



ORSA Counsel

OAKLAND REDEVELOPMENT SUCCESSOR AGENCY

RESOLUTION NO. 2020- 006

**RESOLUTION AUTHORIZING THE ORSA ADMINISTRATOR OR
DESIGNEE TO:**

**1) EXECUTE A SECOND AMENDMENT (“SECOND AMENDMENT”) TO
THE DISPOSITION AND DEVELOPMENT AGREEMENT (“DDA”)
BETWEEN ORSA, AS SUCCESSOR TO THE REDEVELOPMENT
AGENCY, AND THE FOX OAKLAND THEATER, INC. (“FOT”) FOR THE
REAL PROPERTY LOCATED AT 1807 TELEGRAPH AVENUE (“FOX
THEATER”), THAT OBLIGATES ORSA TO:**

**A. EXECUTE A LOAN SATISFACTION AGREEMENT
TERMINATING ALL LOAN AGREEMENTS BETWEEN FOT AND
ORSA TOTALING APPROXIMATELY \$46.4 MILLION OF
PRINCIPAL AND \$27.9 MILLION OF ACCRUED INTEREST
 (“LOAN TERMINATIONS”);**

**B. ACCEPT APPROXIMATELY \$4.4 MILLION FROM FOT’S
OPERATING AND REPLACEMENT RESERVES (“CASH
PAYMENT”) AND A PLEDGE AGREEMENT FROM FOT IN THE
AMOUNT OF \$3.95 MILLION, PAYABLE IN ANNUAL
INSTALLMENTS OF \$247,500 OVER 16 YEARS (“PLEDGE”), AS
CONSIDERATION FOR THE LOAN TERMINATIONS;**

**C. EXECUTE AN AMENDMENT AND ASSIGNMENT OF THE
GROUND LEASE WITH ORSA AS ASSIGNOR AND CURRENT
GROUND LESSOR, TO THE CITY AS ASSIGNEE AND NEW
GROUND LESSOR, AND FOT AS GROUND LESSEE, FOR A
TERM OF 16 YEARS (“ASSIGNMENT”); AND**

D. PURSUANT TO THE LONG-RANGE PROPERTY MANAGEMENT PLAN, CONVEY TO THE CITY, BY GRANT DEED, A FEE SIMPLE INTEREST IN THE FOX THEATER ("GRANT DEED") AND TERMINATE THE DDA, CONCURRENTLY WITH ACCEPTANCE OF THE CASH PAYMENT AND PLEDGE FROM FOT AND THE EXECUTION AND DELIVERY OF THE LOAN TERMINATIONS AND ASSIGNMENT.

2) TAKE ALL ACTIONS NECESSARY TO IMPLEMENT THE SECOND AMENDMENT, INCLUDING WITHOUT LIMITATION THE EXECUTION AND DELIVERY OF THE LOAN TERMINATIONS, ASSIGNMENT, AND GRANT DEED, CONSISTENT WITH THE FOREGOING TERMS.

WHEREAS, Section 34177(e) of the Health and Safety Code requires the Oakland Redevelopment Successor Agency ("ORSA") to dispose of assets and properties of the former Oakland Redevelopment Agency ("RDA") as directed by the Alameda County Oversight Board ("County Oversight Board"); and

WHEREAS, on May 29, 2014, the Department of Finance ("DOF") approved ORSA's Long Range Property Management Plan ("LRPMP"), which, pursuant to Health and Safety Code Section 34191.3, governs the disposition and use of real property assets of the former redevelopment agency; and

WHEREAS, the LRPMP designated the Fox Theater, identified on the LRPMP as APN 008-0642-016 (the "Property") to be transferred to the City of Oakland ("City") for future development pursuant to Health and Safety Code section 34191.5(c)(2)(A) once the enforceable obligations applicable to the Property are satisfied; and

WHEREAS, the Property is being held by ORSA to satisfy two enforceable obligations: (i) that certain Amended and Restated Disposition and Development Agreement, dated December 15, 2006, as subsequently amended by the First Amendment dated August 1, 2008 (the "DDA"), and (ii) that certain Ground Lease, dated September 20, 2006, (the "Ground Lease"), each executed by and between the RDA and Fox Oakland Theater, Inc. ("FOT"), a California nonprofit public benefit corporation that was established by the City in connection with New Market Tax Credit ("NMTC") financing for rehabilitation of the Property and which is controlled by the City; and

WHEREAS, the DDA and the Ground Lease were executed in order to implement the NMTC financing transaction for rehabilitation of the Property; and

WHEREAS, in connection with the NMTC financing transaction, FOT is presently obligated to repay approximately \$46.4 million in principal, and approximately \$27.9 million in accrued interest, for a total of approximately \$74.3 million, under loans issued by the RDA, including (i) a \$6,500,000 capitalized lease payment and an initial \$25,500,000 loan in 2006; (ii) a \$7,450,000 loan in 2008 pursuant to the First Amendment, and (iii) a \$3,500,000 loan for buy

out of the tax credit investors in 2016, (iv) a \$1,400,000 loan to Fox Theater Master Tenant LLC (“FTMT”) for tenant improvements on November 5, 2009 that was assigned from FTMT to FOT on April 18, 2017, and (v) a \$2,000,000 loan on January 6, 2010 (the “Loans”); and

WHEREAS, the Loans are structured as residual receipts loans, and to date, cash flow from the Property has been insufficient to make any significant debt service payments, with the exception of \$661,588 in debt service payments made by FOT on a \$1.4 million loan issued to Fox Theater Master Tenant, LLC in 2009 and assigned to FOT in 2017; and

WHEREAS, it is not anticipated that the revenues available to FOT to repay the Loans will increase, as the DDA obligates FOT to rent at specified terms to the Oakland School of the Arts, and further rent increases on other tenants would not support repayment of the Loans; and

WHEREAS, FOT is the present owner of the Fox Theater improvements and holds a leasehold interest under the Ground Lease. FOT, in turn, is the landlord under subleases to the Oakland School for the Arts, the Theater operator (GASS Entertainment LLC), and a restaurant/bar (Emporium) that occupies a portion of the improvements. ORSA currently holds an interest as landlord under the Ground Lease, and its interest as the holder of the Loans payable by FOT; and

WHEREAS, pursuant to that certain Bond Expenditure Agreement dated as of November 8, 2013, approved by the prior Oversight Board for ORSA and DOF, and executed by and between ORSA and the City (the “Bond Expenditure Agreement”), certain proceeds and revenues generated by properties acquired and/or improved with the proceeds of tax allocation bonds issued by the RDA are restricted and must be transferred to the City for uses consistent with the bond covenants and applicable requirements of federal tax law; and

WHEREAS, FOT, the City, and ORSA have proposed a transaction relating to the Property to reduce existing liabilities of ORSA, increase net revenues to the taxing entities, and facilitate transfer of the Property to the City pursuant to the LRPMP; and

