

OVERSIGHT BOARD RESOLUTION NO. 2012-18

A RESOLUTION OF THE OVERSIGHT BOARD TO THE SUCCESSOR AGENCY TO THE DISSOLVED IRVINE REDEVELOPMENT AGENCY FINDING, PURSUANT TO HEALTH & SAFETY CODE SECTION 34191.4(b)(1), THE 2007 PURCHASE AND SALE AND FINANCING AGREEMENT BY AND BETWEEN THE CITY OF IRVINE AND THE CITY OF IRVINE AS SUCCESSOR AGENCY TO THE DISSOLVED IRVINE REDEVELOPMENT AGENCY WAS FOR LEGITIMATE REDEVELOPMENT PURPOSES

WHEREAS, City of Irvine is a California charter city and municipal corporation existing and operating under the Constitution of the State of California; and

WHEREAS, the Irvine Redevelopment Agency (Agency) was a public body, corporate and politic, exercising governmental functions and powers under the Community Redevelopment Law, Health and Safety Code Section 33000 *et seq.* (CRL); and

WHEREAS, the Agency was established to exercise and undertake redevelopment activities including, but not limited to, for purposes of implementing the Redevelopment Plan for the Orange County Great Park Redevelopment Project Area; and

WHEREAS, under the CRL, the City had the express authority to provide the Agency with financial assistance for purposes of implementing redevelopment activities (see, e.g., Health and Safety Code Sections 33220, 33600, 33601, and 33610); and

WHEREAS, pursuant to the authority granted under the CRL, the City and Agency entered into that certain Purchase and Sale and Financing Agreement, dated August 14, 2007, which among its terms effected a loan by the City to the Agency; and

WHEREAS, on or about January 10, 2011, the Governor of California first proposed the dissolution of redevelopment agencies as part of his 2011-12 budget proposal; and

WHEREAS, pursuant to Assembly Bill 26 from the 2011-12 First Extraordinary Session of the California Legislature (ABx1 26), enacted as a bill related to the 2011-12 Budget Act in June 2011, as modified by the California Supreme Court Decision in *California Redevelopment Association v. Matosantos* (2011) 53 Cal.4th 231, all redevelopment agencies in California were dissolved on February 1, 2012; and

WHEREAS, pursuant to Health and Safety Code Section 34173(a) and (b), added by ABx1 26, the City, as the Successor Agency to the Agency, assumed on February 1, 2012, all authority, rights, powers, duties, and obligations previously vested

with the Agency, except for those provisions of the CRL that were repealed, restricted, or revised pursuant to Part 1.85 of Division 24 of the Health and Safety Code; and

WHEREAS, pursuant to Health and Safety Code Section 34179, added by ABx1 26, members of the Oversight Board to the Successor Agency to the former Agency have been duly appointed; and

WHEREAS, it has been asserted by the State of California Department of Finance (Department) that under ABx1 26, as of February 1, 2012, all agreements between the City that formed the redevelopment agency and the former redevelopment agency are voided except agreements providing for loans by the city to the redevelopment agency entered into during the first two years after the formation of the redevelopment agency; and

WHEREAS, AB 1484, provides for successor agencies that have been issued a finding of completion by the Department that agreements between the city that created the redevelopment agency and the former redevelopment agency to be deemed enforceable obligations provided that the oversight board makes a finding that the loan was for legitimate redevelopment purposes, under Health and Safety Code Sections 34191.4(b), added to the CRL by AB 1484; and

WHEREAS, in accordance with AB 1484, the staff of the Successor Agency has requested the Oversight Board to make a finding that the 2007 Purchase and Sale and Financing Agreement, attached to this resolution as Exhibit A, was for legitimate redevelopment purposes pursuant to Health and Safety Code Sections 34191.4(b); and

WHEREAS, the 2007 Purchase and Sale and Financing Agreement and this resolution were considered by the Oversight Board at its meeting of August 28, 2012;

NOW, THEREFORE, BE IT RESOLVED by the Oversight Board as follows:

Section 1. The above recitals are true and correct and incorporated herein.

Section 2. The Oversight Board hereby finds and declares as follows:

A. The 2007 Purchase and Sale and Financing Agreement was lawfully entered into by the City and the Agency. The Community Redevelopment Law expressly authorized the City to provide financial assistance in the form of a loan to the Agency (Health and Safety Code sections 33220,33600,33601,).

