

SACRAMENTO CITY FINANCING AUTHORITY

RESOLUTION NO. FA2005-___ 2005-001

JUN 07 2005

A RESOLUTION OF THE SACRAMENTO CITY FINANCING AUTHORITY AUTHORIZING THE ISSUANCE, SALE AND DELIVERY OF SACRAMENTO CITY FINANCING AUTHORITY 2005 REFUNDING REVENUE BONDS (SOLID WASTE, REDEVELOPMENT AND MASTER LEASE PROGRAM FACILITIES) AND AUTHORIZING THE EXECUTION AND DELIVERY OF RELATED AMENDMENTS TO LEASES WITH THE CITY OF SACRAMENTO AND TO A LOAN AGREEMENT WITH THE REDEVELOPMENT AGENCY OF THE CITY OF SACRAMENTO AND AN INDENTURE IN CONNECTION THEREWITH, AUTHORIZING THE EXECUTION AND DELIVERY OF A PURCHASE CONTRACT FOR SUCH BONDS, APPROVING THE DISTRIBUTION OF A PRELIMINARY OFFICIAL STATEMENT AND AUTHORIZING THE EXECUTION, DELIVERY AND DISTRIBUTION OF A FINAL OFFICIAL STATEMENT FOR SUCH BONDS, AUTHORIZING THE EXECUTION AND DELIVERY OF AN ESCROW AGREEMENT IN CONNECTION THEREWITH AND APPROVING CERTAIN OTHER ACTIONS IN CONNECTION THEREWITH

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

WHEREAS, the Authority has by duly adopted prior resolutions, authorized the execution and delivery by the Authority of a Master Site Lease, dated as of December 1, 1999, as amended (the "Master Site Lease") by and between the Authority and the City of Sacramento (the "City") 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 Authority 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 Authority has by duly adopted prior resolutions, authorized the execution and delivery by the Authority of (i) a Del Paso Heights Loan

FOR CITY CLERK USE ONLY

RESOLUTION NO.: 2005-001

DATE ADOPTED: JUN 07 2005

Agreement, dated as of December 1, 1999, by and among the Authority, the City and the Redevelopment 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 Authority has determined that it may reduce the costs of the Master Lease Program Projects, the Redevelopment Projects and the Solid Waste Project by 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 together with the Prior Base Rental Payments and the Prior Redevelopment Loan Payments are herein called the "Prior Payments"), as and to the extent authorized by this Resolution;

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 Master Project Lease be so amended in a Fifth Amendment to Master Project Lease, 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 to it; 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

FOR CITY CLERK USE ONLY

RESOLUTION NO.: 2005-001
DATE ADOPTED: JUN 07 2005

WHEREAS, under the Amendments to Redevelopment Loan Agreements, the Agency will be obligated to make reduced loan payments to the City (the "2005 Redevelopment Loan Payments") to repay the loan made by the City or the Authority 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 Amendments to Redevelopment Loan Agreements are herein called the "Amendments") by and between the Authority and the City, in substantially the form 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 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) as hereinafter described (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 lease 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 Authority will enter into an Escrow Agreement (the "Escrow Agreement") relating to the refunding of the Prior Bonds, all in substantially the forms of the Preliminary Official Statement, the Purchase Contract and the Escrow

FOR CITY CLERK USE ONLY

RESOLUTION NO.: 2005-001

DATE ADOPTED: JUN 07 2005

Agreement 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 Authority of the Amendments, the Indenture and the Escrow Agreement 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 to execute and deliver the Amendments, the Indenture and the Escrow Agreement and (with the prior approval of the City and the Agency) to approve the distribution of the Preliminary Official Statement and (with the prior approval of the City and the Agency) to execute and deliver the Purchase Contract and (after the sale of the Refunding Bonds) and (with the prior approval of the City and the Agency) to execute and deliver and authorize the distribution of the Final Official Statement;

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

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

Section 2. The Authority is authorized to execute and deliver the Amendments, and the Treasurer of the Authority or his designee (the "Treasurer") is hereby authorized and directed to execute the Amendments for and on behalf of the Authority, and the Secretary of the Authority or his or her designee (the "Secretary") 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 Authority is authorized execute and deliver the Indenture, and the Treasurer is hereby authorized and directed to execute the Indenture for and on behalf of the Authority, and the Secretary is hereby authorized and directed to attest such execution and to deliver the Indenture, and as executed and delivered, the Indenture 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, and the

FOR CITY CLERK USE ONLY

RESOLUTION NO.: 2005-001

DATE ADOPTED: JUN 07 2005

Refunding Bonds authorized to be issued under such Indenture, when executed, shall be delivered to the Trustee for authentication by the Trustee, and the Trustee is hereby requested and directed to authenticate the Refunding Bonds by executing the Certificate of Authentication appearing thereon, and to deliver the Refunding Bonds, when duly executed and authenticated, to the Representative hereinafter defined in accordance with written instructions executed on behalf of the Treasurer, which instructions said officer is hereby authorized and directed, for and in the name and on behalf of the Authority, to execute and deliver to the Trustee and which instructions shall provide for the delivery of the Refunding Bonds to such Representative upon payment of the purchase price thereof.

Section 4. 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 Authority for execution and delivery by the Authority to the Representative, and the Treasurer is hereby authorized and directed (after the approval of the City) to execute the Purchase Contract for and on behalf of the Authority and to deliver the Purchase Contract, 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 5. The Treasurer (with the prior approval of the City and the Agency) is hereby authorized and directed for and on behalf of the Authority to approve the distribution of the Preliminary Official Statement, in substantially the form presented to this meeting, and to certify on behalf of the Authority that the Preliminary Official Statement has been "deemed final" by the Authority, except for certain final pricing and related information pursuant to Rule 15c2-12 of the Securities and Exchange Commission, and (after the sale of the Refunding Bonds) the Treasurer is hereby authorized and directed for and on behalf of the Authority (with the prior approval of the City and the Agency) to execute and deliver to the Representative the Final Official Statement, 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; and the Representative is hereby authorized to distribute copies of the Preliminary Official Statement to persons who may be interested in the purchase of the Refunding Bonds and is directed to distribute copies of the Final Official Statement to all actual purchasers of the Refunding Bonds.

FOR CITY CLERK USE ONLY

RESOLUTION NO.: 2005-001
DATE ADOPTED: JUN 07 2005

Section 6. The Authority is authorized to execute and deliver the Escrow Agreement, and the Treasurer is hereby authorized and directed to execute the Escrow Agreement for and on behalf of the Authority and to deliver the Escrow Agreement, and as executed and delivered, the Escrow Agreement 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.

Section 7. The officers of the Authority 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 Official Statement, the Escrow Agreement 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 8. Except as amended by the Amendments authorized hereby, the Master Project Lease, the Redevelopment Loan Agreements and the Solid Waste Facility Lease 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 9. This resolution shall take effect immediately upon its passage.

PASSED AND ADOPTED this 7th day of June, 2005.

HEATHER FARGO

Chair

Attest:

SHIRLEY CONCOLINO

Secretary

FOR CITY CLERK USE ONLY

RESOLUTION NO.: 2005-001

DATE ADOPTED: JUN 07 2005