WHEREAS, the proposed Second Amendment to DDA would provide for automatic termination of the DDA upon the concurrent execution of the transaction documents, including the pledge agreement and the lease/leaseback documents, and implementation of the following transactions by ORSA and/or the City as summarized below:

1. Conveyance of ORSA’s interest in the Property by Grant Deed to the City, pursuant to the LRPMP, and the City’s acceptance of the Property by Grant Deed;
2. Authorization by ORSA and the City of an Amendment and Assignment of the existing Ground Lease of the Fox Theater property to be executed by and among ORSA as assignor and existing ground lessor (as successor in interest to the RDA), City as assignee and new ground lessor, and FOT as ground lessee;
3. The City’s authorization of a Lease Back Agreement with Option to Purchase to be executed by and between the City as lessee and FOT as lessor, pursuant to which FOT will lease its interests in the Project back to the City, in exchange for City’s commitment to make an annual lease payment to FOT in the amount of \$247,500 for a term of 16 years, and which provides the City with an option to purchase the

improvements for one dollar upon the satisfaction of the Pledge Agreement payment obligations;

4. ORSA's authorization of a Pledge Agreement to be executed by FOT ("Pledge Agreement") pursuant to which FOT will pay to ORSA the lump sum of \$4.4 million in operating and replacement reserves (the "Cash Payment") and pledge to pay the sum of \$247,500 per year for 16 years, with an option to prepay all amounts due without penalty;
5. FOT's assignment and City's assumption of all existing subleases and all service contracts regarding the Fox Theater Project; and
6. ORSA's and FOT's execution of a Loan Satisfaction Agreement, and ORSA's cancellation of the promissory notes evidencing the Fox Theater Loans, termination of all other evidence of indebtedness for the Fox Theater Loans, and reconveyance of any associated deeds of trust or security instruments; and

WHEREAS, FOT would use rent revenue received from the City under the Lease Back Agreement for the Fox Theater to pay to ORSA the annual sum of \$247,500 over 16 years owed pursuant to the Pledge Agreement; and

WHEREAS, the proposed transaction is anticipated to result in a net increase in revenue to ORSA thereby reducing ORSA's need for approximately \$6.25 million in Redevelopment Property Tax Trust Fund ("RPTTF") to pay existing enforceable obligations; and

WHEREAS, under the proposed transaction ORSA would be able to dissolve 25 years earlier in 2041 when its long-term bonds and development agreement obligations terminate, instead of 2066 when the Ground Lease terminates, thus reducing ORSA's obligations by approximately \$250,000 of annual minimum successor agency administrative fees over an eliminated span of 25 years; and

WHEREAS, under the proposed transaction, early termination of the DDA and assignment of the Ground Lease would also result in RPTTF savings and an increase in revenue to the taxing entities as ORSA would be able to remove the Fox Theater administrative / management costs from Recognized Obligation Payment Schedules, resulting in a savings of almost \$15.3 million in RPTTF funding over the remaining term of the Ground Lease; and

WHEREAS, under the proposed transaction, savings are estimated to start at \$205,180 in FY 2021-22 and increase by 2 percent per year for 45 years through the end of the Ground Lease term in 2066; and

WHEREAS, of the \$4.4 million of the Cash Payment paid by FOT to ORSA, 22.5% (\$990,000) would be paid to ORSA for distribution to the taxing entities; and

WHEREAS, transfer of the Property would allow earlier dissolution of ORSA, thus resulting in an increase in revenues to the taxing entities, and would minimize the risk of additional potential liabilities to ORSA arising out of ownership of the Property; and

WHEREAS, pursuant to Section 34181(e) of the Health and Safety Code, a successor agency is to determine whether any contracts, agreements, or other arrangements between the dissolved redevelopment agency and any private parties should be terminated or renegotiated to reduce liabilities and increase net revenues to the taxing entities, and present proposed termination or amendment agreements to the Countywide Oversight Board for its approval; and

WHEREAS, the Alameda Countywide Oversight Board may approve any amendments to, or early termination of, those agreements if it finds that amendments or early termination would be in the best interests of the taxing entities; and

WHEREAS, on July 15, 2020, the Board of Directors of FOT adopted Resolution No. 24 authorizing the proposed transaction; now, therefore, be it

RESOLVED: ORSA hereby finds and determines that approval of the proposed Second Amendment to the DDA and Assignment and Amendment to the Ground Lease, in conjunction with the transactions contemplated therein, reduces liabilities and increases net revenues for the taxing entities and is in the best interest of the taxing entities and should therefore be approved by the Alameda Countywide Oversight Board; and

FURTHER RESOLVED: That the ORSA Administrator or designee is authorized to take the following actions, upon the effectiveness of an Alameda County Oversight Board resolution approving the proposed transactions:

1. Execute a Grant Deed conveying the Fox Theater Property to the City, pursuant to the LRPMP, substantially in the form attached and incorporated herein as **Exhibit A**;
2. Execute a Second Amendment to the DDA substantially in the form attached and incorporated herein as **Exhibit B**;
3. Execute an Amendment and Assignment of the existing Ground Lease, substantially in the form attached and incorporated herein as **Exhibit C**, of the Fox Theater property by and among ORSA as assignor and existing ground lessor (as successor in interest to the Agency), City as assignee and new ground lessor, and FOT as ground lessee;
4. Accept a Pledge Agreement to be executed by FOT, substantially in the form attached and incorporated herein as **Exhibit D**, pursuant to which FOT will pledge to pay to ORSA the sum of \$4.4 million in the Cash Payment and the sum of \$247,500 per year for 16 years, with an option to prepay all amounts due without penalty;

5. Execute a Loan Satisfaction Agreement, substantially in the form attached and incorporated herein as **Exhibit E**, pursuant to which ORSA will cancel the promissory notes evidencing the Fox Theater Loans, terminate all other evidence of indebtedness for the Fox Theater Loans, and reconvey of any associated deeds of trust or security instruments; and

FURTHER RESOLVED: That all documents related to this transaction shall be reviewed and approved as to form and legality by ORSA Counsel prior to execution, and copies will be placed on file with the ORSA Secretary; and be it

FURTHER RESOLVED: That the custodians and locations of the documents or other materials which constitute the record of proceedings upon which ORSA's decision is based is located at the Economic and Workforce Development Department, 250 Frank H. Ogawa Plaza, 5th Floor, Oakland, CA.