B. If instead of borrowing seed money from the City, the Agency had financed its activities with bonds issued to private third party lenders or loans from third parties, there is no question the Department would find such bonds or loans to be enforceable obligations within the meaning of ABx1 26. The fact the City was willing to invest its own funds and took the financially prudent step of avoiding the need for the Agency to borrow money on the open market and pay interest to third parties, the City As Successor Agency does not believe there is a

fair rationale for the Department's determination that the 2007 Purchase and Sale and Financing Agreement should not be recognized as an enforceable obligation.

C. The 2007 Purchase and Sale and Financing Agreement provided for repayment of a reasonable term and interest rate and was accepted as indebtedness by the State Controller prior to ABx1 26.

D. The 2007 Purchase and Sale and Financing Agreement was approved prior to January 1, 2011 and was not a last minute attempt to avoid Governor Brown's proposal on or about January 10, 2011, to eliminate redevelopment agencies or any legislation that resulted from his proposal.

E. The 2007 Purchase and Sale and Financing Agreement was entered into to finance legitimate redevelopment purposes as required by Health and Safety Code Section 34191.4(b).

F. In considering the adoption of this resolution, the Oversight Board has taken into consideration its fiduciary responsibilities to the holders of enforceable obligations and the taxing entities that benefit from the distribution of property taxes.

Section 3. The Oversight Board finds that the 2007 Purchase and Sale and Financing Agreement between the City of Irvine and the former Agency as set forth in Exhibit A attached to this resolution was for legitimate redevelopment purposes and in so finding the Oversight Board finds and determines the 2007 Purchase and Sale and Financing Agreement is an enforceable obligation and should be recognized as such pursuant to the provisions of AB 1484, including but not limited to Health and Safety Code Section 34191.4.

Section 4. The adoption of this resolution by the Oversight Board does not, nor does it intend, to alter, affect, or undermine the position of the Successor Agency that the 2007 Purchase and Sale and Financing Agreement is an enforceable obligation under provisions of ABx1 26 as amended by AB 1484, other than or in addition to Health and Safety Code Section 34191.4, and that Section 34191.4 is an alternative to, but not a replacement of, such other provisions.

Section 5. The Secretary shall certify to the adoption of this resolution.

PASSED AND ADOPTED by the Oversight Board at a special meeting held on the 28th day of August, 2012.


MARIAN BERGESON, CHAIR

ATTEST:



SHARIE APODACA, SECRETARY

STATE OF CALIFORNIA)
COUNTY OF ORANGE)
CITY OF IRVINE)

I, SHARIE APODACA, Secretary to the Oversight Board, hereby certify that the foregoing resolution was duly adopted at a special meeting of the Oversight Board, held on the 28th day of August 2012.

AYES: 7 BOARDMEMBERS: BERGESON, COMPTON, DOLLESCHELL,
DUNN, FOGARTY, LANDERS AND
PEEBLES

NOES: 0 BOARDMEMBERS: None

ABSENT: 0 BOARDMEMBERS: None



SHARIE APODACA, SECRETARY

CONTRACTS SCAN SHEET

CONTRACT NUMBER: 5737A

CONTRACT TYPE: FINANCING AGREEMENT

DEPARTMENT: ADMINISTRATIVE SERVICES
Department initiating contract

CONTRACT DATE: 6/12/2012
As stated in Terms section of Contract

EXPIRATION DATE:
As stated in Terms section of Contract

MEETING DATE:
Date of meeting where contract was approved

ITEM NUMBER:
Item number of meeting where contract was approved

CONTRACT AMOUNT:
As stated in Budget section of Contract

CONTRACT NAME: CITY OF IRVINE, IN ITS CAPACITY
As stated in 1st paragraph of contract AS THE SUCCESSOR AGENCY

CONTRACT SUBJECT: RE-ENTERED 2007 PURCHASE AND
As stated in Description of Services section of contract SALE FINANCING AGREEMENT

RE-ENTERED 2007 PURCHASE AND SALE AND FINANCING AGREEMENT

This RE-ENTERED 2007 PURCHASE AND SALE AND FINANCING AGREEMENT ("Re-Entered Agreement"), dated June 12, 2012 for reference purposes only ("Reference Date"), by and between the CITY OF IRVINE, a charter city and municipal corporation existing and operating under the Constitution of the State of California ("City"), and the CITY OF IRVINE, in its capacity as the Successor Agency ("Successor Agency") to the dissolved Irvine Redevelopment Agency ("RDA").

