

EXHIBIT L

CITY/AGENCY PAYMENT AGREEMENT

This Agreement is made as of _____, 2007 by and between the City of Sunnyvale ("City"), a charter city, and the Sunnyvale Redevelopment Agency ("Agency"), a public body corporate and politic, with reference to the following:

A. The Agency has entered into an Amended and Restated Disposition and Development and Owner Participation Agreement (the "DDOPA") with Downtown Sunnyvale Mixed Use, LLC ("Developer"). Pursuant to the DDOPA, Developer will develop, among other things, Public Parking Structures (as defined in the DDOPA) on the Public Parking Parcels (as defined in the DDOPA) owned by the Agency.

B. Concurrent with execution of this Agreement, the Agency has granted to the City an easement over the Public Parking Parcels (the "Public Parking Easement") that assures that those parcels and the Public Parking Structures will remain available for public parking.

C. In consideration for the Agency granting the Public Parking Easement to the City, the City desires to make certain payments to the Agency.

THEREFORE, the Agency and City agree as follows:

1. Payment Amount. Each year during the term of this Agreement the City shall pay to the Agency an amount equal to the Annual Payment as defined in the DDOPA (the "City Payment").
2. Timing of Payments. The City Payment shall be made in the manner and at the time specified in the Sections 8.01 and 8.02 for payment of the Annual Payment.
3. Term. The term of this Agreement shall extend for so long as there owing from the Agency to the City amounts on debt incurred prior to January 1, 1986.
4. No Withholding. Notwithstanding any dispute between the Agency and the City, other than a dispute arising under Section 8 below as a result of which the City has concluded that it may not legally pay the City Payment in dispute, the City shall pay the City Payment when due and shall not withhold it pending the final resolution of such dispute. Notwithstanding the foregoing, if, pursuant to Section 8.04 of the DDOPA, the Agency concludes that the Annual Payment should be suspended, then the City Payment under this Agreement may likewise be suspended.
5. Fair Value. The City Payment shall be paid by the City in consideration of the right of the City to require the Public Parking Parcel and the Public Parking Structures to be used for public parking for each year for which the City Payment is paid. The parties hereto have agreed and determined that the total of the City Payments to be paid hereunder does not exceed the fair value of the benefits to the City during the term of this Agreement. In making such

determination, consideration has been given to the fair value of the Public Parking Parcels (including but not limited to costs of maintenance, taxes and insurance to be borne by the Developer), the uses and purposes which may be served by the Public Parking Parcels and the essential public benefits therefrom which will accrue to the City and the general public.

6. Budget and Appropriation. The City covenants to take such action as may be necessary to include the City Payments due hereunder in each of its proposed annual budgets and its final adopted annual budgets through the term of this Agreement and to make the necessary appropriations for the City Payments.

The obligation of the City to pay the City Payments hereunder shall constitute a current expense of the City and shall not in any way be construed to be a debt of the City, or the State, or any political subdivision thereof, in contravention of any applicable constitutional or statutory limitation or requirements concerning the creation of indebtedness by the City, the State, or any political subdivision thereof, nor shall anything contained herein constitute a pledge of general revenues, funds or moneys of the City or an obligation of the City for which the City is obligated to levy or pledge any form of taxation or for which the City has levied or pledged any form of taxation.

7. Use and Possession. The City Payment due with respect to any fiscal year shall be for the use of the Public Parking Parcels for such fiscal year.

8. Abatement of Rent. Except to the extent that proceeds of the type described in the following paragraph are available, the City Payment shall be abated during any period in which there is substantial interference with the use of all or a portion of the Public Parking Structures by the public by condemnation, damage, destruction or title defect. The amount of such abatement shall be such that the resulting City Payment, exclusive of the amounts described in the following paragraph, does not exceed the fair value (as determined by one or more independent appraisers selected by the City, who are not employees of the City) for the use of the portion of the Public Parking Structures for which no substantial interference has occurred. The City shall calculate such abatement and shall provide the Agency with a certificate setting forth such calculation and the basis therefore. Such abatement shall continue for the period of the substantial interference with the use or possession of the Public Parking Structures. Except as provided herein, in the event of any such interference with use or possession, this Agreement shall continue in full force and effect and the City waives any right to terminate this Agreement by virtue of any such interference.

Notwithstanding a substantial interference with the use or possession of all or a portion of the Public Parking Structures, the City shall remain obligated to pay the City Payment (i) in an amount not to exceed the fair value during each fiscal year for the portion of the Public Parking Structures not damaged, destroyed, interfered with or taken, as determined by an independent real estate appraiser selected by the City (who is not an employee of the City); or (ii) to the extent that moneys derived from any person as a result of any delay in the construction, reconstruction, replacement or repair of the Public Parking Structures, or any portion thereof, are available to pay the amount which would otherwise be abated. The City shall use its best efforts to provide sufficient funds in order to ensure completion of the reconstruction, repair, restoration,

modification or improvement of the Public Parking Structures and pending such reconstruction, repair, restoration, modification or improvement of the Public Parking Structures.