BY THE OAKLAND REDEVELOPMENT SUCCESSOR AGENCY, OAKLAND,
CALIFORNIA,

DEC 01 2020

PASSED BY THE FOLLOWING VOTE:

AYES - FORTUNATO BAS, GALLO, GIBSON MCELHANEY, KALB, REID, TAYLOR,
THAO AND PRESIDENT KAPLAN — 8

NOES — 0

ABSENT — 0

ABSTENTION — 0

ATTEST:



ASHA REED
Acting Secretary of the Oakland
Redevelopment Successor Agency

Exhibit A

Form of Grant Deed
(Fox Theater located at 1807 Telegraph Ave)

**RECORDING REQUESTED BY
AND WHEN RECORDED MAIL TO:**

The City of Oakland
Economic and Workforce Development
250 Frank Ogawa Plaza, 5th Floor
Oakland, California 94612
Attn: Director, Economic and Workforce
Development

EXEMPT FROM RECORDING FEES
GOVERNMENT CODE §§6103, 27383

(SPACE ABOVE THIS LINE RESERVED FOR RECORDER'S USE)

GRANT DEED

(Fox Theater)

For valuable consideration, the receipt and sufficiency of which are hereby acknowledged, the Oakland Redevelopment Successor Agency (the "**Grantor**" or "**Successor Agency**"), acting to carry out the disposition of certain real property in accordance with the Long Range Property Management Plan adopted by Grantor pursuant to California Health and Safety Code Section 34191.5, hereby grants to the City of Oakland, a municipal corporation (the "**Grantee**" or "**City**"), the real property (the "**Property**") located at 1807 Telegraph Avenue in the City of Oakland, Alameda County, California, and more particularly described in Exhibit A attached hereto and incorporated herein by this reference.

1. The Property was previously owned by the former Redevelopment Agency of the City of Oakland, a public body, corporate and politic (the "**Redevelopment Agency**").
2. Pursuant to Assembly Bill x1 26 (Chapter 5, Statutes of 2011-12 First Ex. Session), enacted in late June 2011, as amended by Assembly Bill 1484 (Chapter 26, Statutes of 2012), enacted on June 27, 2012, the Redevelopment Agency was dissolved as of February 1, 2012, and the Successor Agency succeeded to the interests of the Redevelopment Agency.
3. In accordance with California Health and Safety Code Section 34191.5, the Successor Agency prepared a Long-Range Property Management Plan ("**LRPMP**") that addresses the disposition and use of real property formerly owned by the Redevelopment Agency, including the disposition of the Property by the Successor Agency to the City upon satisfaction of certain obligations. The LRPMP was approved by the Oversight Board for the Successor Agency, and the State of California Department of Finance ("**DOF**") subsequently approved the LRPMP by letter to the Successor Agency dated _____, 20___. This Grant Deed has been prepared and executed to implement the LRPMP as approved by the Oversight Board and DOF.

IN WITNESS WHEREOF, Grantor has caused this instrument to be executed on its behalf by its duly authorized officer as of _____, 202__.

GRANTOR:

OAKLAND REDEVELOPMENT SUCCESSOR AGENCY

By: _____

Name: _____

Title: _____

Attest:

By: _____

Approved As To Form:

By: _____
Successor Agency Counsel

CALIFORNIA ALL-PURPOSE ACKNOWLEDGMENT

A notary public or other officer completing this certificate verifies only the identity of the individual who signed the document to which this certificate is attached, and not the truthfulness, accuracy, or validity of that document.

STATE OF CALIFORNIA

COUNTY OF ALAMEDA

On _____ 20__ 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.

Signature _____ (Seal)

Exhibit A

PROPERTY

(Attach legal description.)

CERTIFICATE OF ACCEPTANCE

This is to certify that the interest in real property conveyed by the Grant Deed dated _____, 202__, from the Oakland Redevelopment Successor Agency ("Successor Agency") to the City of Oakland, a municipal corporation ("City"), is hereby accepted on behalf of the City by its _____ pursuant to authority conferred by Ordinance No. _____, adopted by the City Council on _____, 202__, and that the City consents to recordation of the Grant Deed by its duly authorized officer.

Dated: _____, 202__

CITY OF OAKLAND, A MUNICIPAL CORPORATION

By: _____

Name: _____

Title: _____

ATTEST:

By: _____
City Clerk

APPROVED AS TO FORM:

By: _____
City Attorney

CALIFORNIA ALL-PURPOSE ACKNOWLEDGMENT

A notary public or other officer completing this certificate verifies only the identity of the individual who signed the document to which this certificate is attached, and not the truthfulness, accuracy, or validity of that document.

STATE OF CALIFORNIA

COUNTY OF ALAMEDA

On _____, 20__ 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.

Signature _____ (Seal)

Exhibit B

Form of Second Amendment to the DDA
(Fox Theater located at 1807 Telegraph Ave)

NO FEE DOCUMENT

Government Code 27383

Recording requested by:

City of Oakland

When recorded, mail to:

City of Oakland

Economic and Workforce Development,

Manager Public/Private Development

250 Frank Ogawa Plaza, Suite 5313

Oakland, CA 94612

SECOND AMENDMENT TO AMENDED AND RESTATED

DISPOSITION AND DEVELOPMENT AGREEMENT

(Fox Theater)

This Second Amendment to Amended and Restated Disposition and Development Agreement ("**Second Amendment**") is executed by and between the OAKLAND REDEVELOPMENT SUCCESSOR AGENCY, successor agency to the Redevelopment Agency of the City of Oakland under Health and Safety Code Section 34173 ("**ORSA**"), and FOX OAKLAND THEATER, INC., a California nonprofit public benefit corporation ("**Developer**") effective as of _____, 202__.

RECITALS

A. The Redevelopment Agency of the City of Oakland (the "**Redevelopment Agency**") and Developer entered into that certain Amended and Restated Disposition and Development Agreement dated December 15, 2006, which was recorded with the Alameda County Recorder on December 22, 2006 as document no. 2006467561 ("**Amended and Restated DDA**"), and entered into that certain First Amendment to Amended and Restated Disposition and Development Agreement dated August 1, 2008, which was recorded with the Alameda County Recorder on August 7, 2008 as document no. 2008238366 ("**First Amendment**"). The Amended and Restated DDA as amended by the First Amendment is referred to herein as the "**DDA**". The DDA provides for the Redevelopment Agency's ground lease of the Fox Theater at 1807 Telegraph Avenue in the City of Oakland (the "**Fox Theater**") to Developer for a term of 60 years, and Developer's rehabilitation of the Fox Theater (the "**Project**").

B. Pursuant to the DDA, the Redevelopment Agency provided several loans for the development of the Fox Theater, including: (i) a \$6,500,000 capitalized lease payment and an initial \$25,500,000 loan in 2006; (ii) a \$7,450,000 loan in 2008 pursuant to the First Amendment, and (iii) a \$3,500,000 loan for buy out of the tax credit investors

in 2016. The Redevelopment Agency also provided the following additional loans: (i) a \$1,400,000 loan to Fox Theater Master Tenant LLC (“**FTMT**”) for tenant improvements on November 5, 2009 that was assigned from FTMT to Developer on April 18, 2017; and (ii) a \$2,000,000 loan on January 6, 2010. All of the foregoing loans are together referred to herein as the “**Fox Theater Loans.**”

C. Upon dissolution of the Redevelopment Agency pursuant to ABx1 26 in 2012, the Redevelopment Agency’s assets, including the Fox Theater Loans and associated rights under the DDA, were transferred by operation of law to ORSA.

