

RESOLUTION NO. 2005-____

JUN 07 2005

A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF SACRAMENTO AUTHORIZING THE EXECUTION AND DELIVERY OF AMENDMENTS TO LEASES WITH THE SACRAMENTO CITY FINANCING AUTHORITY AND TO A LOAN AGREEMENT AND ADVANCE REPAYMENT AGREEMENTS WITH THE REDEVELOPMENT AGENCY OF THE CITY OF SACRAMENTO RELATING TO THE REFINANCING OF VARIOUS CITY OF SACRAMENTO FACILITIES UNDER A FACILITY LEASE AND THE MASTER LEASE PROGRAM AND OTHER REDEVELOPMENT FACILITIES, APPROVING THE EXECUTION AND DELIVERY BY THE SACRAMENTO CITY FINANCING AUTHORITY OF A PURCHASE CONTRACT FOR THE SACRAMENTO CITY FINANCING AUTHORITY 2005 REFUNDING REVENUE BONDS (SOLID WASTE, REDEVELOPMENT AND MASTER LEASE PROGRAM FACILITIES), AUTHORIZING THE EXECUTION AND DELIVERY OF A CONTINUING DISCLOSURE CERTIFICATE FOR SUCH BONDS, APPROVING THE DISTRIBUTION BY THE SACRAMENTO CITY FINANCING AUTHORITY OF A PRELIMINARY OFFICIAL STATEMENT AND APPROVING THE EXECUTION, DELIVERY AND DISTRIBUTION BY THE SACRAMENTO CITY FINANCING AUTHORITY OF A FINAL OFFICIAL STATEMENT FOR SUCH BONDS AND APPROVING CERTAIN OTHER ACTIONS IN CONNECTION THEREWITH

WHEREAS, the City Council (the "City Council") of the City of Sacramento (the "City") has by duly adopted prior resolutions, authorized the execution and delivery by the City of a Master Site Lease, dated as of December 1, 1999, as amended (the "Master Site Lease") by and between the City and the Sacramento City Financing Authority (the "Authority") pursuant to which the real property described therein was leased by the City to the Authority and has further authorized the execution and delivery by the City of a Master Project Lease, dated as of December 1, 1999, as amended (the "Master Project Lease") by and between the Authority and the City pursuant to which the Authority leased such real property (together with the improvements thereon) back to the City in order to provide for the 1999 Project, the 2000 Project, the 2001 Project, the 2002 Project and the 2003 Project (as such terms are defined in the Master Project Lease and are herein collectively called the "Master Lease Program Projects"); and

WHEREAS, the City Council has by duly adopted prior resolutions, authorized the execution and delivery by the City of (i) a Del Paso Heights Loan Agreement, dated as of December 1, 1999, by and among the Authority, the City and the Redevelopment

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Agency of the City of Sacramento (the "Agency") (the "Redevelopment Loan Agreement"), 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 a certain redevelopment project area of the Agency (the "Redevelopment Projects"); and (ii) a Solid Waste Site Lease, dated as of December 1, 1999 (the "Solid Waste Site Lease") by and between the Authority and the City pursuant to which the real property described therein was leased by the City to the Authority and a Solid Waste Facility Lease, dated as of December 1, 1999 (the "Solid Waste Facility Lease"), by and between the Authority and the City pursuant to which the Authority leased certain solid waste facilities to the City in order to provide for certain improvements to the municipal solid waste system of the City (the "Solid Waste Project"); and

WHEREAS, the City Council has by duly adopted prior resolutions, authorized the execution and delivery by the City of a Del Paso Heights Advance Repayment Agreement, an Oak Park Advance Repayment Agreement, a Richards Boulevard Advance Repayment Agreement and a North Sacramento Advance Repayment Agreement, all dated as of December 1, 1999, and all by and between the City and the Agency, and a Merged Downtown Advance Repayment Agreement, dated as of July 1, 2002, by and between the Agency and the City and a Stockton Boulevard Advance Repayment Agreement, dated as of July 1, 2002, by and among the Agency, the Redevelopment Agency of the County of Sacramento and the City (collectively, the "Redevelopment Advance Payment 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 (the "Additional Redevelopment Projects"); and

WHEREAS, the City has determined that it may reduce the costs of the Master Lease Program Projects, the Redevelopment Projects, the Solid Waste Project and the Additional Redevelopment Projects through the Authority issuing its refunding revenue bonds and amending the Master Project Lease to reduce the amount of certain of the Base Rental Payments to be made by the City thereunder (the "Prior Base Rental Payments") and amending the Redevelopment Loan Agreement to reduce the amount of certain of the loan payments to be made by the Agency thereunder (the "Prior Redevelopment Loan Payments") and amending the Solid Waste Facility Lease to reduce the amount of certain of the base rental payments to be made by the City thereunder (the "Prior Solid Waste Base Rental Payments") and amending the Redevelopment Advance Payment Agreements to reduce the amount of certain loan payments to be made by the Agency thereunder (the "Prior Additional Redevelopment Loan Payments" and together with the Prior Base Rental Payments, the Prior Redevelopment Loan Payments and the Prior Solid Waste Base Rental Payments are herein called the "Prior Payments"), as and to the extent authorized by this Resolution; and

