

RESOLUTION NO. 2003-071

ADOPTED BY THE REDEVELOPMENT AGENCY OF THE CITY OF SACRAMENTO

ON DATE OF **DEC 02 2003**

RESOLUTION OF THE REDEVELOPMENT AGENCY OF THE CITY OF SACRAMENTO AUTHORIZING THE BORROWING OF FUNDS FROM THE SACRAMENTO COUNTY PUBLIC FINANCING AUTHORITY FOR THE PURPOSE OF FINANCING AND REFINANCING REDEVELOPMENT ACTIVITIES, AUTHORIZING AND DIRECTING EXECUTION OF RELATED LOAN AGREEMENTS, APPROVING SALE OF BONDS AND OFFICIAL STATEMENTS AND PROVIDING OTHER MATTERS PROPERLY RELATING THERETO

WHEREAS, the Redevelopment Agency of the City of Sacramento (the "Agency") is a public body, corporate and politic, duly established and 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, the Sacramento County Public Financing Authority (the "Authority") is a joint powers authority duly organized and existing under and pursuant to that certain Joint Exercise of Powers Agreement, dated as of November 1, 2003, by and between the County of Sacramento and the Redevelopment Agency of the County of Sacramento (the "Agreement"), and under the provisions of Articles 1 through 4 (commencing with Section 6500) of Chapter 5 of Division 7 of Title 1 of the Government Code of the State of California (the "Act"), and is authorized pursuant to Article 4 of the Act (the "Bond Law") and the Agreement to issue bonds for the purpose, among others, of providing funds to make loans to the Agency to provide financing and refinancing for public capital improvements of the Agency; and

WHEREAS, for the purpose, among others, of providing funds to make a loan (the "Series A Loan") to the Agency to finance redevelopment activities of the Agency for its Del Paso Heights Redevelopment, Project No. 5 (the "Del Paso Heights Project Area"), the Authority has determined to issue its Sacramento County Public Financing Authority 2003 Tax Allocation Revenue Bonds, Series A (Sacramento County and City Redevelopment Projects) in the aggregate principal amount of not to exceed \$38,000,000 (the "Series A Bonds"); and

WHEREAS, for the purpose, among others, of providing funds to make two separate loans (the "Series C Loans" and, together with the Series A Loan, the "Loans") to the Agency to finance redevelopment activities of the Agency for its North Sacramento Redevelopment Project and its Alkali Flat Redevelopment Project, Project No. 6 (collectively with the Del Paso Heights Project Area, the "Project Areas"), the Authority has determined to issue its Sacramento County Public Financing Authority 2003 Tax Allocation Revenue Bonds, Series C (Sacramento City Redevelopment Projects) in the aggregate principal amount of not to exceed \$14,500,000 (the "Series C Bonds and, together with the Series A Bonds, the "Bonds"); and

FOR CITY CLERK USE ONLY

RESOLUTION NO.: 2003-071
DATE ADOPTED: DEC 02 2003

WHEREAS, the Loans will be made pursuant to three (3) separate loan agreements (the "Loan Agreements"), each dated as of December 1, 2003, and each by and among the Authority, BNY Western Trust Company, as trustee, (the "Trustee") and the Agency, relating to the Loans to the Agency with respect to each of the Project Areas; and

WHEREAS, as a condition precedent to the issuance of the Bonds by the Authority, Section 6586.5 of the California Government Code requires that the Agency approve the proposed financing by the Authority and that the Agency make certain findings with respect to such financing, and Section 6586.5 further requires that such approval be given and findings be made only after noticed public hearing thereon; and

WHEREAS, the Agency has duly held such public hearing after due publication of the notice of time and place of such public hearing; and

WHEREAS, although the notice as so given referred solely to the Series A Bonds, the Series A Bonds and the Series C Bonds as herein approved constitute components parts of the Series A Bonds referred to in such notice and the Series A Bonds and the Series C Bonds as herein approved have been divided into component parts of the Series A Bonds referred to in such notice solely for purposes of credit ratings and municipal bond insurance and not for any purpose relating to the public capital improvements to be financed with the proceeds of such Bonds; and

WHEREAS, Stone & Youngberg LLC (the "Underwriter"), has agreed to purchase the Bonds in accordance with two bond purchase agreements (the form on file with the Secretary applying separately to both the Series A Bonds and the Series C Bonds) (the "Purchase Contracts"), and, in connection with the offering of the Bonds, the Authority and the Agency have caused or will cause to be prepared two separate Official Statements describing the Series A Bonds and the Series B Bonds, respectively (the "Official Statements"), the preliminary form of which is on file with the Secretary; and

WHEREAS, the Agency has duly considered the foregoing described transactions and wishes at this time to approve said transactions in the public interests of the Agency;

NOW, THEREFORE, BE IT RESOLVED BY THE REDEVELOPMENT AGENCY OF THE CITY OF SACRAMENTO:

Section 1. Significant Public Benefits. The Agency hereby approves the issuance of the Bonds by the Authority and determines that there are significant public benefits to the Agency from the proposed financing in that there will be demonstrable savings to the Agency from the issuance and sale of two issues of Bonds and the use of proceeds of the Bonds to make three (3) separate Loans to the Agency (as above described), including savings in effective interest rate and issuance costs, all as evidenced by the calculations provided by the Underwriter with respect to the issuance of the Bonds and the making of the Loans on file in the official records of the Agency.