D. ORSA approved a Long Range Property Management Plan on May 20, 2014, which was then approved by Oakland Oversight Board on May 22, 2014, and by the California Department of Finance on May 29, 2014. This Long Range Property Management Plan (“**LRPMP**”) authorizes the transfer of the Fox Theater from ORSA to the City of Oakland (“**City**”) once certain obligations under the DDA and the existing Ground Lease are extinguished.

E. ORSA and Developer acknowledge that Developer has insufficient cash flow to pay the full debt service on the Fox Theater Loans, and that a restructuring of the Fox Theater Loans and the transfer of the Fox Theater property to the City in accordance with the LRPMP will benefit ORSA by providing the opportunity for earlier dissolution of ORSA, the elimination of ORSA’s costs of oversight and administration related to the Fox Theater, and an overall anticipated increase in revenue to taxing agencies.

F. Subject to the approval of the County of Alameda Countywide Oversight Board and the California Department of Finance, ORSA and Developer thus desire to amend the DDA to provide for the restructuring of the Fox Theater Loans as further specified in this Second Amendment and the termination of the obligations of the DDA.

NOW THEREFORE, for good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged, ORSA and Developer hereby agree as follows:

1. The DDA is hereby amended to add a new Article 21 to read as follows:

Article 21 – Termination of Agreement on Restructuring

21.01 Transfer Property to City of Oakland; Assignment and Amendment of Ground Lease; Execution of Leaseback Agreement between City and Developer; Assignment of Contracts and Subleases; Execution of Pledge Agreement; and Forgiveness of Agency Loans.

Subject to the Alameda Countywide Oversight Board and the California Department of Finance approval of the Second Amendment to Amended and

Restated Disposition and Development Agreement ("**Second Amendment**") and notwithstanding anything to the contrary in this Agreement, including without limitation provisions of Article 15, Developer and Oakland Redevelopment Successor Agency ("ORSA"), as successor in interest to the Agency, agree to cooperate in good faith and execute all documents and instruments necessary to accomplish the transactions identified in this Section 21.01 in order to restructure and forgive the Fox Theater Loans as described in this Second Amendment, and implement the transfer of the Fox Theater Property to the City in accordance with ORSA's Long Range Property Management Plan. These transactions and related documents include:

1. A Grant Deed executed by ORSA conveying the Fox Theater Property to the City;
2. An Amendment and Assignment of the existing Ground Lease of the Fox Theater property to be executed by and among ORSA as assignor and existing ground lessor (as successor in interest to the Agency), City as assignee and new ground lessor, and Developer as ground lessee;
3. A Lease Back Agreement with Option to Purchase to be executed by and between the City as lessee and Developer as lessor, pursuant to which Developer will lease its interests in the Site and the Improvements back to the City, in exchange for City's commitment to make an annual lease payment to Developer in the amount of \$247,500 for a term of 16 years, and which provides the City with an option to purchase the improvements for one dollar upon the satisfaction of the Pledge Agreement payment obligations (described below);
4. A Pledge Agreement to be executed by Developer, pursuant to which Developer will pledge to pay to ORSA \$247,500 per year for 16 years, with an option to prepay all amounts due without penalty;
5. ORSA's cancellation of the promissory notes evidencing the Fox Theater Loans (as described in the Second Amendment), termination of all other evidence of indebtedness for the Fox Theater Loans, and reconveyance of any associated deeds of trust or security instruments;
6. Developer's assignment to the City of all existing subleases and all service contracts regarding the Fox Theater Project; and

7. Developer's transfer of \$4,400,000 in operating and replacement reserves to ORSA.

21.02 Termination of Agreement Upon Completion of Transactions

Notwithstanding anything in this Agreement to the contrary, concurrently with the completion of the transactions and the execution of all documents set forth in Section 21.01, this Agreement shall be terminated and of no further force or effect.

SIGNATURES ON THE FOLLOWING PAGE

IN WITNESS WHEREOF, the undersigned parties have executed this Second Amendment by their authorized representatives as indicated below.

OAKLAND REDEVELOPMENT SUCCESSOR AGENCY, successor agency to the Redevelopment Agency of the City of Oakland under Health and Safety Code Section 34173.

By: _____

Name: _____
ORSA Administrator

Approved as to form and legality:

By: _____
ORSA Counsel

FOX OAKLAND THEATER, INC., a California nonprofit public benefit corporation.

By: _____

Name: _____

Title: _____

By: _____

Name: _____

Title: _____

[ALL SIGNATURES MUST BE ACKNOWLEDGED]

Exhibit C

Form of Amendment and Assignment of the Ground Lease
(Fox Theater located at 1807 Telegraph Ave)

AMENDMENT AND ASSIGNMENT OF GROUND LEASE

THIS AMENDMENT AND ASSIGNMENT OF GROUND LEASE (this "**Agreement**") is executed effective as of _____, 202__, (the "**Effective Date**"), by and among the OAKLAND REDEVELOPMENT SUCCESSOR AGENCY, successor agency to the Redevelopment Agency of the City of Oakland ("**ORSA**"), THE CITY OF OAKLAND, a municipal corporation ("**City**"), and FOX OAKLAND THEATER, INC., a California nonprofit public benefit corporation ("**FOT**" or "**Tenant**").

RECITALS

A. ORSA desires to transfer the real property underlying the historic Fox Theater at 1807 Telegraph Avenue in the City of Oakland (the "**Fox Theater**") as more particularly described in Exhibit A attached hereto (the "**Property**") to the City in accordance with ORSA's Long Range Property Management Plan ("**LRPMP**") approved by the Department of Finance. As described in the LRPMP, the Property has been retained by ORSA to satisfy enforceable obligations under (i) that certain Ground Lease for the Property dated September 20, 2006 and executed by and between the Redevelopment Agency of the City of Oakland ("**Redevelopment Agency**") as Landlord and FOT as Tenant (as subsequently amended, the "**Ground Lease**"), and (ii) that certain Amended and Restated Disposition and Development Agreement dated December 15, 2006 and executed by and between the Redevelopment Agency and FOT (as subsequently amended, the "**DDA**").

