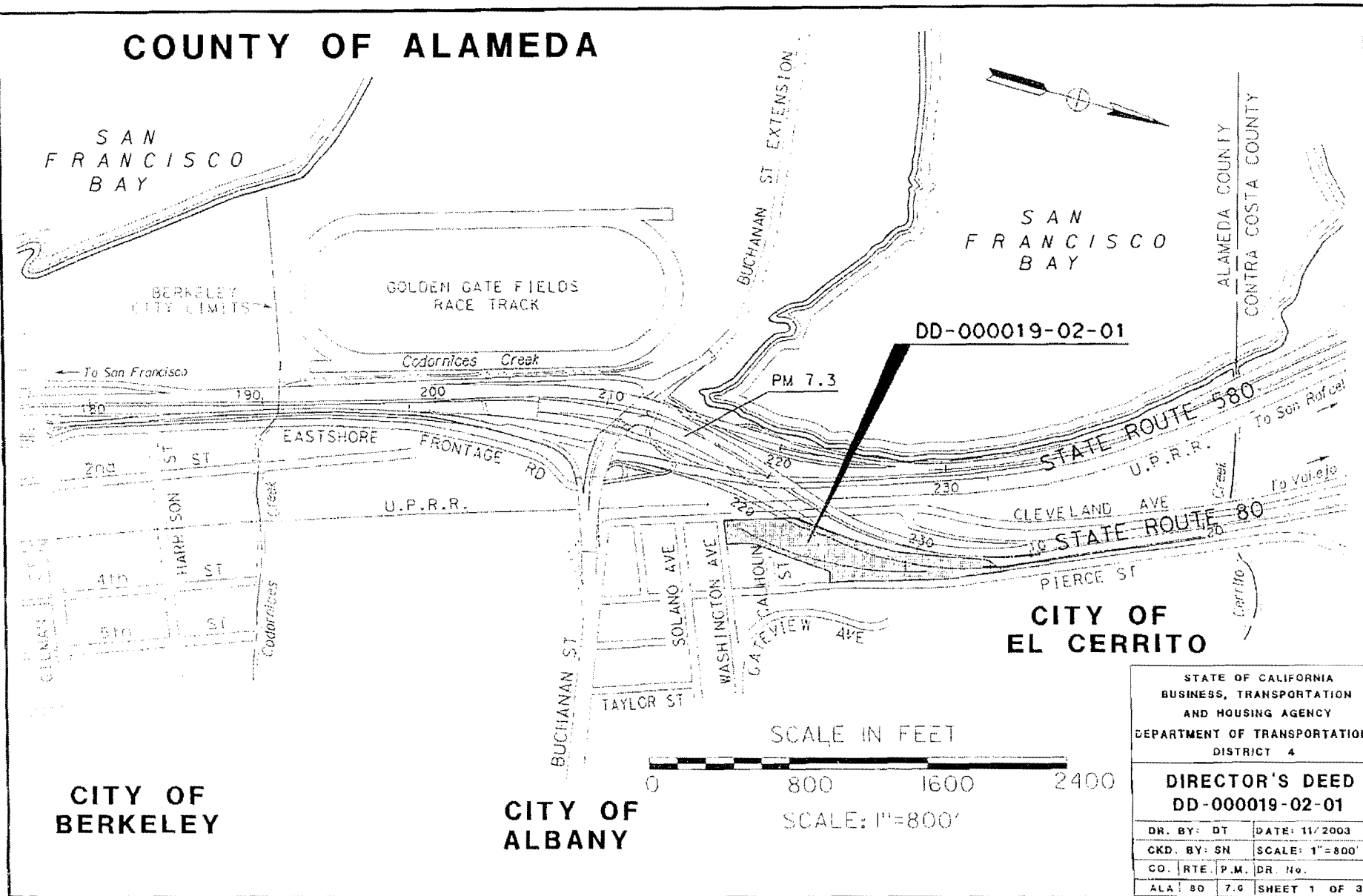


(for notary seal or stamp)



