

AGREEMENT REENTERING INTO LOAN AGREEMENT
(City Loan 2011)

This Agreement Reentering into Loan Agreement ("Agreement") is entered into this ____ day of _____ 2012 by and between the City of Albany, a California municipal corporation ("City") and the Successor Agency to the former Albany Community Reinvestment Agency ("Successor Agency").

WHEREAS, the City and the Albany Community Reinvestment Agency ("Redevelopment Agency") entered into that certain Loan Agreement dated June 20, 2011 attached hereto as Exhibit A (collectively "Loan Agreement") whereby the City agreed to loan the Redevelopment Agency funds to be used for purposes of acquiring certain property previously owned by the State of California for purposes of providing park and recreational improvements and a public works maintenance facility for the benefit of the Redevelopment Project Area and the community and the Redevelopment Agency agreed to repay the City over time from available tax increment revenues.

WHEREAS, on February 1, 2012, pursuant to AB1x 26 (the "Dissolution Act") the Redevelopment Agency, along with all redevelopment agencies in the State of California, was dissolved, and all assets and obligations of the Redevelopment Agency were transferred by operation of law to the Successor Agency.

WHEREAS, the Dissolution Act creates an oversight board for each redevelopment agency to oversee the wind down of the Redevelopment Agency ("Oversight Board").

WHEREAS, the Dissolution Act requires that the Successor Agency prepare and the Oversight Board approve a Recognized Obligation Payment Schedule setting forth all Enforceable Obligations (as defined in the Dissolution Act) of the Redevelopment Agency. The Dissolution Act generally provides that agreements between the Redevelopment Agency and the City are not Enforceable Obligations but authorizes the Successor Agency and the City, with Oversight Board approval, to reenter into such agreements.

WHEREAS, at its April 9, 2012 meeting the Oversight Board for the Successor Agency by a unanimous vote authorized the Successor Agency to reenter into the Loan Agreement finding that the Loan Agreement represented a valid redevelopment purposes and that redevelopment of the Pierce Street property from its current state was in the best interest of the taxing agencies.

WHEREAS, the City and the Successor Agency have determined that reentering into the Loan Agreement is in the best interests of the City and the Successor Agency.

NOW, THEREFORE, IT IS AGREED AS FOLLOWS:

1. The Successor Agency and the City hereby agree to reenter into the Loan Agreement under the terms and conditions set forth in the Loan Agreement, provided, however, all references in the Loan Agreement to the Albany Community Reinvestment Agency or Agency

shall be deemed to refer to the Successor Agency. The City and the Successor Agency agree that notwithstanding anything set forth in the Loan Agreement, with approval of the Oversight Board, the Successor Agency can prepay the full amount owed under the Loan Agreement at any time without penalty.

2. Except as amended by the foregoing provisions of this Agreement, the Loan Agreement shall remain in full force and effect.

3. In executing this Agreement and reentering into the Loan Agreement, the City is acting in its capacity as a municipal corporation, while the Successor Agency is acting in its capacity as the successor to the former Reinvestment Agency; and both the City and the Successor Agency are acting pursuant to the specific authority granted by the Oversight Board and by Health & Safety Code Sections 34178(a) and 34180(h) authorizing agreements between the City and the Successor Agency. In consequence, the parties to this Agreement and the Loan Agreement are not merged.

4. Nothing in this Agreement shall be deemed to invalidate or amend the terms of the Loan Agreement, except as specifically amended by the provisions of this Agreement (the "Amendments"). The Loan Agreement shall remain in full force and effect according to its original terms, as modified by the Amendments, notwithstanding those provisions of the Dissolution Act regarding Enforceable Obligations.

5. If any provision of this Agreement shall be invalid, illegal or unenforceable, the validity, legality and enforceability of the remaining portions hereof shall not in any way be affected or impaired thereby.

6. This Agreement shall take effect from and after the date of execution of this Agreement by the parties; provided, however, that nothing in this Agreement or the execution hereof shall in any way affect the date of execution of the Loan Agreement that is reentered between the Successor Agency and the City pursuant to this Agreement.

7. The parties shall execute any other documents or instruments deemed appropriate to effectuate the reentry by the Successor Agency and the City into the Loan Agreement as contemplated by this Agreement.

IN WITNESS WHEREOF, this Agreement has been executed by the parties hereof as of the date first written above.

**CITY OF ALBANY, CALIFORNIA,
a California municipal corporation**

APPROVED AS TO FORM:

City Attorney

BETH POLLARD
City Manager

ATTEST:

City Clerk

“CITY”

**SUCCESSOR AGENCY TO THE FORMER ALBANY COMMUNITY
REINVESTMENT AGENCY**

APPROVED AS TO FORM:

Legal Counsel

BETH POLLARD
Executive Director

ATTEST:

Secretary

EXHIBIT A
LOAN AGREEMENT