R E C I T A L S

A. City is a California charter city and municipal corporation existing and operating under the Constitution of the State of California.

B. RDA was a public body, corporate and politic, exercising governmental functions and powers under the Community Redevelopment Law, Health and Safety Code Section 33000 *et seq.* ("CRL").

C. RDA was established to exercise and undertake redevelopment activities for purposes of implementing the Redevelopment Plan for the Orange County Great Park Redevelopment Project Area.

D. Under the CRL, the City had the express authority to provide the RDA with financial assistance for purposes of implementing redevelopment activities (see, e.g., Health and Safety Code Sections 33220, 33600, 33601, 33610, 33614; see also Government Code Section 53600 *et seq.*).

E. Pursuant to the authority granted under the CRL, the City and RDA entered into that certain Purchase And Sale And Financing Agreement, dated August 14, 2007, a copy of which is attached to this Re-Entered Agreement as Exhibit "A" and incorporated herein by this reference (the "2007 Agreement").

F. On or about January 10, 2011, the Governor of California first proposed the dissolution of redevelopment agencies as part of his 2011-12 budget proposal.

G. Pursuant to Assembly Bill 26 from the 2011-12 First Extraordinary Session of the California Legislature ("ABx1 26"), enacted as a bill related to the 2011-12 Budget Act in June 2011, as modified by the California Supreme Court Decision in *California Redevelopment Association v. Matosantos* (2011) 53 Cal.4th 231, all redevelopment agencies in California were dissolved on February 1, 2012.

H. Pursuant to Health and Safety Code Section 34173(a) and (b), added by ABx1 26, the City, as the Successor Agency to the RDA, assumed on February 1, 2012, all authority, rights, powers, duties, and obligations previously vested with the RDA, except for those provisions of the CRL that were repealed, restricted, or revised pursuant to Part 1.85 of Division 24 of the Health and Safety Code.

I. Pursuant to Health and Safety Code Section 34179, added by ABx1 26, members of the Oversight Board of the Successor Agency to the former RDA have been duly appointed.

J. It has been asserted by the State of California Department of Finance ("DOF") that under ABx1 26, as of February 1, 2012, all agreements between the city that formed the redevelopment agency and the former redevelopment agency are voided except such agreements entered into during the first two years after the formation of the redevelopment agency.

K. ABx1 26, however, provides that even if agreements between the city that created the redevelopment agency and the former redevelopment agency are voided as asserted by DOF (a position with which the City in its capacity as a charter city and municipal corporation, and the City in its capacity as Successor Agency, disagree and do not concede), under Health and Safety Code Sections 34178(a) and 34180(h), added to the CRL by ABx1 26, the Oversight Board has the authority to approve, at the request of the Successor Agency, the re-entering into any of those agreements.

L. Pursuant to Health and Safety Code Sections 34178(a) and 34180(h), the City, in its capacity as a charter city and municipal corporation, and in its capacity as the Successor Agency, re-enters into the 2007 Agreement as set forth in this Re-Entered Agreement.

A G R E E M E N T

Based upon the foregoing Recitals, which are incorporated herein by this reference, and for good and valuable consideration, the receipt and sufficiency of which is hereby acknowledged, the City and the City As Successor Agency agree as follows:

1. Re-Entry Into 2007 Agreement. Subject to the terms and conditions in this Re-Entered Agreement, the City in its capacity as a charter city and municipal corporation and in its capacity as the Successor Agency, re-enter into the 2007 Agreement pursuant to the authority set forth in Health and Safety Code Section 34178(a), subject to the provisions set forth in Paragraph 3 hereof. This Re-Entered Agreement does not supersede the existing 2007 Agreement but effects a re-entering of the 2007 Agreement pursuant to the terms of Health and Safety Code Section 34178(a) subject to the provisions set forth in Paragraph 3 hereof.