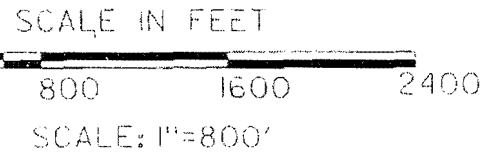
(This space reserved for CTC Certification)

COUNTY OF ALAMEDA



DD-000019-02-01

PM 7.3



STATE OF CALIFORNIA
BUSINESS, TRANSPORTATION
AND HOUSING AGENCY
DEPARTMENT OF TRANSPORTATION
DISTRICT 4

**DIRECTOR'S DEED
DD-000019-02-01**

DR. BY: DT	DATE: 11/2003
CKD. BY: SN	SCALE: 1"=800'
CO. RTE. P.M.	DR. No.
ALA 80	7.0 SHEET 1 OF 3

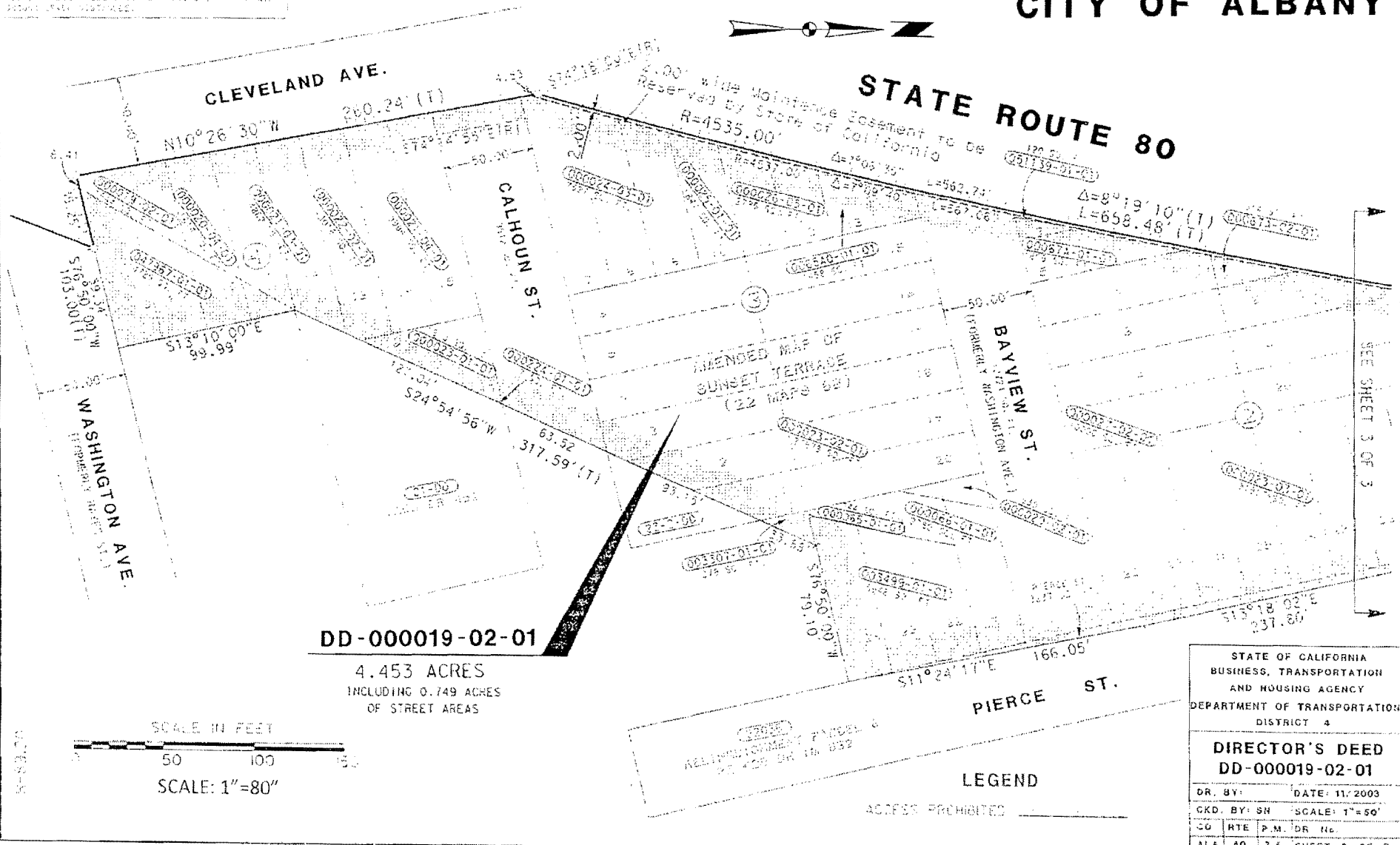
CITY OF BERKELEY

CITY OF ALBANY