Section 2. Approval of the Loans and Loan Agreements. The Agency hereby authorizes and approves the three separate loans to be made to the Agency by the Authority in the amount of not to exceed \$7,000,000 for its Del Paso Heights Redevelopment, Project No. 5 to be made from the proceeds of the Series A Bonds, in the amount of not to exceed \$5,500,000 for its North Sacramento Redevelopment Project to be made from the proceeds of the Series C Bonds and in the amount of not to

FOR CITY CLERK USE ONLY

RESOLUTION NO.: 2003-071
DATE ADOPTED: DEC 02 2003

exceed \$9,000,000 for its Alkali Flat Redevelopment Project, Project No. 6 to be made from the proceeds of the Series C Bonds. The Loans shall be made pursuant to and in accordance with the terms of the Loan Agreements and the Agency hereby approves the Loan Agreements in substantially the form on file with the Secretary together with any additions thereto or changes therein (including, but not limited to, the insertion of the principal amounts of the respective Loans and the repayment schedule for the respective Loans) deemed necessary or advisable by the Executive Director, whose execution thereof shall be conclusive evidence of approval of any such additions and changes. The Executive Director is hereby authorized and directed to execute, and the Secretary is hereby authorized and directed to attest the Executive Director's signature to, the final form of the Loan Agreements, for and in the name and on behalf of the Agency. The proceeds of the Loans shall be applied by the Agency for the purposes and in the amounts as set forth in the Loan Agreements. The Agency hereby authorizes the delivery and performance of the Loan Agreements.

Section 3. Sale of Bonds. The Agency hereby approves the sale of the Bonds by the Authority by negotiation with the Underwriter, pursuant to the Purchase Contracts by and among the Authority, the Agency and the Underwriter, in substantially the form on file with the Secretary, together with any changes therein or additions thereto approved by the Executive Director, including changes or additions to implement the private placement of all or a portion of the Bonds and the payment to the Underwriter of the allocable portion of the Underwriter's discount as a placement agent fee. The Executive Director's execution of the Purchase Contracts shall be conclusive evidence of approval of any such additions and changes. The Purchase Contracts shall be executed in the name and on behalf of the Agency by the Executive Director, who is hereby authorized and directed to execute and deliver to the Underwriter the Purchase Contracts on behalf of the Agency; *provided, however*, that (i) the stated average annual interest rate payable with respect to the Series A Bonds shall not exceed six percent (6.00%) per annum and the Underwriter's discount on the purchase price for the purchase of the Series A Bonds shall be not greater than one percent (1.00%) of the par amount thereof, excluding any original issue discount and (ii) the stated average annual interest rate payable with respect to the Series C Bonds shall not exceed six and one-half percent (6.50%) per annum and the Underwriter's discount on the purchase price for the purchase of the Series C Bonds shall be not greater than one percent (1.00%) of the par amount thereof, excluding any original issue discount.

Section 4. Official Statement. The Agency hereby authorizes and directs the preparation of a Preliminary Official Statement relating to the Series C Bonds, to be substantially in the form of the preliminary Official Statement on file relating to the Series A Bonds, provided however, that the material in the preliminary Official Statement relating to the Series A Bonds that is pertinent to the North Sacramento Redevelopment Project and to the Alkali Flat Redevelopment Project, Project No. 6, shall now be set forth in the preliminary Official Statement relating to the Series C Bonds. The Agency hereby approves the preliminary Official Statement describing the Bonds, in substantially the form on file with the Secretary or as herein directed to be prepared. Distribution of the preliminary Official Statement by the Underwriter is hereby approved in substantially the form on file with the Secretary together with any additions thereto or changes therein deemed necessary or advisable by the Executive Director, including matters pertinent to municipal bond insurance and to the current interest or capital appreciation forms of the Bonds, as applicable. The Executive Director is authorized and directed on behalf of the Authority to review the final forms of preliminary Official Statements and to deem the preliminary Official Statements "near final" pursuant to Rule 15c2-12 under the Securities Exchange Act of 1934, prior to their distribution by the Underwriter. Distribution of the "near final" preliminary Official Statements by the Underwriter is hereby approved. The Agency hereby authorizes the distribution of the final Official Statements by the Underwriter. The Executive Director is hereby

FOR CITY CLERK USE ONLY

RESOLUTION NO.: 2003-071
DATE ADOPTED: DEC 02 2003

authorized and directed to approve any changes in or additions to a final form of said final Official Statements and to execute and deliver to the Underwriter the Continuing Disclosure Certificate substantially in the forms appended to the Official Statements.

Section 5. Official Action. The Chairman, the Vice-Chairman, the Executive Director, the Finance Director, the Secretary, the Agency Counsel and any and all other officers of the Agency are hereby authorized and directed, for and in the name and on behalf of the Agency, to do any and all things and take any and all actions, including execution and delivery of any and all agreements, including an escrow deposit and trust agreement in customary form providing for the repayment of the 1993 Alkali Flat Project Area Loan Agreement and a portion of the 1993 Sacramento City Financing Authority 1993 Tax Allocation Revenue Bonds, Series B, assignments, certificates, requisitions, agreements, notices, consents, instruments of conveyance, warrants and other documents which they, or any of them, may deem necessary or advisable in order to consummate the lawful issuance and sale of the Bonds and the making of the Loans pursuant to the Loan Agreements, as described herein. Each of the foregoing named officers of the Agency are authorized to act on behalf of any other officer of the Agency who is authorized and directed herein to act on behalf of the Agency.

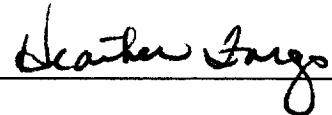
Section 6. Effective Date. This Resolution shall take effect from and after the date of its passage and adoption.

PASSED AND ADOPTED this 2nd day of December, 2003, by the following vote:

AYES:

NOES:

ABSENT:



CHAIR

ATTEST:



SECRETARY

FOR CITY CLERK USE ONLY

RESOLUTION NO.: 2003-071
DATE ADOPTED: DEC 02 2003