2. Reservation of Rights. The City, in its capacity as a charter city and municipal corporation existing and operating under the Constitution of the State of California, and the City As Successor Agency, hereby reserve any and all rights, and does not waive any rights which it may now or in the future have, for repayment under the existing 2007 Agreement, including but not limited to the right to receive repayment under the existing 2007 Agreement as may be authorized pursuant to any current or future law, amendment to ABx1 26, administrative or judicial decision, or otherwise.

3. Effective Date. This Re-Entered Agreement shall not be effective unless and until the Oversight Board has approved it pursuant to Health and Safety Code Sections 34178(a) and 34180(h) by adoption of a resolution. The date of adoption of a resolution by the Oversight Board approving this Re-Entered Agreement shall be the effective date of this Re-Entered Agreement. If the City in its capacity as a charter city and municipal corporation, and the City As Successor Agency, have not approved this Re-Entered Agreement prior to its approval by the Oversight Board, the City and the City As Successor Agency may approve this Re-Entered Agreement by ratification of the Oversight Board approval at a duly noticed public meeting of the City Council.

4. City Manager Authorization. The City Manager and authorized designees shall have the authority to execute such other and further agreements and documents, and take such other and further actions, necessary to implement this Re-Entered Agreement on behalf of the City, in its capacity as a charter city and municipal corporation, and on behalf of the City As Successor Agency.

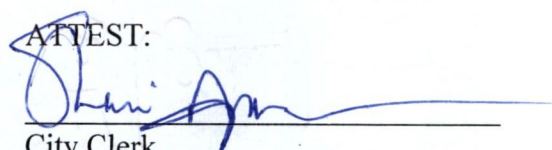
IN WITNESS WHEREOF, the City, in its capacity as a charter city of the State of California and a municipal corporation, and the City in its capacity as the Successor Agency, approves and enters into this Re-Entered Agreement as of the Reference Date and subject to the approval by the Oversight Board.

“City”

CITY OF IRVINE, a charter city and municipal corporation

By: 
Sukhee Kang, Mayor

ATTEST:


City Clerk

APPROVED AS TO FORM:


City Attorney

“Successor Agency”

CITY OF IRVINE As Successor Agency to the dissolved Irvine Redevelopment Agency

By: 
Sukhee Kang, Mayor

ATTEST:


Secretary of the Successor Agency

APPROVED AS TO FORM:

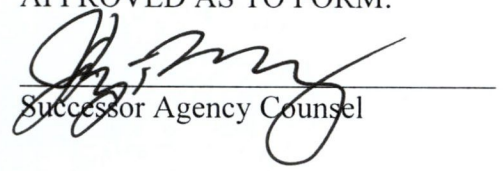

Successor Agency Counsel

EXHIBIT “A”

2007 PURCHASE AND SALE AND FINANCING AGREEMENT

[SEE FOLLOWING PAGES]

DUPLICATE

PURCHASE AND SALE AND FINANCING AGREEMENT

This PURCHASE AND SALE AND FINANCING AGREEMENT ("Agreement") is entered into this 14th day of August, 2007, by and between the CITY OF IRVINE, a California municipal corporation ("City"), and the IRVINE REDEVELOPMENT AGENCY, a public body, corporate and politic ("Agency").

R E C I T A L S

A. City is the owner in fee of those certain three parcels of real property consisting of approximately 7 acres, 8 acres, and 20 acres, respectively, located within the former United States Marine Corps Air Station El Toro in the City of Irvine, County of Orange, State of California, more particularly described in Exhibit "A" attached hereto (collectively, the "Property").

B. The Property is located in the Orange County Great Park Redevelopment Area ("Project Area"). On March 8, 2005, by Ordinance No. 05-04, the Irvine City Council, adopted the Redevelopment Plan for the Project Area ("Redevelopment Plan") for the purposes of alleviating blight on, and assisting with the transition of, the former United States Marine Corps Air Station El Toro to civilian uses.

C. Agency is a public body, corporate and politic, exercising governmental functions and powers and organized and existing under the Community Redevelopment Law of the State of California (Health and Safety Code Section 33000 *et seq.*). Agency desires to acquire the Property from City for redevelopment purposes.

D. The parties desire to enter into this Agreement to provide for (i) City to sell to Agency, and Agency to purchase from City, the Property, and (ii) Agency to borrow funds from the Special Revenue Fund 180-Orange County Great Park ("Great Park Fund") for the purchase price of the Property, on the terms and conditions set forth herein.