CITY OF EL CERRITO

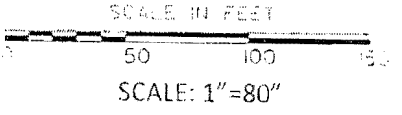
RECORDING INFORMATION: THIS DEED IS BEING RECORDED IN THE PUBLIC RECORDS OF THE COUNTY OF ALBANY, CALIFORNIA, IN BOOK 1139, PAGE 01-01.

CITY OF ALBANY



DD-000019-02-01

4.453 ACRES
INCLUDING 0.749 ACRES
OF STREET AREAS



REPLACEMENT PATCHES
BY 422 DR 1R 032

LEGEND

ACCESS PROHIBITED

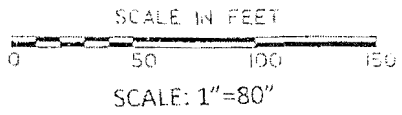
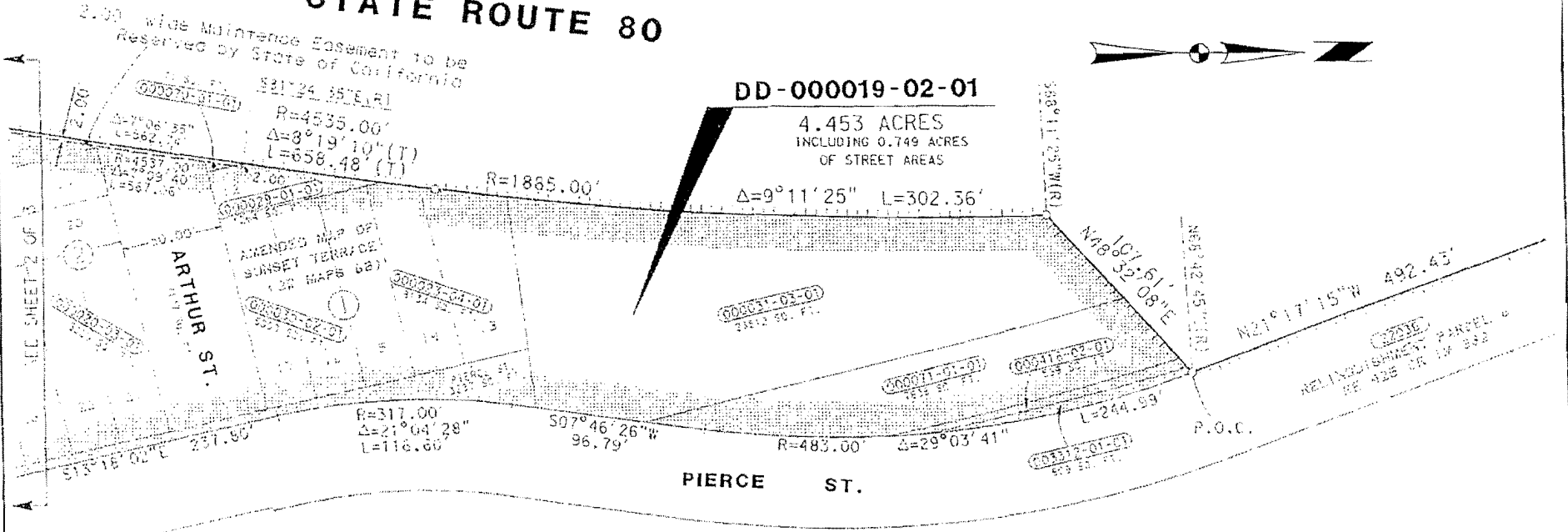
SEE SHEET 3 OF 3