B. The parties are entering into this Agreement to reduce existing liabilities of ORSA, increase net revenues to the taxing entities, and facilitate transfer of the Property to the City pursuant to the LRPMP. The proposed transaction is anticipated to result in an increase in revenue to ORSA thereby reducing ORSA's need for funding from the Redevelopment Property Tax Trust Fund. As part of the transaction, FOT and ORSA will execute a Second Amendment to the DDA to provide for termination of the DDA upon the transfer of the Property to the City, the assignment of ORSA's interest as landlord under the Ground Lease to the City, and ORSA's cancellation of the existing Redevelopment Agency loans related to the Property in exchange for the execution and delivery of a Pledge Agreement requiring FOT to pay to ORSA \$247,500 per year for a 16-year period, and FOT's payment to ORSA of approximately \$4.4 million in current operating and replacement reserves. As part of the transaction, the City will manage the Fox Theater and lease back the building improvements owned by FOT and the Property under a Lease Back Agreement with Option to Purchase pursuant to which the City will be obligated to pay rent to FOT in amount of \$247,500 per year for 16 years, and will have an option to acquire title to the Fox Theater improvements when FOT's payment obligations under the Pledge Agreement are satisfied.

C. To implement the foregoing, the parties desire to amend the Ground Lease and assign ORSA's interest as Landlord thereunder to the City.

AGREEMENT

In consideration of the foregoing Recitals and other good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged, ORSA, City and FOT agree as follows.

1. Definitions. Capitalized terms used herein without definition shall have the respective meanings specified in the Glossary of Defined Terms set forth in Exhibit B of the Ground Lease, or as defined in the DDA.

2. Amendment of Ground Lease.

A. Section 3 of the Ground Lease is hereby amended to read as follows:

3. TERM.

3.1 Term. The term of this Lease ("**Term**") shall commence on the Lease Effective Date, and unless terminated sooner pursuant to Section 3.2, shall continue until 11:59 p.m. on the date that is the sixteenth (16th) anniversary of the Effective Date of that certain Amendment and Assignment of Ground Lease executed by and among OAKLAND REDEVELOPMENT SUCCESSOR AGENCY, successor agency to the Redevelopment Agency of the City of Oakland ("**ORSA**"), THE CITY OF OAKLAND, a municipal corporation ("**City**"), and FOX OAKLAND THEATER, INC., a California nonprofit public benefit corporation ("**FOT**") (the "**Amendment and Assignment Agreement**").

3.2 Termination of Lease. This Lease shall terminate on the earliest to occur of the following events (the "**Termination Date**"):

- (a) The expiration date of the Term;
- (b) The occurrence of any event specified in this Lease allowing Landlord or Tenant to terminate this Lease (subject to any notice and cure periods);
- (c) At Landlord's option, upon the occurrence of any Event of Default under the DDA;
- (d) A date mutually agreed upon by Landlord and Tenant; and
- (e) Upon City's exercise of its purchase option pursuant to that certain Leaseback Agreement with Option to Purchase executed by and between FOT and the City.

B. Section 5.2 of the Ground Lease is hereby amended to read as follows:

5.2 Title to Improvements and Personal Property. All existing improvements and personal property located in, on or at the Property or otherwise constituting part of the Property shall at all times during the Term of this Lease be leased to, and shall belong to, Tenant. Notwithstanding any transfer of the fee simple title interest by Landlord to any subsequent owner during the Term, Tenant shall at all times during the Term have title to

all tenant improvements and assets created as a result of qualified rehabilitation expenditures for Historic Tax Credit purposes throughout the Term of the Lease. Landlord (or subsequent Property owner) shall have title to the foregoing tenant improvements and assets after the Term. All the benefits and burdens of ownership of the foregoing shall be and remain in Tenant during the Term and shall be and remain in Landlord (or subsequent Property owner) after the Term.

C. Section 6 of the Ground Lease is hereby amended to read as follows:

6. RENT.

6.1 Capitalized Rent. Tenant shall pay Landlord, in lawful money of the United States of America, rent for the Term of this Lease in the amount of Six Million Five Hundred Thousand Dollars (\$6,500,000) (the "**Capitalized Rent**"). Tenant shall have no right to any rebate or reimbursement of the Capitalized Rent due to a Casualty, a Taking or the early termination of this Lease. The parties acknowledge that Tenant's obligation to pay the Capitalized Rent to Landlord has been satisfied as of the Effective Date of the Amendment and Assignment Agreement and shall be deemed satisfied notwithstanding any cancellation or forgiveness of that certain Promissory Note in amount of \$6,500,000 entered into between Tenant as Borrower and the Redevelopment Agency as Lender.

D. Section 37 of the Ground Lease is amended to read as follows:

37. NOTICES. All notices and other communications under this Lease shall be in writing and shall be deemed duly given: (a) when delivered if personally delivered to the recipient; (b) when transmitted by telecopier or facsimile device during normal business hours, provided such device is capable of generating a written confirmation of such transmission and receipt and an original is deposited in first class mail within two (2) Business Days thereafter addressed as set forth below; (c) on the first Business Day following delivery to an overnight delivery service, provided delivery is confirmed by the delivery service; and (d) on the earlier of actual receipt or three (3) Business Days following deposit in United States registered or certified mail, postage prepaid and return receipt requested, addressed to the parties as set forth below. Any party may change its address for notices by giving written notice to the other parties in the manner set forth above.

Notice to Landlord:

City of Oakland
One Frank H. Ogawa Plaza, 3rd Floor
Oakland, California 94612
Attn.: _____
Tel. No.: (510) 238-6906
Fax. No.: (510) 238-3691

and Economic & Workforce Development Agency
City of Oakland
250 Frank H. Ogawa Plaza, 5th Floor
Oakland, California 94612
Attn: Director of Economic & Workforce Development
Tel. No.: (510) 238-
Fax No.: (510) 238-3961

and Oakland City Attorney's Office
City of Oakland
One Frank H. Ogawa Plaza
Oakland, California 94612
Attention: Real Estate Unit
Tel. No.: (510) 238-
Fax. No.: (510) 238-6500

Notice to Tenant: Fox Oakland Theater, Inc.
Attn: Secretary of Fox Oakland Theater, Inc.
c/o Economic & Workforce Development
City of Oakland
250 Frank H. Ogawa Plaza, 5th Floor
Oakland, California 94612

The addresses set out above may be changed from time to time by written notice in compliance with this section.

5. Assignment and Assumption of Landlord's Interest under the Ground Lease.

As of the Effective Date, ORSA (as successor in interest to the Redevelopment Agency of the City of Oakland) hereby assigns its rights and obligations as Landlord in and under the Ground Lease to the City. In accordance with Section 17 of the Ground Lease, the City accepts such assignment, assumes ORSA's rights and obligations with respect to the Ground Lease, and releases ORSA from any further obligations in connection with the Ground Lease as of the Effective Date.

6. No Event of Default.

Notwithstanding anything to the contrary in the Ground Lease, Tenant's execution of this Agreement and the completion of any of the transactions referenced in the Recitals of this Agreement shall not constitute a Tenant Default under the terms of the Ground Lease nor an Event of Default under the DDA.

7. Recording. ORSA, City and FOT hereby consent to the recording of this document with the County Recorder of the County of Alameda upon request by ORSA, City, or FOT.

[SIGNATURES ON NEXT PAGE]

IN WITNESS WHEREOF, ORSA, City, and FOT have caused their duly authorized representatives to execute this Amendment and Assignment of Ground Lease as of the Effective Date.