9. Events of Default Defined. The following shall be "events of default" under this Agreement and the terms "events of default" and "default" shall mean, whenever they are used in this Agreement, any one or more of the following events:

(a) Payment Default. Failure by the City to pay the City Payment required to be paid hereunder on the date such payments are due hereunder.

(b) Covenant Default. Failure by the City to observe and perform any warranty, covenant, condition or agreement on its part to be observed or performed herein or otherwise with respect hereto, other than as referred to in clause (a) of this Section, for a period of 30 days after written notice specifying such failure and requesting that it be remedied has been given to the City by the Agency; provided, however, if the failure stated in the notice cannot be corrected within the applicable period, then no event of default shall have occurred so long as corrective action is instituted by the City within the applicable period and diligently pursued until the default is corrected.

(c) Bankruptcy or Insolvency. The filing by the City of a case in bankruptcy, or the subjection of any right or interest of the City under this Agreement, any execution, garnishment or attachment, or adjudication of the City as a bankrupt, or assignment by the City for the benefit of creditors, or the entry by the City into an agreement of composition with creditors, or the approval by a court of competent jurisdiction of a petition applicable to the City in any proceedings instituted under the provisions of the federal bankruptcy code, as amended, or under any similar act which may hereafter be enacted.

10. Remedies on Default. Whenever any event of default referred to in Section 9 hereof shall have happened and be continuing, Agency, or its assignee, may exercise any and all remedies available pursuant to law or granted pursuant to this Agreement; provided, THERE SHALL BE NO RIGHT UNDER ANY CIRCUMSTANCES TO ACCELERATE THE CITY PAYMENT OR OTHERWISE DECLARE ANY CITY PAYMENT NOT THEN DUE OR PAST DUE TO BE IMMEDIATELY DUE AND PAYABLE.

No remedy conferred herein upon or reserved to the Agency is intended to be exclusive and every such remedy shall be cumulative and shall be in addition to every other remedy given under this Agreement or now or hereafter existing at law or in equity. No delay or omission to exercise any right or power accruing upon any default shall impair any such right or power or shall be construed to be a waiver thereof, but any such right and power may be exercised from time to time and as often as may be deemed expedient. In order to entitle the Agency to exercise any remedy reserved to it in this Article it shall not be necessary to give any notice, other than such notice as may be required in this Article or by law.

11. Additional Waiver Implied by One Waiver. In the event any agreement contained in this Agreement should be breached by either party and thereafter waived by the other party, such waiver shall be limited to the particular breach so waived and shall not be deemed to waive any other breach hereunder.

12. Notices. All notices, certificates or other communications hereunder to the Agency and City shall be in writing and shall be sufficiently given and shall be deemed given when delivered or mailed by registered or certified mail, postage pre-paid, return receipt requested, delivered personally, or sent by reputable overnight service or sent by facsimile transmission with a copy mailed by first class United States mail to the principal office of the City and the Agency as follows:

If to the City: City of Sunnyvale
456 West Olive Avenue
P.O. Box 3707
Sunnyvale, CA 94088-3707
Attn: City Manager
Phone: (408) 730-7480
Fax: (408) 730-7699

If to the Agency: Sunnyvale Redevelopment Agency
456 West Olive Avenue
P.O. Box 3707
Sunnyvale, CA 94088-3707
Attention: Executive Director
Phone: (408) 730-7480
Fax: (408) 730-7699

The City and the Agency, by notice given hereunder, may designate different addresses to which subsequent notices, certificates or other communications will be sent.

13. Binding Effect. This Agreement shall inure to the benefit of and shall be binding upon the Agency and the City and their respective successors and assigns.

14. Severability. In the event any provision of this Agreement shall be held invalid or unenforceable by a court of competent jurisdiction, such holding shall not invalidate or render unenforceable any other provision hereof.

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

16. Applicable Law. This Agreement shall be governed by and construed in accordance with the laws of the State.

17. Captions. The captions or headings in this Agreement are for convenience only and in no way define, limit or describe the scope or intent of any provisions or sections of this Agreement.

18. Further Assurances and Corrective Instruments. The Agency and the City agree that they will, from time to time, execute, acknowledge and deliver, or cause to be executed,

acknowledged and delivered, such supplements hereto and such further instruments as may reasonably be required for carrying out the expressed intention of this Agreement.

19. Right to Terminate Agreement. Notwithstanding anything to the contrary in this Agreement, the City and Agency shall not terminate this Agreement prior to the end of the term without consent of the Developer (as such term is defined in the DDOPA) pursuant to the DDOPA.

IN WITNESS WHEREOF, the Agency has caused this Agreement to be executed in its name by its duly authorized officers, and the City has caused this Agreement to be executed in its name by its duly authorized officers, as of the date first above written.

SUNNYVALE REDEVELOPMENT AGENCY

By: _____

Name: _____

Title: _____

ATTEST:

Secretary

APPROVED AS TO FORM

Agency Counsel

CITY OF SUNNYVALE

By: _____

Name: _____

Title: _____

ATTEST:

City Clerk

APPROVED AS TO FORM

City Attorney