STATE OF CALIFORNIA BUSINESS, TRANSPORTATION AND HOUSING AGENCY DEPARTMENT OF TRANSPORTATION DISTRICT 4			
DIRECTOR'S DEED DD-000019-02-01			
DR. BY:	DATE:	11/2003	
GKD. BY:	SN	SCALE: 1"=50'	
CG	RTE	P.M.	DR. No.
ALA 80	7.6	SHEET 2 OF 3	

COORDINATE, BEARING, AND DISTANCE SHOWN ARE IN THE CALIFORNIA COORDINATE SYSTEM OF 1927, ZONE 9. MULTIPLE DISTANCES SHOWN BY LINES ARE TO OBTAIN GROUND-LEVEL DISTANCES.

CITY OF ALBANY

STATE ROUTE 80



LEGEND
 P.O.C. POINT OF COMMENCEMENT

STATE OF CALIFORNIA BUSINESS, TRANSPORTATION AND HOUSING AGENCY DEPARTMENT OF TRANSPORTATION DISTRICT 4	
DIRECTOR'S DEED DD-000019-02-01	
DR. BY	DATE: 11/2003
CKD. BY: SN	SCALE: 1"=80'
CO. RTE. P.M. OR No.	
ALA: 80	T.C. SHEET 3 OF 3

COPY

RESOLUTION NO. -2011-36 (revised)

**A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF ALBANY
AUTHORIZING A LOAN TO THE ALBANY COMMUNITY REINVESTMENT AGENCY IN
AN AMOUNT NOT TO EXCEED \$850,000 AND THE
EXECUTION OF A LOAN AGREEMENT EVIDENCING THE TERMS OF THE LOAN**

WHEREAS, the Albany Community Reinvestment Agency (the "Agency") is a public body, corporate and politic, duly established and authorized to transact business and exercise powers under and pursuant to the provisions of Part 1 of Division 24 of the Health and Safety Code of the State of California (the "Redevelopment Law"), and has the power under Section 33601 of the Redevelopment Law to borrow money for any of its corporate purposes; and

WHEREAS, a redevelopment plan for the Albany Reinvestment Redevelopment Project Area (the "Redevelopment Project"), in the City of Albany, has been adopted in compliance with all requirements of the Redevelopment Law; and

WHEREAS, the Agency and the City of Albany have previously entered into that certain Public Improvement Grant and Cooperation Agreement dated January 17, 2011, whereby the Agency agreed to fund the costs associated with acquisition of certain property located within the Redevelopment Project Area (the "Property") and the installation of public improvements thereon and the City agreed to acquire the Property and design and install the public improvements and facilities installed on the Property; and

WHEREAS, in accordance with the terms of the Public Improvement Grant and Cooperation Agreement, the City has entered into a Purchase Agreement with Caltrans to acquire the Property for a purchase price of One Million Nine Hundred Thousand Dollars (\$1,900,000) and the Agency has provided the City with One Million Fifty Thousand Dollars (\$1,050,000) of the required purchase price; and