CITY OF OAKLAND:

CITY OF OAKLAND, a municipal corporation

By: _____

Name: _____
City Administrator

APPROVED AS TO FORM AND LEGALITY:

Barbara Parker, City Attorney

By: _____

Deputy City Attorney

**OAKLAND REDEVELOPMENT
SUCCESSOR AGENCY:**

Oakland Redevelopment Successor Agency,
a successor agency to the Redevelopment
Agency of the City of Oakland

By: _____

Name: _____
Agency Executive Director

APPROVED AS TO FORM AND LEGALITY:

By: _____

Agency Counsel

SIGNATURES CONTINUE ON FOLLOWING PAGE.

TENANT:

FOX OAKLAND THEATER, INC.
a California non-profit public benefit
corporation

By: _____
Name: _____
Title: _____

By: _____
Name: _____
Title: _____

Exhibit D

Form of Pledge Agreement
(Fox Theater located at 1807 Telegraph Ave)

PLEDGE AGREEMENT

This **PLEDGE AGREEMENT** (this "**Agreement**"), dated as of _____, 202__ (the "**Effective Date**"), is made and entered into by **FOX OAKLAND THEATER, INC.**, a California nonprofit public benefit corporation ("**FOT**") for the benefit of **OAKLAND REDEVELOPMENT SUCCESSOR AGENCY**, successor agency to the Redevelopment Agency of the City of Oakland ("**ORSA**").

WHEREAS, the Redevelopment Agency of the City of Oakland (the "**Redevelopment Agency**") and FOT entered into that certain Amended and Restated Disposition and Development Agreement dated December 15, 2006, which was recorded with the Alameda County Recorder on December 22, 2006 as document no. 2006467561 ("**Amended and Restated DDA**"), and entered into that certain First Amendment to Amended and Restated Disposition and Development Agreement dated August 1, 2008, which was recorded with the Alameda County Recorder on August 7, 2008 as document no. 2008238366 ("**First Amendment**"). The Amended and Restated DDA and the First Amendment are together referred to herein as the "**DDA**". The DDA provides for the Redevelopment Agency's ground lease of the Fox Theater at 1807 Telegraph Avenue in the City of Oakland (the "**Fox Theater**") to Developer for a term of 60 years, and Developer's rehabilitation of the Fox Theater (the "**Project**").

WHEREAS, pursuant to the DDA, the Redevelopment Agency provided several loans for the development of the Fox Theater, including: (i) a \$6,500,000 capitalized lease payment and an initial \$25,500,000 loan in 2006; (ii) a \$7,450,000 loan in 2008 pursuant to the First Amendment, and (iii) a \$3,500,000 loan for buy out of the tax credit investors in 2016. The Redevelopment Agency also provided the following additional loans: (i) a \$1,400,000 loan to Fox Theater Master Tenant LLC ("**FTMT**") for tenant improvements on November 5, 2009 that was assigned from FTMT to Developer on April 18, 2017; and (ii) a \$2,000,000 loan on January 6, 2010. All of the foregoing loans are together referred to herein as the "**Fox Theater Loans**."

WHEREAS, upon dissolution of the Redevelopment Agency pursuant to ABx1 26 in 2012, the Redevelopment Agency's assets, including the Fox Theater Loans and associated rights under the DDA, were transferred by operation of law to ORSA.

WHEREAS, ORSA approved a Long Range Property Management Plan on May 20, 2014, which was then approved by Oakland Oversight Board on May 22, 2014, and by the California Department of Finance on May 29, 2014. This Long Range Property Management Plan ("**LRPMP**") authorizes the transfer of the Fox Theater from ORSA to the City of Oakland ("**City**") once certain obligations under the DDA and the existing Ground Lease are extinguished.

WHEREAS, FOT is entering into this agreement to facilitate a transaction relating to the Property that will reduce existing liabilities of ORSA, increase net revenues to the taxing entities, and facilitate transfer of the Property to the City pursuant to the LRPMP.

WHEREAS, in connection with the foregoing transaction, FOT and ORSA will execute an amendment to the DDA to allow for its termination upon transfer of the Property to the City, the assignment of ORSA's interest as landlord under the Ground Lease to the City, and ORSA's

cancellation of the existing Fox Theater Loans in exchange for the execution and delivery of this Agreement requiring FOT to pay to ORSA \$247,500 for a 16-year period and FOT's payment to ORSA of approximately \$4.4 million in current operating and replacement reserves.

WHEREAS, as part of the transaction, the City will manage the Fox Theater and lease back the building improvements owned by FOT and the Property under a Lease Back Agreement and Option to Purchase pursuant to which City will be obligated to pay rent to FOT in the amount of \$247,500 per year for 16 years, and will have an option to acquire title to the Fox Theater improvements when all of FOT's payment obligations under this Agreement are satisfied.

NOW, THEREFORE, in consideration of the promises and the covenants hereinafter contained, and in consideration of the transaction set forth in the Recitals, and to induce ORSA to cancel the existing Fox Theater Loans, and other good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged FOT hereby agrees as follows:

1. Definitions. Capitalized terms not otherwise defined herein shall have the meanings set forth in the Lease Back Agreement.

2. Promise to Pay. In consideration for ORSA's agreement to cancel the Fox Theater Loans, FOT hereby promises and irrevocably pledges to pay to ORSA the (i) the sum of \$4,400,000 in one lump sum within ___ days following the Effective Date, and (ii) the aggregate amount of \$3,960,000, to be paid in equal annual installments of Two Hundred and Forty-Seven Thousand, Five Hundred Dollars (\$247,500) beginning on the Effective Date and annually on each anniversary thereof (the "**Obligation**"). The Obligation shall not bear interest and may be prepaid in whole or in part at any time without premium or penalty.

3. Pledge of Payment and Security. FOT hereby grants and pledges to ORSA, to secure payment on the Obligation, a security interest in all of the following (collectively, the "**Pledged Collateral**") as security for the prompt payment of the Obligation:

(a) FOT's interest in the Lease Back Agreement and Option to Purchase, dated as of _____, 202__, entered into by and between FOT and the City of Oakland (the "**Lease Back Agreement**"), including without limitation all of FOT's rents receivable, accounts receivable, and any other income or assets received or receivable by FOT under the Lease Back Agreement, and all dividends, distributions, cash, instruments, tax benefits, allocations of taxable income and loss, and other property or proceeds from time to time received, receivable or otherwise distributed to FOT with respect to the Lease Back Agreement;

(b) all rights and privileges of FOT with respect to the property referred to in clause (a) above; and

(c) all distributions, profits, and proceeds of or from any of the foregoing.

The security interest in the Pledged Collateral granted to ORSA pursuant to this Section 3 shall terminate as of the date of payment in full of the Obligation.

