RESOLUTION NO. 2006-033

Adopted by the Redevelopment Agency
of the City of Sacramento

May 23, 2006

AUTHORIZING THE EXECUTION AND DELIVERY OF ADVANCE REPAYMENT AGREEMENTS AND AMENDMENTS TO ADVANCE REPAYMENT AGREEMENTS WITH THE CITY OF SACRAMENTO RELATING TO CERTAIN REDEVELOPMENT PROJECTS AND APPROVING CERTAIN OTHER ACTIONS IN CONNECTION THEREWITH

BACKGROUND:

A. 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 the 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. Redevelopment plans for redevelopment project areas known and designated as the Army Depot Redevelopment Project and the 65th Street Redevelopment Project, the Richards Boulevard Redevelopment Project and the North Sacramento Redevelopment Project (collectively, the "Redevelopment Project Areas"), located wholly or partially within the City of Sacramento (the "City"), have been adopted in compliance with all requirements of the Redevelopment Law.

D. The City is willing to advance funds to the Agency (the "2006 Advance") to finance redevelopment activities within its Army Depot Redevelopment Project and its 65th Street Redevelopment Project pursuant to two separate Advance Repayment Agreements with respect to each of the Redevelopment Projects, each dated as of June 1, 2006 (collectively, the "2006 Advance Repayment Agreements"), each by and between the City and the Agency, in

substantially the forms of the 2006 Advance Repayment Agreements presented to this meeting.

E. In order to obtain funds to make the 2006 Advance, the City will lease certain City-owned real property to the Authority and use the proceeds of the Authority's payment for the real property to fund the 2006 Advance to the Agency.

F. The Authority will fund the lease payment with a portion of the proceeds of its 2006 Capital Improvement Revenue Bonds, Series A (Community Reinvestment Capital Improvement Program) (the "Series A Bonds") and 2006 Taxable Capital Improvement Revenue Bonds, Series B (Community Reinvestment Capital Improvement Program) (the "Series B Bonds" and, together with the Series A Bonds, the "Bonds") pursuant to an Indenture dated as of June 1, 2006 (the "Indenture") by and between the Authority and The Bank of New York Trust Company, N.A., as trustee (the "Trustee").

G. 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 Richards Boulevard Advance Repayment Agreement and a North Sacramento Advance Repayment Agreement, each dated as of December 1, 1999, and each by and between the City and the Agency (collectively, the "1999 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.

H. The City Council of the City has by duly adopted prior resolutions determined that it was in the best interests of the City and its citizens and was necessary and proper for City purposes and the Agency has by duly adopted prior resolutions determined that it was in the best interests of the Agency and was necessary and proper for Agency purposes that the terms of the 1999 Redevelopment Agreements be so amended in a First Amendment to Richards Boulevard Advance Repayment Agreement and a First Amendment to North Sacramento Advance Repayment Agreement, each dated as of June 1, 2005, and each by and between the City and the Agency (collectively, the "2005 Redevelopment Agreement Amendments").

I. 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 Second Amendment to Richards Boulevard Advance Repayment Agreement and a Second Amendment to North Sacramento Advance Repayment Agreement,

each dated as of June 1, 2006, and each by and between the City and the Agency, (collectively, the "2006 Redevelopment Agreement Amendments" and together with the 2006 Redevelopment Advance Payment Agreements, the "2006 Redevelopment Agreements") in substantially the forms presented to this meeting.

J. 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 2006 Redevelopment Agreements 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 2006 Redevelopment Agreements, 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.

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

Section 1. The Agency so finds and determines that the statements in paragraphs A through J of the Background are true.

Section 2. The Executive Director of the Agency or any officer of the Agency designated thereby (the "Executive Director"), is hereby authorized and directed to execute and deliver the 2006 Redevelopment Agreements, for and on behalf of the Agency, in substantially the forms presented to this meeting, with the additions thereto or changes therein as the officer executing the 2006 Redevelopment Agreements shall require or approve, with approval to be conclusively evidenced by the execution and delivery thereof; provided that the amount of the 2006 Advance shall not exceed $30M.

Section 3. 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, 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 and the 2006 Redevelopment Agreements, and any the actions heretofore taken by the officers are hereby ratified, confirmed and approved.

Section 4. Except as amended by the 2005 Redevelopment Agreement Amendments and the 2006 Redevelopment Agreement Amendments, the 1999 Redevelopment Agreements are ratified and confirmed in all other respects.

Adopted by the City of Sacramento Redevelopment Agency on May 23, 2006 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

Heather Fargo, Chair

Attest:

Shirley Concolino

Shirley Concolino, Secretary