

RESOLUTION NO. 2005-063

Adopted by the Redevelopment Agency
of the City of Sacramento

November 1, 2005

AUTHORIZING THE EXECUTION AND DELIVERY OF LOAN AGREEMENTS WITH THE SACRAMENTO CITY FINANCING AUTHORITY TO PROVIDE FOR THE FINANCING AND REFINANCING OF THE MERGED DOWNTOWN PROJECT AREA AND OAK PARK PROJECT AREA REDEVELOPMENT PROJECTS; AND AUTHORIZING THE EXECUTION AND DELIVERY OF A CONTINUING DISCLOSURE CERTIFICATE FOR THE SACRAMENTO CITY FINANCING AUTHORITY 2005 TAX ALLOCATION REVENUE BONDS, SERIES A (MERGED DOWNTOWN AND OAK PARK PROJECTS) AND THE SACRAMENTO CITY FINANCING AUTHORITY 2005 TAXABLE TAX ALLOCATION REVENUE BONDS, SERIES B (MERGED DOWNTOWN AND OAK PARK PROJECTS); AND AUTHORIZING THE APPROVAL OF A BOND PURCHASE CONTRACT FOR SUCH BONDS; AND APPROVING THE DISTRIBUTION OF A PRELIMINARY OFFICIAL STATEMENT FOR SUCH BONDS; AND AUTHORIZING THE EXECUTION, DELIVERY AND DISTRIBUTION OF A FINAL OFFICIAL STATEMENT FOR SUCH BONDS; AND AUTHORIZING THE REFINANCING OF CERTAIN PRIOR BONDS; AND DETERMINING THERE ARE SIGNIFICANT PUBLIC BENEFITS TO THE REDEVELOPMENT AGENCY OF THE CITY OF SACRAMENTO FROM SUCH PROPOSED FINANCING AND APPROVING CERTAIN OTHER ACTIONS IN CONNECTION THEREWITH

BACKGROUND

- A. The Sacramento City Financing Authority (the "Authority") is authorized pursuant to the Marks-Roos Local Bond Pooling Act of 1985, constituting Article 4, Chapter 5, Division 7, Title 1 (commencing with Section 6584) 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.

- B. 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.
- C. One or more redevelopment plans for a redevelopment project known and designated as the "Redevelopment Agency of the City of Sacramento Merged Downtown Project Area Redevelopment Project" and a redevelopment plan for a redevelopment project known and designated as the "Redevelopment Agency of the City of Sacramento Oak Park Project Area Redevelopment Project" (collectively, the "Redevelopment Projects"), both located in the City of Sacramento, have been adopted in compliance with all requirements of the Redevelopment Law.
- D. For the purpose of financing and refinancing redevelopment activities within or of benefit to the Redevelopment Projects, the Agency has requested the Authority to make loans (the "Loans") to the Agency under a Merged Downtown Loan Agreement in the aggregate principal amount of not to exceed one hundred sixty-five million dollars (\$165,000,000) and an Oak Park Loan Agreement in the aggregate principal amount of not to exceed forty-five million dollars (\$45,000,000) (collectively, the "Loan Agreements"), each to be entered into among the Agency, the Authority and a trustee to be named therein, in substantially the forms of the Loan Agreements presented to this meeting.
- E. In order to provide funds to the Authority to make the Loans to the Agency as well as for other purposes, concurrent with the execution and delivery of the Loan Agreements, the Authority will issue its 2005 Tax Allocation Revenue Bonds, Series A (Merged Downtown and Oak Park Projects) (the "Series A Tax-Exempt Bonds") and its 2005 Taxable Tax Allocation Revenue Bonds, Series B (Merged Downtown and Oak Park Projects) (the "Series B Taxable Bonds," and together with the Series A Tax-Exempt Bonds, the "Bonds"); proceeds of the Bonds may also be used to provide funds to refinance, in whole or in part, the Agency's Merged Downtown Sacramento Redevelopment Project Tax Allocation Bonds, Series 1998A and the portions of the Authority's 1999 Capital Improvement Revenue Bonds (Solid Waste and Redevelopment Projects) and it's 2002 Revenue Bonds, Series A (City Hall and Redevelopment Projects) loaned to the Agency (collectively, the "Prior Bonds").
- F. In connection with the issuance of the Bonds, the Authority and the Agency will approve the distribution of a Preliminary Official Statement for the Bonds (the "Preliminary Official Statement") and the Agency will approve of the Authority entering into a Bond Purchase Contract providing for the sale of the Bonds (the "Bond Purchase Contract") and the Agency will execute a Continuing Disclosure Certificate for the 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 Bonds) the Authority and the Agency will execute and deliver and authorize the distribution of a Final Official Statement for the Bonds (the "Final Official Statement").

- G. The Agency called a public hearing which was held by the Agency on Tuesday, the 1st day of November, 2005, at the hour of 7:00 o'clock P.M., at the regular meeting place of the Agency, City Council Chambers, Sacramento City Hall, 915 I Street, Sacramento, California 95814, to consider the proposed financing or refinancing of the projects to be financed or refinanced (the "Projects") and located within the geographic boundaries of the Agency, by the issuance and sale of the Bonds, and whether there are any significant public benefits to the Agency from such proposed financing, including demonstrable savings from the issuance and sale of the Bonds, such as savings in effective interest rate, bond preparation, bond underwriting or bond issuance costs (in accordance with Section 6586 of the California Government Code).
- H. A notice of such public hearing was duly published by the Agency as required by law in The Sacramento Bee, a newspaper of general circulation in the county wherein the Projects are located, and a copy of the proof of publication of such notice of public hearing is on file in the office of the Secretary of the Agency.
- I. Such public hearing was duly convened by the Agency at the time and place set forth in the notice of public hearing therefor, and at such public hearing the Agency heard all interested persons desiring to be heard.

