

RESOLUTION NO. 97-001

ADOPTED BY THE SACRAMENTO CITY FINANCING AUTHORITY

ON DATE OF APR 15 1997

A RESOLUTION OF THE SACRAMENTO CITY FINANCING AUTHORITY AUTHORIZING THE ISSUANCE, SALE AND DELIVERY OF NOT TO EXCEED \$75 MILLION SACRAMENTO CITY FINANCING AUTHORITY 1997 LEASE REVENUE BONDS (ARCO ARENA ACQUISITION) AND THE EXECUTION AND DELIVERY OF A SITE LEASE, A FACILITY LEASE, AN INDENTURE, AN OFFICIAL STATEMENT, A BOND PURCHASE CONTRACT, A STANDBY BOND PURCHASE CONTRACT, AN INTEREST RATE HEDGING AGREEMENT AND CERTAIN OTHER ACTIONS IN CONNECTION THEREWITH, AND AUTHORIZING RELATED ACTIONS

WHEREAS, the Sacramento City Financing Authority is a joint exercise of powers entity duly organized and existing under and by virtue of the laws of the State of California (the "Authority"); and

WHEREAS, 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 California Government Code, as amended (the "Act"), to issue bonds to provide funds to achieve its purposes, including the payment of costs of acquiring any Public Capital Improvement (as that term is defined in the Act); and

WHEREAS, the Authority has determined to issue its Sacramento City Financing Authority 1997 Lease Revenue Bonds, in the aggregate principal amount of not to exceed \$75 million (the "Bonds") for the purpose of financing the acquisition of certain real property and the facilities thereon comprising a sports arena known as "ARCO Arena" (the "Project"); and

WHEREAS, the City of Sacramento (the "City"), a local agency pursuant to the Act, desires to lease to the Authority the site on which the Project is located, pursuant to the terms of a Site Lease (the "Site Lease"), proposed to be executed and entered into as of April 1, 1997, by and between the City and the Authority, and the

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Authority desires to sublease back to the City the Project, pursuant to the terms of a Facility Lease (the "Facility Lease"), proposed to be executed and entered into as of April 1, 1997, by and between the Authority and the City all in furtherance of the purposes of assisting the Authority in financing the acquisition of the Project; and

WHEREAS, the City has determined that financing the Project will result in substantial public benefits; and

WHEREAS, all acts, conditions and things required by the Constitution and laws of the State of California to exist, to have happened and to have been performed precedent to and in connection with the consummation of the financing authorized hereby do exist, have happened and have been performed in regular and due time, form and manner as required by law, and the Authority is now duly authorized and empowered, pursuant to each and every requirement of law, to authorize the execution and delivery of certain documents in order to finance the acquisition of the Project in the manner and upon the terms herein provided;

NOW, THEREFORE, BE IT RESOLVED by the Board of Directors of the Sacramento City Financing Authority as follows:

Section 1. All of the above recitals are true and correct, and this Board so finds and determines.

Section 2. The form of Site Lease presented to this meeting and on file with the Secretary of the Board, is hereby approved. The Chairman, the Vice Chairman and the Treasurer of the Authority are hereby jointly and severally authorized and directed, for and in the name and on behalf of the Authority, to execute and deliver the Site Lease in substantially said form, with such changes therein as such boardmember or officer, as appropriate may require or approve, such approval to be conclusively evidenced by the execution and delivery thereof.

Section 3. The form of Facility Lease, presented to this meeting and on file with the Secretary of the Board, is hereby approved. The Chairman, the Vice Chairman and the Treasurer of the Authority are hereby jointly and severally authorized and directed, for and in the name and on behalf of the Authority, to execute and deliver the Facility Lease in substantially said form, with such changes therein as such boardmember or officer, as appropriate may require or approve, such approval to be conclusively evidenced by the execution and delivery thereof.

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Section 4. The form of Indenture (the "Indenture") proposed to be executed and entered into as of April 1, 1997, by and among the Authority, the City and the Trustee, presented to this meeting and on file with the Secretary of the Board, is hereby approved. The Chairman, the Vice Chairman and the Treasurer of the Authority are hereby jointly and severally authorized and directed, for and in the name and on behalf of the Authority, to execute and deliver the Indenture in substantially said form, with such changes therein as such boardmember or officer, as appropriate may require or approve, such approval to be conclusively evidenced by the execution and delivery thereof.

Section 5. The form of Official Statement relating to the Bonds (the "Official Statement") and to be used in connection with the offer and sale of the Bonds, presented to this meeting and on file with the Secretary of the Board, is hereby approved. The Chairman, the Vice Chairman and the Treasurer of the Authority are hereby jointly and severally authorized and directed, for and in the name and on behalf of the Authority, to execute and deliver the Official Statement in substantially said form, with such changes therein as such boardmember or officer, as appropriate may require or approve, such approval to be conclusively evidenced by the execution and delivery thereof.

Section 6. Merrill Lynch & Co. (the "Underwriter") is hereby authorized to distribute the Official Statement in preliminary form to persons who may be interested in the purchase of the Bonds and to deliver the Official Statement in final form to the purchasers of the Bonds.