A G R E E M E N T

Based upon the foregoing Recitals, which are incorporated herein by this reference, and for good and valuable consideration, the receipt and sufficiency of which is hereby acknowledged by the parties, City and Agency agree as follows:

1. Purchase and Sale of Property.

1.1. Purchase and Sale of Property. Subject to all of the terms, conditions and provisions of this Agreement and for the consideration of the Purchase Price as herein set forth, City agrees to sell to Agency, and Agency agrees to purchase from City, the Property.

1.2. Purchase Price for Property. Agency shall pay to City the sum of One Hundred Thirty-Four Million Dollars (\$134,000,000) for the purchase of the Property ("Purchase Price"). The Purchase Price shall be paid by Agency to City on the Conveyance Date (as defined in Section 1.3).

1.3. Timing of Conveyance; Conveyance Date. The date for City's conveyance of the Property to Agency ("Conveyance Date") shall be on or before September 27, 2007, with the exact date to be mutually determined by City and Agency ("Conveyance Date").

1.4. Delivery of Documents. Prior to the scheduled Conveyance Date, City shall execute a grant deed conveying fee title to the Property to Agency in the form attached hereto as Exhibit "B" ("Grant Deed") and Agency shall execute the Certificate of Acceptance attached to the Grant Deed. The parties shall deliver the executed Grant Deed and a Preliminary Change of Ownership form signed by Agency to the title officer at the title company selected by Agency to handle Agency's title insurance policy ("Title Company"), with instructions to hold the documents in trust and to record the Grant Deed only upon instruction from City or City's legal counsel. Prior to the scheduled Conveyance Date, City shall execute and deliver to Agency a Real Estate Withholding Certification Form 593-C and Agency shall retain the Real Estate Withholding Certification for a period of five years after the Conveyance Date.

1.5. Conditions to Conveyance. City's conveyance of the Property to Agency and Agency's acceptance of the conveyance shall be subject to the satisfaction of the following conditions: (i) Agency shall use the Loan referred to in Section 2 for the Purchase Price of the Property; and (ii) the Title Company shall be irrevocably committed to issuing to Agency an owner's policy of title insurance with liability in the amount of the Purchase Price, showing fee title to the Property vested in Agency, subject only to such title exceptions that may be approved by Agency. Agency shall pay the premium for the Title Policy. In the event the foregoing conditions are not satisfied by the Conveyance Date, either party shall have the right to terminate this Agreement and all funds and documents delivered to or by either party under this Agreement shall be returned to the party or fund from which the delivery was made.

1.6. Recordation of Grant Deed. Provided the conditions in Section 1.5 of this Agreement are satisfied, on the Conveyance Date, City shall instruct the Title Company to (i) record in the Orange County Recorder's Office the Grant Deed conveying the Property to Agency, and (ii) deliver the Preliminary Change of Ownership form to the Orange County Recorder's Office.

2. Loan to Agency.

2.1. Principal Amount; Interest. Subject to the terms and conditions set forth herein, Agency shall borrow from the Great Park Fund the sum of One Hundred Thirty-Four Million Dollars (\$134,000,000) ("Loan"). Interest shall accrue on the Loan at the rate of nine percent (9%) compounded annually from the date the Loan is disbursed until accrued interest and unpaid principal are paid in full.

2.2. Disbursement and Use of Loan. The Loan shall be disbursed to Agency on or prior to the Conveyance Date. If the conditions in Section 1.5 are not satisfied and this Agreement is terminated after the disbursement of the Loan, the Loan proceeds shall be immediately deposited back into the Great Park Fund.

2.3. Source of Funds. The source of funds for the Loan shall be fees that were paid by Heritage Fields LLC, a Delaware limited liability company, pursuant to that certain

Development Agreement between City and Heritage Fields LLC dated July 12, 2005, and deposited into the Great Park Fund.

