

IN THE REDEVELOPMENT AGENCY OF THE CITY OF SAN LEANDRO

RESOLUTION NO. 2004-011 RDA

(1485)

RESOLUTION CONFIRMING OUTSTANDING LEVELS OF DEBT FOR THE PLAZA
PROJECT AREA AND WEST SAN LEANDRO/MACARTHUR BOULEVARD PROJECT
AREA AND MEMORIALIZING DEBT OWED FOR THE CITY OF SAN LEANDRO /COUNTY
OF ALAMEDA JOINT PROJECT AREA

RESOLVED, by the Redevelopment Agency of the City of San Leandro (the "Agency"), as follows:

WHEREAS, the Agency, pursuant to the Community Redevelopment Law, being Part 1 of Division 24 (commencing with Section 33000) of the Health and Safety Code of the State of California (the "Law"), is undertaking redevelopment activities within and of benefit to its redevelopment project areas;

WHEREAS, in order to aid the Agency in such redevelopment activities, the City of San Leandro (the "City") has previously advanced not to exceed \$2,887,617 to the Agency with respect to the Plaza Project Area; which obligation was secured by Promissory Note executed on December 5, 2002 for said amount; and

WHEREAS, in order to aid the Agency in such redevelopment activities, the City of San Leandro (the "City") has previously advanced \$2,000,000 to the Agency with respect to the West San Leandro/MacArthur Boulevard Project Area; which obligation was secured by Promissory Note executed on January 15, 2003 pursuant to Resolution 2003-001 RDA; and

WHEREAS, in order to aid the Agency in such redevelopment activities, the City of San Leandro (the "City") desires to advance not to exceed \$4,372,774 to the Agency with respect to the City of San Leandro/County of Alameda Joint Project Area; and

WHEREAS, in order to evidence its obligation to repay the City such amounts advanced to the Agency for the City of San Leandro/County of Alameda Joint Project Area, the City desires to execute and deliver to the Agency a promissory note (the "Promissory Note") in the amount of not to exceed \$4,372,774;

NOW, THEREFORE, it is hereby ORDERED AND DETERMINED, as follows:

Section 1. Confirmation of Promissory Note for the Plaza Project Area. The Agency hereby confirms the execution and delivery of the Promissory Note dated December 5, 2002 in substantially the form thereof on file with the Secretary. The confirmation of the Promissory Note shall be deemed conclusive evidence of the Agency's approval of such obligation, provided that no change shall increase the amount of the Promissory Note to an amount greater than \$2,887,617 or provide for an interest rate on the Promissory Note in excess of 6.00%. The Agency confirms that Chair, the Executive Director and the Treasurer of the Agency (each, a "Designated Officer"), each acting alone, were authorized and directed to execute, and the Secretary of the Agency was authorized to attest, the Promissory Note for and in the name and on behalf of the Agency. The Agency hereby confirms the delivery and performance of the said Promissory Note on behalf of the Plaza Redevelopment Project Area. Further, the Agency confirms that principal and interest payment have been made as required and in the manner specified in the Promissory Note and that the balance as of July 1, 2004 is \$2,596,400; and

Section 2: Approval of Promissory Note for the City of San Leandro/County of Alameda Joint Project Area. The Agency hereby authorizes the execution and delivery of the Promissory Note in substantially the form thereof to file with the Secretary, together with any additions thereto or changes therein deemed necessary or advisable by the Executive Director or Treasurer of the Agency, upon advice of the Agency's counsel. The execution of the Promissory Note shall be deemed conclusive evidence of the Agency's approval of such additions or changes, provided that

no such change shall increase the amount of the Promissory Note to an amount greater than \$4,372,774 or provide for an interest rate on the Promissory Note in excess of 6.00%. The Chair, the Executive Director and the Treasurer of the Agency (each, a "Designated Officer"), each acting alone, are hereby authorized and directed to execute, and the Secretary of the Agency is hereby authorized to attest, the Promissory Note for and in the name and on behalf of the Agency. The Agency hereby authorizes the delivery and performance of the Promissory Note.

