

RESOLUTION NO. 2005-041

ADOPTED BY THE REDEVELOPMENT AGENCY OF THE CITY OF SACRAMENTO

ON DATE OF
JUN 07 2005

AUTHORIZING THE EXECUTION AND DELIVERY OF AMENDMENTS TO A LOAN AGREEMENTS AND ADVANCE REPAYMENT AGREEMENTS WITH THE CITY OF SACRAMENTO AND THE SACRAMENTO CITY FINANCING AUTHORITY RELATING TO CERTAIN REDEVELOPMENT PROJECTS, AND AUTHORIZING THE EXECUTION AND DELIVERY OF A CONTINUING DISCLOSURE CERTIFICATE FOR THE SACRAMENTO CITY FINANCING AUTHORITY 2005 REFUNDING REVENUE BONDS (SOLID WASTE, REDEVELOPMENT AND MASTER LEASE PROGRAM FACILITIES) AND APPROVING THE EXECUTION AND DELIVERY BY THE SACRAMENTO CITY FINANCING AUTHORITY OF A BOND PURCHASE CONTRACT FOR SUCH REFUNDING BONDS AND APPROVING THE DISTRIBUTION BY THE SACRAMENTO CITY FINANCING AUTHORITY OF A PRELIMINARY OFFICIAL STATEMENT AND APPROVING THE EXECUTION, DELIVERY AND DISTRIBUTION BY THE SACRAMENTO CITY FINANCING AUTHORITY OF A FINAL OFFICIAL STATEMENT FOR SUCH REFUNDING BONDS AND APPROVING CERTAIN OTHER ACTIONS IN CONNECTION THEREWITH

WHEREAS, the Sacramento City Financing Authority (the "Authority") is authorized pursuant Articles 1 and 4 of Chapter 5, Division 7, Title 1 (commencing with Section 6500) of the Government Code of the State of California, and all laws amendatory thereof or supplemental thereto, to issue revenue bonds to provide funds to assist local entities to finance or refinance capital improvements in order that such local entities may achieve their public purposes; and

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

WHEREAS, redevelopment plans for redevelopment project areas known and designated as the Merged Downtown Sacramento Redevelopment Project, the Stockton Boulevard Redevelopment Project, the Oak Park Redevelopment Project, the Del Paso Heights Redevelopment Project, the Richards Boulevard

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Redevelopment Project and the North Sacramento Redevelopment Project (collectively, the "Redevelopment Project Areas"), located wholly or partially within the City of Sacramento, have been adopted in compliance with all requirements of the Redevelopment Law; and

WHEREAS, for the purpose of financing redevelopment activities within or of benefit to a certain Redevelopment Project Area, the Agency has previously authorized, executed and delivered the Del Paso Heights Loan Agreement and an Oak Park Loan Agreement, both dated as of December 1, 1999, by and among the Authority, the City and the Agency (the "Redevelopment Loan Agreement"), and pursuant thereto certain funds were advanced to the Agency to pay for the costs of acquisition and construction of various projects and improvements within a certain Redevelopment Project Area (the "Redevelopment Projects"); and

WHEREAS, for the purpose of financing redevelopment activities within or of benefit to certain of the Redevelopment Project Areas, the Agency has previously authorized, executed and delivered the following Advance Repayment Agreements: a Del Paso Heights Advance Repayment Agreement, an Oak Park Advance Repayment Agreement, a Richards Boulevard Advance Repayment Agreement and a North Sacramento Advance Repayment Agreement, all dated as of December 1, 1999, and all by and between the City and the Agency, and a Merged Downtown Advance Repayment Agreement, dated as of July 1, 2002, by and between the Agency and the City, and a Stockton Boulevard Advance Repayment Agreement, dated as of July 1, 2002, by and among the Agency, the Redevelopment Agency of the County of Sacramento and the City (collectively, the "Redevelopment Advance Payment Agreements" and together with the Redevelopment Loan Agreements, the "Redevelopment Agreements"), and pursuant thereto certain funds were advanced to the Agency to pay for the costs of acquisition and construction of various projects and improvements within certain of the Agency's Redevelopment Project Areas (the "Additional Redevelopment Projects"); and