WHEREAS, the Agency has requested the City to make a loan (the "Loan") to the Agency for the purpose of providing the remaining funds necessary to acquire the Property under the terms of the purchase agreement with Caltrans and to fulfill the Agency's obligations under the Public Improvement Grant and Cooperation Agreement. The Property will be redeveloped consistent with the Albany Reinvestment Redevelopment Plan's goals and objectives, and the Agency hereby finds and determines that there will be significant public benefits accruing from such borrowing, consisting of demonstrable savings in effective interest rates and financing costs associated with the borrowing described herein; and

WHEREAS, the Agency and the City have determined that acquisition of the Property and construction of improvements thereon will be of benefit to the City, the Agency and the surrounding area by providing needed recreational facilities including a bicycle path connector to the Ohlone Greenway and the Bay Trail and will promote increased employment by creating construction jobs related to the installation of the public facilities as well as the providing the catalyst for private development in the Project Area; and

WHEREAS, the Agency and the City have agreed upon the terms for the loan of such funds as set forth in the Loan Agreement; and

WHEREAS, the terms of the loan require that the loan be repaid out of tax increment funds allocated to the Agency as further set forth in the Loan Agreement (the "Loan Agreement") between the City and the Agency, a copy of which is available and on file in the City Clerk's office and is incorporated herein by reference and made a part hereof; and

NOW, THEREFORE, BE IT RESOLVED AND ORDERED that the City Council hereby authorizing the making of a loan from the City to the Agency in an amount up to Eight Hundred Fifty Thousand Dollars (\$850,000) pursuant to the terms and conditions set forth in the Loan Agreement; and

BE IT FURTHER RESOLVED AND ORDERED, that the City Council hereby directs the City Finance Director to pay the loan funds to the Agency as called for in the Loan Agreement from the City's Projects fund.
Development

BE IT FURTHER RESOLVED AND ORDERED, that the City Council hereby authorizes the Mayor, or in his absence, the Vice-Mayor to execute the Loan Agreement on behalf of the City.

The City Clerk shall certify the passage and adoption of this Resolution and enter it into the book or original resolutions.

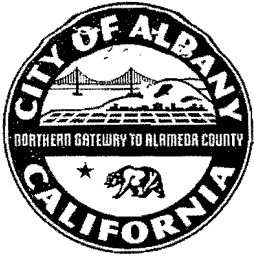
PASSED AND ADOPTED by the City Council of the City of Albany, in Albany, California, this 10th day of June 2011 by the following vote, to wit:

AYES: Council Member: Atkinson, Lieber + Hale
NOES: Council Members:
ABSTAIN: Council Members: (recused) Thomson + Javandel
ABSENT: Council Members:

Joanne Hale
Mayor Chair

ATTEST:

Eileen Harrington
City Clerk, Deputy



City of Albany

1000 San Pablo Avenue • Albany, California 94706
(510) 528-5710 • www.albanyca.org

RESOLUTION NO. 2011-36

PASSED AND APPROVED BY THE COUNCIL OF THE CITY OF ALBANY,

this 20th day of June, 2011, by the following votes:

AYES: Council Members Atkinson, Lieber, and Wile

NOES:

ABSENT:

ABSTAINED: Council Members Thomsen and Mayor Javandel

WITNESS MY HAND AND THE SEAL OF THE CITY OF ALBANY, this
21st Day of June, 2011.

Eileen Harrington
DEPUTY CITY CLERK

The City of Albany is dedicated to maintaining its small town ambience, responding to the needs of a diverse community, and providing a safe, healthy and sustainable environment.