4. Representations and Warranties. FOT represents and warrants to ORSA as of the Effective Date as follows:

(a) FOT is duly organized, validly existing and in good standing under the laws of the State of California and has the legal power and authority to own its assets and to carry on its business as now being and hereafter proposed to be conducted.

(b) FOT is the sole holder of record and the sole beneficial owner of the Pledged Collateral, free and clear of any lien, charge or encumbrance thereon or affecting the title thereto.

(c) FOT has the right and requisite authority to pledge the Pledged Collateral to ORSA for payment of the Obligation, as provided herein.

(d) This Agreement has been duly authorized, executed and delivered by FOT and constitutes the legal, valid and binding obligation of FOT enforceable in accordance with its terms, except to the extent that such enforceability may be limited by laws generally affecting the enforcement of creditors' rights and principles of equity.

5. Covenants. FOT covenants and agrees that until the payment in full of the Obligation:

(a) FOT will not sell, assign, transfer, pledge, or otherwise encumber any of its rights in the Pledged Collateral or any dividends or other distributions or payments with respect thereto, or grant a lien, charge, encumbrance or security interest in any part thereof, except as otherwise permitted in writing by ORSA.

(b) FOT will, at its expense, promptly execute, acknowledge and deliver all such instruments and take all such action as ORSA from time to time may reasonably request in order to ensure to ORSA the benefits of the security interests in and to the Pledged Collateral intended to be created by this Agreement, including the filing of any necessary Uniform Commercial Code financing statements, which may be filed by ORSA without the signature of FOT.

(c) FOT will defend the title to the Pledged Collateral and ORSA's security interest therein, for the benefit of ORSA against the claim of any person until the payment in full of the Obligation.

(d) FOT shall not grant any additional security interest in the Pledged Collateral without consent of ORSA.

6. Defaults and Remedies. FOT's failure to make a payment as required by the terms of Section 2 of this Agreement shall be considered an event of default, provided that FOT is provided notice of non-payment and a period of 30 days to correct such non-payment. Upon such event of default, ORSA may proceed to enforce payment against FOT and may exercise any and all rights and remedies provided by the California Commercial Code as well as any other rights

and remedies available at law or in equity; provided however, the liability of FOT hereunder shall be limited to the Collateral, and neither FOT nor its officers, employees, or Board members shall have personal liability hereunder.

7. No Waiver. No delay on ORSA's part in exercising any right or remedy hereunder, and no notice or demand which may be given to or made upon FOT by ORSA shall constitute a waiver thereof, or limit or impair ORSA's right to take any action or to exercise any rights or remedies hereunder.

8. Termination. This Agreement shall terminate and be of no further force or effect at such time as the Obligation shall have been irrevocably paid and performed in full. Upon such payment and performance in full of the Obligation, all of FOT's obligations hereunder shall at such time terminate.

9. Security Interest Absolute. All rights of ORSA hereunder, and all obligations of FOT hereunder, shall be absolute and unconditional irrespective of:

(a) any lack of validity or enforceability of any other instrument governing or evidencing the Obligation;

(b) any change in the time, manner or place of payment of, or in any other term of, all or any part of the Obligation, or any other amendment or waiver of or any consent to any departure from the strict terms of this Agreement;

(c) any other obligation of FOT, including any other obligation under the Lease Back Agreement;

(d) any exchange, release or non-perfection of any other collateral, or any release or amendment or waiver of or consent to departure from any guaranty, for the Obligation; or

(e) any other circumstance which might otherwise constitute a defense available to, or a discharge of, FOT.

14. Miscellaneous. This Agreement shall be binding upon and shall inure to the benefit of, and be enforceable by FOT and ORSA and their successors and assigns. This Agreement shall be governed by, and construed and enforced in accordance with, the internal laws in effect in the State of California without giving effect to principles of conflict of laws, and none of the terms or provisions of this Agreement may be waived, altered, modified or amended except in writing duly signed for and on behalf of ORSA and FOT. Neither ORSA, nor any of its respective officers, directors, employees, agents or counsel shall be liable for any action lawfully taken or omitted to be taken by it or them hereunder or in connection herewith, except for its or their own gross negligence or willful misconduct.

15. Severability. If for any reason any provision or provisions hereof are determined to be invalid and contrary to any existing or future law, such invalidity shall not impair the operation of or affect those portions of this Agreement which are valid.

16. Notices. All notices and other communications provided to any party hereto under this Agreement shall be in writing and addressed to FOT in the address set forth in the Lease Back Agreement and to ORSA at the following address:

Oakland Redevelopment Successor Agency
One Frank H. Ogawa Plaza, Floor _____
Oakland, California 94612
Attn.: _____
Tel. No.: (510) 238-6906
Fax. No.: (510) 238-3691

and

Oakland City Attorney's Office
City of Oakland
One Frank H. Ogawa Plaza
Oakland, California 94612
Attention: _____
Tel. No.: (510) 238-_____
Fax. No.: (510) 238-6500

IN WITNESS WHEREOF, this Pledge Agreement has been duly executed as of the date first written above.

FOX OAKLAND THEATER, INC.:

Fox Oakland Theater, Inc.,
a California non-profit public benefit
corporation

By: _____
Name: _____
Title: _____

By: _____
Name: _____
Title: _____

Exhibit E

Form of Loan Satisfaction Agreement
(Fox Theater located at 1807 Telegraph Ave)

LOAN SATISFACTION AGREEMENT

(Fox Theater)

This LOAN SATISFACTION AGREEMENT (this "**Agreement**") is made and entered into as of _____, 202__, by and between OAKLAND REDEVELOPMENT SUCCESSOR AGENCY, successor agency to the Redevelopment Agency of the City of Oakland ("**ORSA**") and Fox Oakland Theater, Inc., a California nonprofit public benefit corporation ("**FOT**").

RECITALS

A. The Redevelopment Agency of the City of Oakland (the "**Redevelopment Agency**") and FOT entered into that certain Amended and Restated Disposition and Development Agreement dated December 15, 2006, which was recorded with the Alameda County Recorder on December 22, 2006 as document no. 2006467561 ("**Amended and Restated DDA**"), and entered into that certain First Amendment to Amended and Restated Disposition and Development Agreement dated August 1, 2008, which was recorded with the Alameda County Recorder on August 7, 2008 as document no. 2008238366 ("**First Amendment**"). The Amended and Restated DDA as amended by the First Amendment is referred to herein as the "**DDA**". The DDA provides for the Redevelopment Agency's ground lease of the Fox Theater at 1807 Telegraph Avenue in the City of Oakland (the "**Fox Theater**") to FOT for a term of 60 years, and FOT's rehabilitation of the Fox Theater (the "**Project**").

