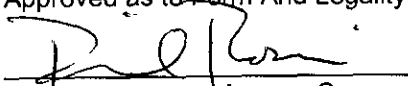


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Approved as to Form And Legality:

Agency Counsel

**REDEVELOPMENT AGENCY
OF THE CITY OF OAKLAND**
2007-0002
Resolution No. _____ C.M.S.

**RESOLUTION AUTHORIZING AN OWNER PARTICIPATION
AGREEMENT WITH FRUITVALE DEVELOPMENT CORPORATION
TO PROVIDE A RESIDUAL RECEIPTS LOAN IN AN AMOUNT NOT
TO EXCEED \$200,000 FOR FINANCING DEVELOPMENT OF THE
CULTURAL AND PERFORMING ARTS CENTER LOCATED AT
PLAZA DE LA FUENTE AND EAST 12TH STREET**

WHEREAS, the Fruitvale Development Corporation (FDC) owns the Masonic Temple building on the corner of Plaza De La Fuente (formerly 34th Avenue) and East 12th Street and has given the Unity Council a ten-year lease on a portion of the Masonic Temple; and

WHEREAS, the Unity Council is developing the Fruitvale Cultural and Performing Arts Center (the "Project"), located in the Masonic Temple, to restore and revive a historic community facility; and

WHEREAS, the Unity Council has secured a grant from the California Cultural and Historic Endowment; and

WHEREAS, the Unity Council is required to pledge an equal monetary match of \$200,000 to the California Cultural and Historic Endowment by January 28, 2007 in order to secure the grant funds; and

WHEREAS, the Unity Council has drawn down its reserves to fund the completion of the Public Market Incubator Project, also located within the Masonic Temple; and

WHEREAS, the FDC wants to ensure that all development projects on its property are financially secure and stable; and

WHEREAS, the FDC requests from the Redevelopment Agency a residual receipts loan of \$200,000 to be used as a landlord contribution to the Unity Council; and

WHEREAS, the Unity Council may then commit the \$200,000 landlord contribution from FDC toward the required match for the Cultural and Historic Endowment grant program by the January 28, 2007 deadline; and

WHEREAS, the Unity Council in partnership with FDC will pay \$1,000 of the monthly loan payment from its monthly revenue of \$1,000 that the Unity Council will receive through a sublease of Cultural Arts space to a filmmaker that will begin in January 2007; and

WHEREAS, the Unity Council in partnership with FDC will pay the remaining portion of the monthly payments from other income streams including, but not limited to, revenue generated above and beyond debt-service from projects that generate sales revenue, income from other commercial leases, and revenues from land sales; and

WHEREAS, the Unity Council anticipates having the ability to repay the loan in full in the year 2009; and

WHEREAS, the FDC has diligently pursued sources of funds other than the Agency for the landlord contribution; and

WHEREAS, no other reasonable means of private or commercial financing is available to the FDC other than an Agency residual receipts loan; and

WHEREAS, funds are available in the Agency's Coliseum Redevelopment Project Area for the residual receipts loan; and

WHEREAS, the Project is located within the boundaries of the Coliseum Project Area, conforms to the Redevelopment Plan for the Coliseum Redevelopment Project, as well as the 2004-2009 Five Year Implementation Plan for the Coliseum Project Area, and its development help meet the goals and objectives of the Coliseum Area Redevelopment Plan; and

WHEREAS, the Redevelopment Agency wishes to provide FDC with a residual receipts loan; and

WHEREAS, the Project will undergo a full review under both the California Environmental Quality Act (CEQA) and the National Environmental Protection Act (NEPA); now therefore be it

RESOLVED: That the Redevelopment Agency hereby authorizes the Agency Administrator or his or her designee to provide a loan in an amount not to exceed \$200,000 to the Fruitvale Development Corporation or to an affiliated entity approved by the Agency Administrator or his or her designee, to be used for financing development of the Project; and be it

FURTHER RESOLVED: That a total of \$200,000 will be allocated from the Oakland Redevelopment Agency's Coliseum Operations Fund (9450), Coliseum Redevelopment Organization (88659), and Coliseum-Staff Project (S82600); and be it

FURTHER RESOLVED: That the loan shall be for a maximum term of 15 years, with an interest rate of three percent per year, with repayment to the Agency from surplus cash flow from the Project and other available funds during the term of the loan with the balance due at the end of

the term, or on such other repayment terms and schedule as the Agency Administrator or his or her designee determines are in the best interests of the Agency and the Project; and be it

FURTHER RESOLVED: That as a condition of the loan, the Agency will require that covenants be recorded on the Project property restricting a defined portion of the property to be used for the Cultural and Performing Arts Center for the term of the loan; and be it

FURTHER RESOLVED: That the loan shall be secured by a deed of trust on the Project land and improvements; and be it

FURTHER RESOLVED: That the making of the loan shall be contingent on and subject to such other appropriate terms and conditions as the Agency Administrator or his or her designee may establish; and be it

FURTHER RESOLVED: That the Agency hereby authorizes the Agency Administrator or his or her designee in his or her discretion to subordinate the priority of the Agency 's deed of trust and/or recorded restrictions to a lien or encumbrance of another private or governmental entity providing financial assistance to the Project, if the Agency Administrator or his or her designee determines that (1) an economically feasible alternative method of financing the Project on substantially comparable terms and conditions but without subordination is not reasonably available, (2) the Agency's investment in the Project in the event of default is reasonably protected, and (3) subordination is in the best interests of the Agency; and be it further

FURTHER RESOLVED: That the Owner Participation Agreement and other documents shall be reviewed and approved by Agency Counsel for form and legality prior to execution, and copies will be placed on file with the Agency Secretary; and be it

FURTHER RESOLVED: That the Agency hereby authorizes the Agency Administrator or his or her designee to negotiate and enter into an Owner Participation Agreement providing for the loan, and take any other action with respect to the loan and the Project consistent with this Resolution and its basic purpose.

IN AGENCY, OAKLAND, CALIFORNIA, JAN 16 2007, 2007

PASSED BY THE FOLLOWING VOTES:

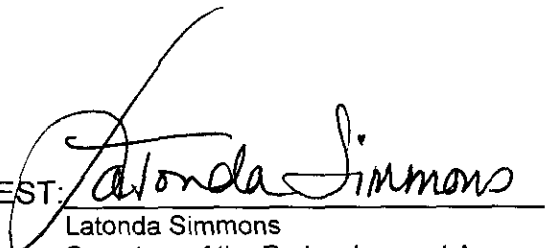
AYES- BROOKS, BRUNNER, CHANG, KERNIGHAN, NADEL, QUAN, REID, AND CHAIRPERSON DE LA FUENTE - 8

NOES- 0

ABSENT- 0

ABSTENTION- 0

ATTEST:



Latonda Simmons
Secretary of the Redevelopment Agency
of the City of Oakland, California