WHEREAS, the City Council has determined that it is in the best interests of the City and its citizens and is necessary and proper for City purposes that the terms of the Master Project Lease be so amended in a Fifth Amendment to Master Project Lease,

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dated as of June 1, 2005 (the "Fifth Amendment to Master Project Lease") by and between the Authority and the City, in substantially the form presented to this meeting; and

WHEREAS, under the Fifth Amendment to Master Project Lease, the City will be obligated to make reduced base rental payments to the Authority (the "2005 Base Rental Payments") for the lease of certain of the Master Lease Program Projects; and

WHEREAS, 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 that the terms of the Redevelopment Loan Agreement be so amended in a First Amendment to Del Paso Heights Loan Agreement, dated as of June 1, 2005, by and among the Authority, the City and the Agency (the "Amendment to Redevelopment Loan Agreement") in substantially the form presented to this meeting; and

WHEREAS, 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 that the terms of the Redevelopment Advance Payment Agreements be so amended in a First Amendment to Del Paso Heights Advance Repayment Agreement, a First Amendment to Oak Park Advance Repayment Agreement, a First Amendment to Richards Boulevard Advance Repayment Agreement, a First Amendment to North Sacramento Advance Repayment Agreement, a First Amendment to Merged Downtown Advance Repayment Agreement, and a First Amendment to Stockton Boulevard Advance Repayment Agreement, all dated as of June 1, 2005, and all by and between the City and the Agency except for the First Amendment to Stockton Boulevard Advance Repayment Agreement which is by and among the City, the Agency and the Redevelopment Agency of the County of Sacramento (collectively, the "Amendments to Redevelopment Advance Payment Agreements" and together with the Amendment to Redevelopment Loan Agreement, the "Redevelopment Agreement Amendments") in substantially the forms presented to this meeting; and

WHEREAS, under the Redevelopment Agreement Amendments, the Agency will be obligated to make reduced loan payments to the City (the "2005 Redevelopment Loan Payments") to repay the loans made by the City to the Agency; and

WHEREAS, 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 that the terms of the Solid Waste Facility Lease be so amended in a First Amendment to Solid Waste Facility Lease, dated as of June 1, 2005 (the "First Amendment to Solid Waste Facility Lease," and together with the Fifth Amendment to Master Project Lease and the Redevelopment Agreement Amendments are herein called the "Amendments") by and between the Authority and the City, in substantially the forms presented to this meeting; and

WHEREAS, under the First Amendment to Solid Waste Facility Lease, the City will be obligated to make reduced base rental payments to the Authority (the "2005

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Solid Waste Base Rental Payments” and together with the 2005 Redevelopment Loan Payments and the 2005 Base Rental Payments are herein called the “2005 Program Obligation Payments”) for the lease of the Solid Waste Project to it; and

WHEREAS, the Authority has determined to issue its 2005 Refunding Revenue Bonds (Solid Waste, Redevelopment and Master Lease Program Facilities) (the “Refunding Bonds”) pursuant to an Indenture dated as of June 1, 2005 (the “Indenture”) by and between the Authority and The Bank of New York Trust Company, N.A., as trustee (the “Trustee”), a portion of the proceeds of which will be used by the Authority as the source of funds for (i) refunding certain of the prior revenue bond issues of the Authority, which issues shall be specified by the Authority in the Indenture (the “Prior Bonds”) and (ii) the discharge, payment and satisfaction of the Prior Payments, and (iii) the payment by the City and the Agency of the costs of issuance of the Refunding Bonds and the defeasance and refunding of the Prior Bonds, which funds in the aggregate shall constitute the payment to the City of the purchase price of the Amendments (collectively being the Program Obligations as defined in the Indenture); and

WHEREAS, the Authority will assign, without recourse, all its rights to receive the 2005 Program Obligation Payments to the Trustee, for the benefit of the registered owners of the Refunding Bonds; and

WHEREAS, in connection with the issuance of the Refunding Bonds, the Authority (with the prior approval of the City and the Agency) will approve the distribution of a Preliminary Official Statement for the Refunding Bonds (the “Preliminary Official Statement”) and the Authority (with the prior approval of the City and the Agency) will enter into a Purchase Contract providing for the sale of the Refunding Bonds (the “Purchase Contract”) and the City will execute a Continuing Disclosure Certificate for the Refunding Bonds (the “Continuing Disclosure Certificate”) in compliance with Securities and Exchange Commission Rule 15c2-12(b)(5), all in substantially the forms of the Preliminary Official Statement, the Purchase Contract and the Continuing Disclosure Certificate presented to this meeting, and (after the sale of the Refunding Bonds) the Authority (with the prior approval of the City and the Agency) will execute and deliver and authorize the distribution of a Final Official Statement for the Refunding Bonds (the “Final Official Statement”); and