WHEREAS, the Agency has determined that it may reduce the costs of the Redevelopment Projects and the Additional Redevelopment Projects through the Authority issuing its 2005 Refunding Revenue Bonds (Solid Waste, Redevelopment and Master Lease Program Facilities) (the "Refunding Bonds") and amending the Redevelopment Loan Agreements to reduce the amount of certain of the loan payments to be made by the Agency thereunder (the "Prior Redevelopment Loan Payments") and amending the Redevelopment Advance Payment Agreements to reduce the amount of certain loan payments to be made by the Agency thereunder (the "Prior Additional Redevelopment Loan Payments" and together with the Prior Redevelopment Loan Payments the "Prior Redevelopment Payments"), as and to the extent authorized by this Resolution;

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WHEREAS, the City Council of the City has determined that it is in the best interests of the City and its citizens and is necessary and proper for City purposes and the Agency has determined that it is in the best interests of the Agency and is necessary and proper for Agency purposes that the terms of the Redevelopment Loan Agreements be so amended in a First Amendment to Del Paso Heights Loan Agreement, dated as of June 1, 2005, by and among the Authority, the City and the Agency (the "Amendment to Redevelopment Loan Agreement") in substantially the forms presented to this meeting; and

WHEREAS, the City Council of the City has determined that it is in the best interests of the City and its citizens and is necessary and proper for City purposes and the Agency has determined that it is in the best interests of the Agency and is necessary and proper for Agency purposes that the terms of the Redevelopment Advance Payments Agreements be so amended in a First Amendment to Del Paso Heights Advance Repayment Agreement, a First Amendment to Oak Park Advance Repayment Agreement, a First Amendment to Richards Boulevard Advance Repayment Agreement, a First Amendment to North Sacramento Advance Repayment Agreement, a First Amendment to Merged Downtown Advance Repayment Agreement, all dated as of June 1, 2005, and all by and between the City and the Agency, and a First Amendment to Stockton Boulevard Advance Repayment Agreement, dated as of June 1, 2005, and by and among the City, the Agency and the Redevelopment Agency of the County of Sacramento (collectively, the "Amendments to Redevelopment Advance Payment Agreements" and together with the Amendments to Redevelopment Loan Agreements, the "Redevelopment Agreement Amendments") in substantially the forms presented to this meeting; and

WHEREAS, under the Redevelopment Agreement Amendments, the Agency will be obligated to make reduced loan payments to the City (the "2005 Redevelopment Loan Payment") to repay the loans and advances made by the City to the Agency; and

WHEREAS, in connection with the issuance of the Refunding Bonds, the Authority (with the approval of the City and the Agency) will approve the distribution of a Preliminary Official Statement for the Refunding Bonds (the "Preliminary Official Statement") and the Authority (with the approval of the City and the Agency) will enter into a Bond Purchase Contract providing for the sale of the Refunding Bonds (the "Bond Purchase Contract") and the Agency will execute a Continuing Disclosure Certificate for the Refunding Bonds (the "Continuing Disclosure Certificate") in compliance with Securities and Exchange Commission Rule 15c2-12(b)(5), in substantially the forms of the Preliminary Official Statement, the Bond Purchase Contract and the Continuing Disclosure Certificate presented to this meeting, and (after the sale of the Refunding Bonds)

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the Authority (with the approval of the City and the Agency) will execute and deliver and authorize the distribution of a Final Official Statement for the Refunding Bonds (the "Final Official Statement"); and

WHEREAS, all acts, conditions and things required by law to exist, to have happened and to have been performed precedent to and in connection with the authorization of the execution and delivery of the Redevelopment Agreement Amendments do exist, have happened and have been performed in regular and due time, form and manner as required by law, and the Agency is now duly authorized to execute and deliver the Redevelopment Agreement Amendments, to approve the distribution of the Preliminary Official Statement by the Authority, the execution by the Authority of the Bond Purchase Contract and (after the sale of the Bonds) to execute and deliver and authorize the distribution of the Final Official Statement;

BE IT RESOLVED BY THE REDEVELOPMENT AGENCY OF THE CITY OF SACRAMENTO:

Section 1. All of the foregoing recitals are true and correct, and the Agency so finds and determines.