B. Pursuant to the DDA, the Redevelopment Agency provided several loans for the Project, including: (i) a \$6,500,000 capitalized lease payment and an initial \$25,500,000 loan in 2006; (ii) a \$7,450,000 loan in 2008 pursuant to the First Amendment, and (iii) a \$3,500,000 loan for buy out of the tax credit investors in 2016. The Redevelopment Agency also provided the following additional loans: (i) a \$1,400,000 loan to Fox Theater Master Tenant LLC ("**FTMT**") for tenant improvements on November 5, 2009 that was assigned from FTMT to FOT on April 18, 2017; and (ii) a \$2,000,000 loan on January 6, 2010. All of the foregoing six loans totaling \$46,350,000 and approximately \$27,900,000 of accrued interest thereon are together referred to herein as the "**Fox Theater Loans**."

C. Upon dissolution of the Redevelopment Agency pursuant to ABx1 26 in 2012, the Redevelopment Agency's assets, including the Fox Theater Loans and associated rights under the DDA and the ground lease of the Property, were transferred by operation of law to ORSA.

D. ORSA approved a Long Range Property Management Plan on May 20, 2014, which was approved by Oakland Oversight Board on May 22, 2014, and by the California Department of Finance on May 29, 2014. The Long Range Property Management Plan ("**LRPMP**") authorizes the transfer of the Fox Theater from ORSA to the City of Oakland ("**City**") once certain obligations under the DDA and the existing Ground Lease are extinguished.

E. ORSA and FOT acknowledge that FOT has insufficient cash flow to pay the full debt service on the Fox Theater Loans, and that a restructuring of the Fox Theater Loans and the transfer of the Fox Theater property to the City in accordance with the LRPMP will benefit ORSA by providing the opportunity for earlier dissolution of ORSA, the elimination of ORSA's costs of oversight and administration related to the Fox Theater, and an overall anticipated increase in revenue to taxing agencies.

F. With the approval of the County of Alameda Countywide Oversight Board and the California Department of Finance, ORSA and FOT entered into a Second Amendment to Amended and Restated Disposition and Development Agreement dated as of the date hereof (the “**Second Amendment to DDA**”). The Second Amendment to DDA provides for the execution of the following documents, the implementation of the following transactions, and the termination of the DDA:

1. A Grant Deed executed by ORSA conveying the Fox Theater Property to the City;
2. An Amendment and Assignment of the existing Ground Lease of the Fox Theater property to be executed by and among ORSA as assignor and existing ground lessor (as successor in interest to the Agency), City as assignee and new ground lessor, and FOT as ground lessee;
3. A Lease Back Agreement with Option to Purchase to be executed by and between the City as lessee and FOT as lessor, pursuant to which FOT will lease its interests in the Project back to the City, in exchange for City’s commitment to make an annual lease payment to FOT in the amount of \$247,500 for a term of 16 years, and which provides the City with an option to purchase the improvements for one dollar upon the satisfaction of the Pledge Agreement payment obligations (described below);
4. A Pledge Agreement to be executed by FOT (“**Pledge Agreement**”) pursuant to which FOT will pledge to pay to ORSA the sum of \$4,400,000 in operating and replacement reserves (the “**Reserves**”) and the sum of \$247,500 per year for 16 years, with an option to prepay all amounts due without penalty;
5. FOT’s assignment to the City of all existing subleases and all service contracts regarding the Fox Theater Project; and
6. ORSA’s cancellation of the promissory notes evidencing the Fox Theater Loans, termination of all other evidence of indebtedness for the Fox Theater Loans, and reconveyance of any associated deeds of trust or security instruments;

G. The parties desire to enter into this Agreement to evidence the forgiveness in full of the Fox Theater Loans and the termination of the loan agreements, promissory notes, and security instruments related to the Fox Theater Loans in exchange for FOT’s payment of the Reserves to ORSA and FOT’s execution and delivery of the Pledge Agreement to ORSA.

AGREEMENT

NOW, THEREFORE, in consideration of the foregoing Recitals, the covenants and agreements set forth in this Agreement, and for other good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged, the parties agree as follows:

1. Full Satisfaction of the Fox Theater Loans. The parties agree that upon FOT's payment of the Reserves to ORSA and FOT's execution and delivery of the Pledge Agreement to ORSA, the Fox Theater Loans shall be deemed satisfied and forgiven in full, all loan agreements, promissory notes, and other instruments evidencing or securing the Fox Theater Loans, including but not limited to, the documents listed in Exhibit A attached hereto, shall be terminated and cancelled, and all deeds of trust and other instruments securing repayment of the Fox Theater Loans shall be terminated, released, and reconveyed. To implement the foregoing, ORSA shall (a) mark each of the promissory notes evidencing any of the Fox Theater Loans "cancelled," and return the same to FOT or deliver to FOT affidavits of lost notes and confirmation of their satisfaction, (b) prepare and file UCC-3 statements as necessary to terminate any UCC-1 Financing Statements filed as security for any of the Fox Theater Loans, (c) execute and record such instruments as may be necessary to release and reconvey any deeds of trust or other security instruments recorded as security for repayment of any of the Fox Theater Loans, and (d) execute and deliver to FOT terminations of all other agreements evidencing the Fox Theater Loans.

2. Miscellaneous.

2.1 Amendment. This Agreement may be amended, supplemented or modified only by a written instrument duly executed by the parties.

2.2 Binding Effect. This Agreement is binding upon, inures to the benefit of, and is enforceable by the parties and their respective successors and assigns.

2.3 Governing Law; Venue. This Agreement shall be governed by and construed in accordance with the laws of the State of California without regard to principles of conflicts of laws.

2.4 Severability. If any provisions contained in this Agreement or any document executed in connection herewith shall be invalid, illegal or unenforceable in any respect, under any applicable law, the validity, legality and enforceability of the remaining provisions contained herein shall not, in any way, be affected or impaired, and such illegal, invalid or unenforceable provisions shall be replaced by other provisions in accordance with the purpose and meaning of this Agreement.

2.5 Interpretation. The section headings and captions used herein are solely for convenience and shall not be used to interpret this Agreement. The Parties acknowledge that this Agreement is the product of negotiation and compromise on the part of both Parties, and the Parties agree, that since both Parties have participated in the negotiation and drafting of this Agreement, this Agreement shall not be construed as if prepared by one of the Parties, but rather according to its fair meaning as a whole, as if all Parties had prepared it.

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

IN WITNESS WHEREOF, this Loan Satisfaction Agreement has been duly executed and delivered by the duly authorized person of each Party as of the date first set forth above.

OAKLAND REDEVELOPMENT SUCCESSOR AGENCY, successor agency to the Redevelopment Agency of the City of Oakland

By: _____

Name: _____
ORSA Administrator

Approved as to form and legality:

By: _____
ORSA Counsel

FOX OAKLAND THEATER, INC., a California nonprofit public benefit corporation.

By: _____

Name: _____

Title: _____

By: _____

Name: _____

Title: _____

Exhibit A

LOAN DOCUMENTS

(Attach list of promissory notes, loan agreements, deeds of trust and security instruments related to the Fox Theater Loans.)