WHEREAS, 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 by the City of the Amendments and the Continuing Disclosure Certificate do exist, have happened and have been performed in regular and due time, form and manner as required by law, and the City is now duly authorized to execute and deliver the Amendments and the Continuing Disclosure Certificate and to approve the execution by the Authority of the Purchase Contract and to approve the distribution by the Authority of the Preliminary Official Statement and (after the sale of the Refunding Bonds) to approve the execution, delivery and distribution by the Authority of the Final Official Statement;

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NOW, THEREFORE, BE IT RESOLVED by the City Council of the City of Sacramento, as follows:

Section 1. All of the foregoing recitals are true and correct, and the City Council so finds and determines.

Section 2. The City is authorized to execute and deliver the Amendments, and the Treasurer of the City or his designee (the "Treasurer") is hereby authorized and directed to execute the Amendments for and on behalf of the City, and the City Clerk of the City is hereby authorized and directed to attest such execution and to deliver the Amendments, and as executed and delivered, the Amendments shall be in substantially the forms presented to this meeting, with such additions thereto or changes therein as the Treasurer shall require or approve, such approval to be conclusively evidenced by the execution and delivery thereof; provided, that the 2005 Program Obligation Payments when compared to the Prior Payments shall be in a reduced amount that the Treasurer, upon consultation with the Representative (as that term is hereinafter defined), determines shall result in an aggregate present value savings to the City and the Agency of not less than three percent (3%), which determination by the Treasurer shall be final, conclusive and binding upon the Authority, the City and the Agency.

Section 3. The Purchase Contract between Goldman, Sachs & Co., as the representative of the underwriters of the Refunding Bonds (the "Representative"), and the Authority, in substantially the form presented to this meeting, providing for the sale of the Refunding Bonds by the Authority to the Representative, is hereby approved by the City for execution by the Authority and delivery to the Representative, and as executed and delivered, the Purchase Contract shall be in substantially the form presented to this meeting, with such additions thereto or changes therein as the officer executing the Purchase Contract shall require or approve, such approval to be conclusively evidenced by the execution and delivery thereof; provided, that the scheduled payments of the principal of and interest on the Refunding Bonds shall in the aggregate be in a reduced amount when compared to the scheduled payments of principal and interest on the Prior Bonds that the Treasurer, upon consultation with the Representative, determines shall result in an aggregate present value savings to the Authority of not less than three percent (3%), which determination by the Treasurer shall be final, conclusive and binding upon the Authority, the City and the Agency.

Section 4. The City is authorized to execute and deliver the Continuing Disclosure Certificate, and the Treasurer is hereby authorized and directed to execute the Continuing Disclosure Certificate for and on behalf of the City and to deliver the Continuing Disclosure Certificate, and 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 Treasurer shall require or approve, such approval to be conclusively evidenced by the execution and delivery thereof.

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Section 5. The City hereby approves the distribution by the Authority of the Preliminary Official Statement, in substantially the form presented to this meeting; and (after the sale of the Refunding Bonds) the Treasurer is hereby authorized and directed for and on behalf of the City to approve the execution and delivery by the Authority to the Representative of the Final Official Statement, with such additions thereto or changes therein as the Authority (with the prior approval of the City 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 Refunding Bonds.

Section 6. The officers of the City 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, any documents as may be required in order to obtain bond insurance, a reserve fund surety bond, if any, or to issue the Refunding 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 Amendments, the Indenture, the Purchase Contract, the Continuing Disclosure Certificate and the Refunding Bonds, including the purchase of a bond insurance policy and a reserve fund surety bond for the Refunding Bonds if deemed desirable, and any such actions heretofore taken by such officers are hereby ratified, confirmed and approved.

Section 7. Except as amended by the Amendments, the Master Project Lease, the Redevelopment Loan Agreements, the Solid Waste Facility Lease and the Redevelopment Advance Payment Agreements are ratified and confirmed in all other respects. The Master Site Lease and the Solid Waste Site Lease are also ratified and confirmed in all respects.

Section 8. The execution and delivery of the Redevelopment Agreement Amendments by the Agency and the incurrence of indebtedness thereunder by the Agency is hereby approved by the City.

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Section 9. This resolution shall take effect from and after its passage and adoption.

PASSED AND ADOPTED by the City Council of the City of Sacramento on June 7, 2005, by the following vote:

APPROVED:
HEATHER FARGO

Mayor

(SEAL) SHIRLEY CONCOLINO

ATTEST: _____
City Clerk

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