Section 3. Confirmation of Repayment of Promissory Note for the West San Leandro /MacArthur Blvd. Project Area. The Agency confirms that the Promissory Note in the amount of \$2,000,000 executed on January 15, 2003 for the benefit of the West San Leandro/MacArthur Boulevard Redevelopment Project Area was repaid in full during the fiscal year ending June 30, 2004.

Section 3. Effective Date. This resolution shall take effect from and after the date of approval and adoption thereof.

NOW THEREFORE, the Redevelopment Agency of the City of San Leandro does RESOLVE as follows:

That said agreements are hereby approved and execution thereof are hereby authorized.

Introduced by Agency Member Badger and passed and adopted this 21st day of June, 2004 by the following called vote:

Members of the Agency:

AYES: Members Badger, Glaze, Grant, Nardine, Santos, Stephens; Chair Young (7)

NOES: None (0)

ABSENT: None (0)

ATTEST: Marian Handa
Marian Handa, Agency Secretary

REDEVELOPMENT AGENCY OF THE CITY OF SAN LEANDRO
PROMISSORY NOTE

\$4,372,774.

April 8, 2004

FOR VALUE RECEIVED, the Redevelopment Agency of the City of San Leandro (the "Agency") acknowledges itself indebted to and promises to pay the City of San Leandro, on or before July 11, 2034 the principal sum of Four Million Three Hundred Seventy-Two Thousand Seven Hundred Seventy-Four Dollars (\$4,372,774) ("Loan") in lawful money of the United States of America, together with interest thereon, including interest on unpaid interest, at the rate of 6%. The Agency shall make interest only payments annually on June 30th of each year. Interest shall be computed on the basis of a 360-day year of twelve 30-day months. To the extent not paid, interest shall be added to the principal amount hereof and thereafter treated as principal hereunder.

It is hereby certified, recited and declared that this Promissory Note is made, executed and given pursuant to authority of the Resolution under and by authority of Article 5 of Chapter 6 of Part 1 of Division 24 of Title 1 of the California Health and Safety Code (commencing with Section 33640), and that all acts, conditions and things required to exist, happen and be performed precedent to and in the issuance of this Promissory Note have existed, happened and been performed in regular and due time, form and manner as required by law.

The principal of and interest on this Promissory Note shall be payable from tax increment revenue derived from the Agency's Alameda County – City of San Leandro ("Joint") Redevelopment Project. Payments hereunder shall be subordinate to the payment of debt service on the Agency's 2001 Certificates of Participation and any other legally binding agent (DDA, OPA) requiring payments, heretofore entered into by the Redevelopment Agency.

Notwithstanding the foregoing, this Promissory Note and the interest to accrue hereon may also be repaid from any other available funds of the Agency lawfully available therefore. Neither this Promissory Note nor any interest therein may be transferred in any way without the consent of the Agency, which consent shall not be unreasonably withheld.

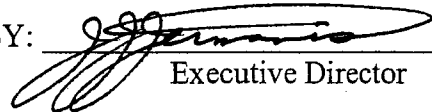
This Promissory Note is subject to prepayment, in whole or in part, on any date.

This Promissory Note restates in full all of the obligations owing to the City by the Agency with respect to the Alameda County – City of San Leandro (“Joint”) Redevelopment Project as of the date hereof. The City, by signing below, hereby accepts the restatement contained in this Promissory Note.

IN WITNESS WHEREOF, the Redevelopment Agency of the City of San Leandro has caused this Promissory Note to be executed by its Executive Director on this 8th day of April, 2004.

REDEVELOPMENT AGENCY OF THE
CITY OF SAN LEANDRO

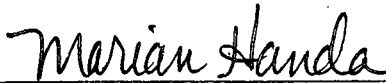
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Executive Director

ATTEST

By: _____

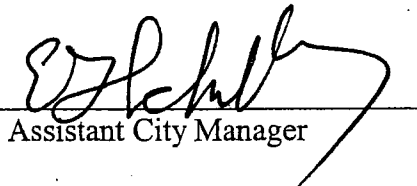


Secretary

ACCEPTED

CITY OF SAN LEANDRO

By: _____



Assistant City Manager