2.4. Repayment of Loan. The Loan shall be repaid by Agency out of tax increment funds from the Project Area allocated to and received by Agency. Commencing on August 15, 2009, and continuing on each August 15 thereafter until the Loan is repaid in full or otherwise forgiven as set forth herein (each August 15 a "Payment Date"), Agency shall make annual payments to the Great Park Fund in an amount equal to the Project Area Cash Flow (as defined below) for the preceding Fiscal Year. For example, the first payment made on August 15, 2009, will equal the Project Area Cash Flow for Fiscal Year 2008-2009. Agency's obligation to repay the Loan to the Great Park Fund shall be a special and limited obligation of Agency payable from the sole source of Project Area Cash Flow. Accordingly, Agency's obligation to make annual payments under this Section 2.4 shall be applicable only to the extent there is sufficient Project Area Cash Flow available from the preceding Fiscal Year. If not sooner paid, the outstanding balance of the Loan and accrued interest shall be forgiven and discharged on the Payment Date that occurs after the last Fiscal Year in which the Agency is entitled to collect tax revenues from the Project Area in accordance with the Redevelopment Plan, as may be amended from time to time. For purposes of this Agreement, the following definitions shall apply:

(i) "*Expenses*" shall mean all expenditures of Agency including without limitation: (a) all Agency tax allocation bonds or other direct long-term indebtedness of Agency, and all pledges by Agency of tax increments for tax allocation bonds or other direct long-term indebtedness of Agency, whether incurred before or after the date of this Agreement; (b) all amounts payable by Agency pursuant to or arising from any financial agreements or other contractual obligations of Agency, whether incurred before or after the date of this Agreement and with the understanding that there shall be no limitation on Agency's right to enter into such financial agreements and contractual obligations; (c) all administrative costs, operating expenses, and professional service, consulting, and legal fees of Agency; (d) all loans, obligations, indebtedness or other obligations of Agency payable from Property Tax Increment; (e) expenditures for the costs of acquiring installing and constructing public improvements; (f) amounts of Property Tax Increment pledged or reserved for payments in future Fiscal Years; and (g) amounts of Property Tax Increment that Agency reasonably determines will be needed for redevelopment purposes in future Fiscal Years.

(ii) "*Fiscal Year*" shall mean the period from July 1 to June 30.

(iii) "*Project Area Cash Flow*" shall mean, with respect to any Fiscal Year, the amount of Property Tax Increment for such Fiscal Year reduced by the Expenses for such Fiscal Year.

(iv) "*Property Tax Increment*" shall mean the full amount of property tax revenues generated from property within the Project Area that are allocated to and paid to Agency pursuant to Article 6 of Chapter 6 of the Redevelopment Law and Section 16 of Article XVI of the Constitution of the State, excluding (a) the portion of the tax revenues from the Project Area that are allocated to Agency that Agency is required pursuant to Sections 33334.2 and 33334.3 of the Redevelopment Law to set aside and use

for the purposes of increasing, improving, and preserving the community's supply of low- and moderate-income housing available at affordable housing cost, and (b) payments the Agency is required to pay to or for the benefit of the State, any city, county, city and county, district, or other public corporation for whose benefit taxes are levied upon taxable property in the Project Area each year as provided in, regardless of whether such payments actually are made by Agency or are made by the County directly to the other taxing agencies (or, in the case of amounts payable to the County, retained by the County).

City acknowledges that Agency retains full discretion with respect to the Expenses it will incur and nothing herein shall otherwise limit Agency from incurring indebtedness and financing redevelopment projects.

Agency shall be entitled to prepay all or any portion of the Loan and accrued interest at any time with no charges, fees, or penalties.

2.5. Indebtedness of Agency. The Loan and accrued interest described in this Agreement shall constitute an indebtedness of Agency.

2.6. Subordination. The repayment of the Loan and accrued interest by Agency shall be junior and subordinate to (i) all Agency tax allocation bonds or other direct long-term indebtedness of Agency, (ii) all pledges by Agency of tax increments for tax allocation bonds or other direct long-term indebtedness of Agency, (iii) Agency financial agreements and other contractual obligations of Agency, and (iv) the payment of any other Expenses of Agency, whether any of the foregoing in clauses (i), (ii), (iii) or (iv) are incurred before or after the date of this Agreement.

3. Use of Funds. The Loan proceeds that are repaid by Agency and deposited into the Great Park Fund will be used for the improvement, operation, and maintenance of the Orange County Great Park, at such time and manner as determined by City.