Section 7. The Bonds in the aggregate principal amount of not to exceed seventy-five million dollars (\$75,000,000) are hereby authorized to be issued. The Bonds shall be executed by the manual or facsimile signature of the Chairman or Vice Chairman of the Authority and attested by the manual or facsimile signature of the Secretary of the Authority, in accordance with the Indenture.

Section 8. The form of Bond Purchase Contract (the "Bond Purchase Contract"), by and between the Underwriter and the Authority, presented to this meeting and on file with the Secretary of the Board, is hereby approved. The Chairman, the Vice Chairman and the Treasurer of the Authority are hereby jointly and severally authorized and directed, for and in the name and on behalf of the Authority, to execute and deliver the Bond Purchase Contract in substantially said form, with such changes therein as such boardmember or officer, as appropriate may require or approve, such approval to be conclusively evidenced by the execution and delivery thereof.

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Section 9. The Authority has determined that entering into an interest rate hedging agreement ("Interest Rate Hedging Agreement"), which may be in the form of an interest rate swap, cap or collar, as determined by the Treasurer of the Authority to be the most advantageous to the Authority, among the Authority, the Authority and a provider (that is rated at least AA3 by Moody's Investors Service or AA- by Standard & Poor's Rating Group) yet to be determined, is in the best interests of the Authority in that such Interest Rate Hedging Agreement will be designed to reduce the amount or duration of payment, rate, spread, or similar risk or result in a lower cost of borrowing in combination with the issuance of the Bonds; provided, however, that any such agreement shall have a maximum term of ten years. The Chairman, the Vice Chairman and the Treasurer of the Authority are hereby jointly and severally authorized and directed, for and in the name and on behalf of the Authority, to execute and deliver the Interest Rate Hedging Agreement in substantially said form, with such changes therein as such boardmember or officer, as appropriate may require or approve, such approval to be conclusively evidenced by the execution and delivery thereof.

Section 10. The form of Standby Bond Purchase Contract (the "Standby Bond Purchase Contract"), proposed to be executed and entered into as of April 1, 1997, among the City, the Authority and Credit Suisse First Boston, New York Branch, presented to this meeting and on file with the Secretary of the Board, is hereby approved. The Chairman, the Vice Chairman and the Treasurer of the Authority are hereby jointly and severally authorized and directed, for and in the name and on behalf of the Authority, to execute and deliver the Standby Bond Purchase Contract in substantially said form, with such changes therein as such boardmember or officer, as appropriate may require or approve, such approval to be conclusively evidenced by the execution and delivery thereof.

Section 11. The Secretary of the Board is hereby authorized and directed to attest to the manual or facsimile signatures of the officers of, or the seal of, the Authority, as may be required or appropriate in connection with the execution and delivery of the Site Lease, the Facility Lease, the Indenture, the Bonds, the Official Statement, the Bond Purchase Contract and the Standby Bond Purchase Contract.

Section 12. The subordinate capital bonds in the aggregate principal amount of not to exceed eight million five hundred thousand dollars (\$8,500,000) are hereby authorized to be issued. The subordinate capital bonds shall be executed by the manual or facsimile signature of the Chairman or Vice Chairman of the Authority and attested by the manual or facsimile signature of the Secretary of the Authority, in accordance with an amendment to the Indenture. The Chairman, Vice Chairman and the Treasurer of the Authority are hereby jointly and severally authorized and directed, for and in the name and on behalf of the Authority, to execute and deliver an amendment to the Indenture, an amendment to the Site Lease and an amendment to

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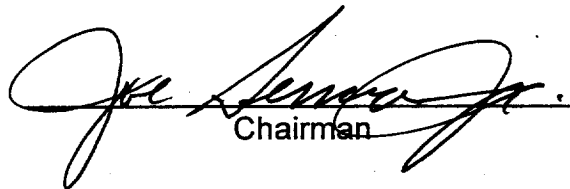
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the Facility Lease as may be necessary or appropriate in the opinion of Authority Counsel, upon the advise of bond counsel, to provide for the issuance of the subordinate capital bonds on a subordinate basis to the Bonds, such approval to be conclusively evidenced by the execution and delivery thereof. The subordinate capital bonds shall incorporate the provisions of Exhibit 7 to City Agreement No. 97-014, hereby incorporated by reference as if fully set forth herein.

Section 13. The Chairman, the Vice Chairman, the Treasurer, and any and all other officers, agents and employees of the Authority are hereby further authorized and directed, jointly and severally, to do any and all things and to execute and deliver any and all documents, including, without limitations, documents relating to bond insurance, 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, including, without limitation, the Site Lease, the Facility Lease, the Indenture, the Official Statement, the Purchase Contract, the Interest Rate Hedging Agreement, the Standby Bond Purchase Contract and the issuance, sale and delivery of the Bonds. Any such actions heretofore taken by such officers are hereby ratified, confirmed and approved.

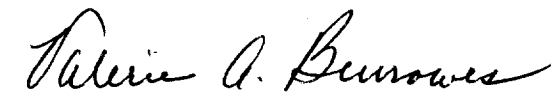
Section 14. This resolution shall take effect immediately upon its passage.

PASSED AND ADOPTED this 15th day of April, 1997.


Chairman

[Seal]

ATTEST:


Secretary

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