Section 2. The Executive Director of the Agency (the "Executive Director"), or any officer of the Agency designated thereby, is hereby authorized and directed to execute and deliver the Redevelopment Agreement Amendments, for and on behalf of the Agency, in substantially the form presented to this meeting, with such additions thereto or changes therein as the officer executing the Redevelopment Agreement Amendments shall require or approve, such approval to be conclusively evidenced by the execution and delivery thereof; provided, that the 2005 Redevelopment Loan Payments when compared to the Prior Redevelopment Payments shall be in a reduced amount that the Treasurer of the City, upon consultation with the Representative (as that term is hereinafter defined), determines shall result in an aggregate present value savings to the Agency of not less than three percent (3%), which determination by the Treasurer of the City shall be final, conclusive and binding upon the Authority, the City and the Agency.

Section 3. The Executive Director, or any officer of the Agency designated thereby, is hereby authorized and directed to indicate, for and on behalf of the Agency, the Agency's approval of the Purchase Contract between Goldman, Sachs & Co., as the representative of the underwriters of the Refunding Bonds (the "Representative"), and the Authority, providing for the sale of the Refunding Bonds by the Authority to the Representatives, by executing and delivering such Purchase Contract in substantially the form presented to this meeting, with such additions thereto or changes therein as the officer executing

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the Purchase Contract shall require or approve, such approval to be conclusively evidenced by the execution and delivery thereof; provided, that the requirements set forth in the final proviso of Section 2 of this Resolution are satisfied.

Section 4. The Executive Director, or any officer of the Agency designated thereby, is hereby authorized and directed to execute and deliver the Continuing Disclosure Certificate for and on behalf of the Agency in substantially the form presented to this meeting, with such additions thereto or changes therein as the officer executing the Continuing Disclosure Certificate shall approve, such approval to be conclusively evidenced by the execution and delivery thereof.

Section 5. After the sale of the Refunding Bonds, the Executive Director, or any officer designated thereby, is hereby authorized and directed, for and on behalf of the Agency, to approve the execution and delivery by the Authority to the Representatives of the Final Official Statement, with such additions thereto or changes therein as the Authority (with the approval of the City and the Agency) shall require or approve, such approval to be conclusively evidenced by the execution and delivery thereof; and the Representative is hereby directed to distribute copies of the Final Official Statement to all purchasers of the Refunding Bonds. The distribution of the Preliminary Official Statement by the Authority is hereby approved by the Agency.

Section 6. The officers of the Agency are hereby each authorized and directed, jointly and severally, to do any and all things and to execute and deliver any and all documents, including without limitation, any documents as may be required in order to obtain bond insurance, a reserve fund surety bond, if any, or to issue the Refunding Bonds in one or more series, which they may deem necessary or advisable in order to carry out, give effect to and comply with the terms and intent of this resolution, the Redevelopment Agreement Amendments, the Purchase Contract, the Continuing Disclosure Certificate and the Refunding Bonds, including the purchase of a bond insurance policy and a reserve fund surety bond for the Refunding Bonds if deemed desirable, and any such actions heretofore taken by such officers are hereby ratified, confirmed and approved.

Section 7. Except as amended by the Redevelopment Agreement Amendments, the Redevelopment Loan Agreements and the Redevelopment Advance Payment Agreements are ratified and confirmed in all other respects.

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Section 8. This resolution shall take effect from and after its passage and adoption.

HEATHER FARGO

CHAIR

ATTEST:

SHIRLEY CONCOLINO

SECRETARY

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