4. Miscellaneous.

4.1. Notices. Any approval, disapproval, demand, document or other notice required to be given under this Agreement must be in writing and shall be delivered by either (i) personal delivery, (ii) reliable courier service that provides a receipt showing date and time of delivery, (iii) registered or certified U.S. Mail, postage prepaid, return receipt requested, or (iv) facsimile. Notices shall be directed at the address of the party as set forth below, or at any other address as that party may later designate by notice:

City: City of Irvine
One Civic Center Plaza
Irvine, CA 92606-5208
Attention: City Manager
FAX: (949) 724-6045

Agency:

Irvine Redevelopment Agency
One Civic Center Plaza
Irvine, CA 92606-5208
Attention: Executive Director
FAX: (949) 724-6045

Each notice shall be deemed delivered on the date delivered if by personal delivery or by overnight courier service, on the date of receipt as disclosed on the return receipt if by mail, or on the date of transmission with confirmed successful transmission and receipt if by telefax. By giving to the other parties written notice as provided above, the parties to this Agreement and their respective successors and assigns shall have the right from time to time, and at any time during the term of this Agreement, to change their respective addresses.

4.2. Entire Agreement, Waivers and Amendments. This Agreement incorporates all of the terms and conditions mentioned herein, or incidental hereto, and supersedes all negotiations and previous agreements between the parties with respect to the subject matter hereof. All waivers of the provisions of this Agreement must be in writing and signed by the appropriate authorities of the party to be charged. A waiver of the breach of the covenants, conditions or obligations under this Agreement by any party shall not be construed as a waiver of any succeeding breach of the same or other covenants, conditions or obligations of this Agreement. Any amendment or modification to this Agreement must be in writing and executed by the appropriate authorities of City and Agency.

4.3. Severability. If any term, provision, covenant, or condition of this Agreement is held by a court of competent jurisdiction to be invalid, void, or unenforceable, the remaining provisions of this Agreement shall continue in full force and effect, unless and to the extent the rights and obligations of one or more parties has been materially altered or abridged by such holding.

4.4. Review of Agreement. At least once every twelve (12) month period from the date of this Agreement, City and Agency each shall review this Agreement as part of its annual budgetary process.

4.5. Applicable Law. This Agreement shall be construed and enforced in accordance with the internal laws of the State of California without regard to conflict of law principles.

4.6. Counterparts. This Agreement may be executed in several counterparts, and all so executed shall constitute one agreement binding on both parties hereto, notwithstanding that both parties are not signatories to the original or the same counterpart.

[signatures on next page]

IN WITNESS WHEREOF, City and Agency have entered into this Agreement as of the date first set forth above.

"CITY

CITY OF IRVINE, a California municipal corporation

By: [Signature]

Its: Mayor

ATTEST:

[Signature]
City Clerk

APPROVED AS TO FORM:

[Signature]
City Attorney

"AGENCY"

IRVINE REDEVELOPMENT AGENCY, a public body, corporate and politic

By: [Signature]

Its: Chair

ATTEST:

[Signature]
Secretary

APPROVED AS TO FORM:

[Signature]
Agency Counsel

EXHIBIT "A" TO PURCHASE AND SALE AND FINANCING AGREEMENT

LEGAL DESCRIPTION OF PROPERTY

THOSE PORTIONS OF A PARCELS 3A-1 AND 3A-2, IN THE CITY OF IRVINE, COUNTY OF ORANGE, STATE OF CALIFORNIA, PER QUITCLAIM DEED RECORDED JULY 12, 2005, AS INSTRUMENT NO. 2005000536292 OF OFFICIAL RECORDS, IN THE OFFICE OF THE COUNTY RECORDER OF SAID COUNTY, DESCRIBED AS FOLLOWS:

PARCEL G-7A

COMMENCING AT THE MOST SOUTHERLY CORNER OF SAID PARCEL 3A-2;
THENCE ALONG THE SOUTHEASTERLY LINE OF SAID PARCEL NORTH 40° 26' 55" EAST 54.94 FEET TO A LINE THAT IS PARALLEL WITH AND 48.00 FEET NORTHEASTERLY OF THE SOUTHWESTERLY LINE OF SAID PARCEL AND THE TRUE POINT OF BEGINNING;
THENCE CONTINUING ALONG SAID SOUTHWESTERLY LINE THE FOLLOWING COURSES:

NORTH 40° 26' 55" EAST 1076.02 FEET TO THE BEGINNING OF A CURVE CONCAVE NORTHWESTERLY, HAVING A RADIUS OF 417.00 FEET; NORTHEASTERLY 299.22 FEET ALONG SAID CURVE THROUGH A CENTRAL ANGLE OF 41° 06' 48" TO THE BEGINNING OF A REVERSE CURVE, HAVING A RADIUS OF 518.00 FEET, A RADIAL LINE TO SAID POINT BEARS SOUTH 89° 20' 07" WEST, AND NORTHERLY 265.18 FEET ALONG SAID CURVE THROUGH A CENTRAL ANGLE OF 29° 19' 55" TO A POINT OF NON-TANGENCY ON THE SOUTHERLY RIGHT OF WAY LINE OF ALTON PARKWAY, 120.00 FEET IN WIDTH, AS SHOWN ON INSTRUMENT NO. 85-390260, RECORDED OCTOBER 10, 1985, OF OFFICIAL RECORDS, IN THE OFFICE OF THE COUNTY RECORDER OF SAID COUNTY, A RADIAL LINE TO SAID POINT BEARS NORTH 61° 19' 58" WEST; THENCE ALONG SAID RIGHT OF WAY LINE THE FOLLOWING COURSES:

SOUTH 80° 35' 11" WEST 462.81 FEET BEGINNING OF A CURVE CONCAVE NORTHERLY, HAVING A RADIUS OF 1860.00 FEET. WESTERLY 597.90 FEET ALONG SAID CURVE THROUGH A CENTRAL ANGLE OF 18° 25' 04", AND SOUTH 51° 48' 29" WEST 41.31 FEET TO SAID PARALLEL LINE; THENCE ALONG SAID PARALLEL LINE THE FOLLOWING COURSES:

SOUTH 04° 46' 54" WEST 227.16 FEET TO THE BEGINNING OF A CURVE CONCAVE EASTERLY, HAVING A RADIUS OF 1352.00 FEET; SOUTHERLY 594.99 FEET ALONG SAID CURVE THROUGH A CENTRAL ANGLE OF 25° 12' 46" AND SOUTH 20° 25' 53" EAST 463.43 FEET TO THE POINT OF BEGINNING.

PARCEL G-7B

COMMENCING AT THE MOST SOUTHERLY CORNER OF SAID PARCEL 3A-2, THENCE ALONG THE SOUTHWESTERLY LINE OF SAID PARCEL 3-B NORTH 49° 20' 21" WEST 885.45 FEET TO THE TRUE POINT OF BEGINNING;
THENCE LEAVING SAID SOUTHWESTERLY LINE NORTH 40° 39' 39" EAST 400.00 FEET;
THENCE NORTH 49° 20' 21" WEST 871.20 FEET;

THENCE SOUTH 40° 39' 39" WEST 400.00 FEET TO THE SOUTHWESTERLY LINE OF SAID PARCEL 3-B;

THENCE ALONG SAID SOUTHWESTERLY LINE SOUTH 49° 20' 21" EAST 871.20 FEET TO THE TRUE POINT OF BEGINNING.

CONTAINING 8.000 ACRES, MORE OR LESS

PARCEL G-7C

BEGINNING AT THE MOST NORTHERLY CORNER OF SAID PARCEL 3A-I;
THENCE ALONG THE NORTHEASTERLY LINE OF SAID PARCEL 3-A SOUTH 49° 20' 21" EAST 539.43 FEET;

THENCE LEAVING SAID NORTHEASTERLY LINE SOUTH 40° 39' 39" WEST 565.29 FEET TO THE NORTHEASTERLY LINE OF BARRANCA PARKWAY, 100.00 FEET IN WIDTH, AS SAID PARKWAY IS SHOWN ON RECORD OF SURVEY 97-1038, FILED IN BOOK 171 PAGES 1 THROUGH 49 INCLUSIVE, RECORDS OF SAID COUNTY; THENCE ALONG LAST SAID NORTHEASTERLY LINE NORTH 49° 20' 21" WEST 539.43 FEET TO THE NORTHWESTERLY LINE OF SAID PARCEL 3A;

THENCE ALONG SAID NORTHWESTERLY LINE NORTH 40° 39' 38" EAST 565.29 FEET TO THE POINT OF BEGINNING.