COPY

RESOLUTION NO. – ACRA2011-3 (revised)

**A RESOLUTION OF THE ALBANY COMMUNITY REINVESTMENT AGENCY
AUTHORIZING THE BORROWING OF MONIES FROM THE CITY OF
ALBANY IN AN AMOUNT NOT TO EXCEED \$850,000 AND THE
EXECUTION OF AN AGREEMENT TO REPAY SUCH LOAN**

WHEREAS, the Albany Community Reinvestment Agency (the "Agency") is a public body, corporate and politic, duly established and authorized to transact business and exercise powers under and pursuant to the provisions of Part 1 of Division 24 of the Health and Safety Code of the State of California (the "Redevelopment Law"), and has the power under Section 33601 of the Redevelopment Law to borrow money for any of its corporate purposes; and

WHEREAS, a redevelopment plan for the Albany Reinvestment Redevelopment Project Area (the "Redevelopment Project"), in the City of Albany, has been adopted in compliance with all requirements of the Redevelopment Law; and

WHEREAS, the Agency and the City of Albany have previously entered into that certain Public Improvement Grant and Cooperation Agreement dated January 17, 2011, whereby the Agency agreed to fund the costs associated with acquisition of certain property located within the Redevelopment Project Area (the "Property") and the installation of public improvements thereon and the City agreed to acquire the Property and design and install the public improvements and facilities installed on the Property; and

WHEREAS, in accordance with the terms of the Public Improvement Grant and Cooperation Agreement, the City has entered into a Purchase Agreement with Caltrans to acquire the Property for a purchase price of One Million Nine Hundred Thousand Dollars (\$1,900,000) and the Agency has provided the City with One Million Fifty Thousand Dollars (\$1,050,000) of the required purchase price; and

WHEREAS, the Agency has requested the City to make a loan (the "Loan") to the Agency hereunder for the purpose of providing the remaining funds necessary to acquire the Property under the terms of the purchase agreement with Caltrans and to fulfill the Agency's obligations under the Public Improvement Grant and Cooperation Agreement. The Property will be redeveloped consistent with the Albany Reinvestment Redevelopment Plan's goals and objectives, and the Agency hereby finds and determines that there will be significant public benefits accruing from such borrowing, consisting of demonstrable savings in effective interest rates and financing costs associated with the borrowing described herein; and

WHEREAS, the Agency and the City have determined that acquisition of the Property and construction of improvements thereon will be of benefit to the City, the Agency and the surrounding area by providing needed recreational facilities including a bicycle path connector to the Ohlone Greenway and the Bay Trail and will promote increased employment by creating construction jobs related to the installation of the public facilities as well as the providing the catalyst for private development in the Project Area; and

WHEREAS, the Agency and the City have agreed upon the terms for the loan of such funds as set forth in the Loan Agreement; and

WHEREAS, it is the understanding of the Agency Board that such a loan would be repaid out of tax increment funds pursuant to the terms of a Loan Agreement (the "Loan Agreement") between the City and the Agency, a copy of which is available and on file in the City Clerk's office and is incorporated herein by reference and made a part hereof; and

NOW, THEREFORE, BE IT RESOLVED AND ORDERED that the Agency hereby accepts the loan from the City in an amount up to Eight Hundred Fifty Thousand Dollars (\$850,000) pursuant to the terms and conditions set forth in the Loan Agreement, and agrees to repay the loan with interest out of tax increment funds from the Project Area as set forth in the Loan Agreement.

BE IT FURTHER RESOLVED AND ORDERED, that the Agency hereby authorizes the Chairperson, or in his/her absence, the Vice-Chairperson of the Agency to execute the Loan Agreement on behalf of the Agency.

The Agency Secretary shall certify the passage and adoption of this Resolution and enter it into the book or original resolutions.

PASSED AND ADOPTED by the Albany Community Reinvestment Agency Board of Directors, in Albany, California, this 20th day of June 2011 by the following vote, to wit:

AYES: Board Members: *Atkinson, Lieber, Hile*
NOES: Board Members:
ABSTAIN: Board Members: *Thomsen, Javandel (recused)*
ABSENT: Board Members:

Joanne Hile

Chairperson

ATTEST:

Justin Lee

Secretary