BASED ON THE FACTS SET FORTH IN THE BACKGROUND, THE REDEVELOPMENT AGENCY OF THE CITY OF SACRAMENTO RESOLVES AS FOLLOWS:

Section 1. All of the foregoing recitals are true and correct, and the Agency so finds and determines. All evidence presented having been duly considered, the findings, including environmental findings regarding this action, as stated in the staff report that accompanies this resolution, are approved.

Section 2. The Agency hereby determines that there are significant public benefits to the Agency from the proposed financing in that there will be demonstrable savings from the issuance and sale of the Bonds and the financing and refinancing of the Projects with proceeds of the Bonds, including savings in effective interest rate, bond preparation, bond underwriting or bond issuance costs (in accordance with Section 6586 of the California Government Code).

Section 3. The Agency hereby approves the Loan Agreements, and the Executive Director of the Agency (the "Executive Director") or her designee is hereby authorized and directed to execute the Loan Agreements for and on behalf of the Agency, and the Secretary of the Agency (the "Secretary") is hereby authorized and directed to attest

such execution and to deliver the Loan Agreements. As executed and delivered, the Loan Agreements shall be in substantially the forms presented to this meeting, with such additions thereto or changes therein as the officer executing the Loan Agreements shall require or approve, including without limitation any such additions or changes required by Section 7 of this Resolution and by the providers of credit enhancement for the Bonds and not otherwise inconsistent with this resolution, such approval to be conclusively evidenced by the execution and delivery thereof.

Section 4. The Bond Purchase Contract between Stone & Youngberg LLC, as the representative of the underwriters (the Representative"), and the Authority, in substantially the form presented to this meeting, providing for the sale of the Bonds by the Authority to the Representative, is hereby authorized to be approved by the Agency for execution by the Executive Director or her designee and delivery to the Representative. The Executive Director or her designee is hereby authorized and directed to indicate the Agency's final approval by executing and delivering the Bond Purchase Contract. As so approved, the Bond Purchase Contract shall be in substantially the form presented to this meeting, with such additions thereto or changes therein as the officer executing the Bond Purchase Contract shall require or approve, such approval to be conclusively evidenced by the execution and delivery thereof; provided, that the Bonds shall be in a combined principal amount not to exceed two hundred ten million dollars (\$210,000,000) and shall bear interest at a true interest cost not to exceed five and 75/100 percent (5.75%) per annum with respect to the Series A Tax-Exempt Bonds and six and 75/100 percent (6.75%) per annum with respect to the Series B Taxable Bonds.

Section 5. The Agency hereby approves the Continuing Disclosure Certificate, and the Executive Director or her designee is hereby authorized and directed to execute the Continuing Disclosure Certificate for and on behalf of the Agency and to deliver the Continuing Disclosure Certificate. As executed and delivered, the Continuing Disclosure Certificate shall be in substantially the form presented to this meeting, with such additions thereto or changes therein as the officer executing the Continuing Disclosure Certificate shall require or approve, such approval to be conclusively evidenced by the execution and delivery thereof.

Section 6. The Executive Director or her designee is hereby authorized and directed for and on behalf of the Agency to approve the distribution of the Preliminary Official Statement, in substantially the form presented to this meeting and to certify on behalf of the Agency that the Preliminary Official Statement has been "deemed final" by the Agency, except for certain final pricing and related information pursuant to Rule 15c2-12 of the Securities Exchange Commission, and after the sale of the Bonds, the Executive Director or her designee is hereby authorized and directed for and on behalf of the Agency to execute and deliver to the Representative the Final Official Statement, with such additions thereto or changes therein as the Authority 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 actual purchasers of the Bonds.

Section 7. The officers of the Agency are hereby each authorized and directed, jointly and severally, to do any and all things and to execute any and all documents necessary to refund all or a portion of the Prior Bonds with proceeds of the Bonds if such refunding will result in at least a three percent net present value savings based on a discount rate equal to the arbitrage yield on the Bonds.

Section 8. The Agency hereby approves the Agreement for Bond Counsel Services, dated as of August 1, 2005 (the "Agreement for Bond Counsel Services"), among the Agency, the Authority and Orrick, Herrington & Sutcliffe LLP, and the Executive Director or his designee is hereby authorized and directed to execute the Agreement for Bond Counsel Services for and on behalf of the Authority. As executed and delivered, the Agreement for Bond Counsel Services shall be in substantially the form presented to this meeting, with such additions thereto or changes therein as the Executive Director or his designee shall require or approve, and not otherwise inconsistent with this Resolution, such approval to be conclusively evidenced by the execution and delivery thereof.

Section 9. 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, escrow agreements and any other documents as may be required in order to obtain bond insurance or one or more reserve fund credit instruments, or to issue the 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 Loan Agreements, the Bond Purchase Contract and the Bonds, including the purchase of a bond insurance policy and one or more reserve fund credit instruments for the Bonds if deemed desirable, and any such actions heretofore taken by such officers are hereby ratified, confirmed and approved.

Section 10. This resolution shall take effect from and after its passage and adoption.

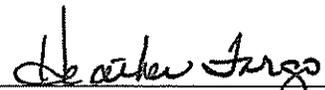
Adopted by the City of Sacramento Redevelopment Agency on November 1, 2005 by the following vote:

Ayes: Members Cohn, Fong, Hammond, McCarty, Pannell, Sheedy, Tretheway, Waters and Chair Fargo.

Noes: None

Abstain: None

Absent: None



Heather Fargo, Chair

Attest:

A handwritten signature in cursive script, reading "Shirley Concolino", is written over a horizontal line.

Shirley Concolino, Secretary