

SACRAMENTO CITY FINANCING AUTHORITY

RESOLUTION NO. 99-005

NOV 16 1999

A RESOLUTION OF THE SACRAMENTO CITY FINANCING AUTHORITY AUTHORIZING THE ISSUANCE, SALE AND DELIVERY OF NOT TO EXCEED \$78,875,000 AGGREGATE PRINCIPAL AMOUNT OF SACRAMENTO CITY FINANCING AUTHORITY 1999 CAPITAL IMPROVEMENT REVENUE BONDS (SOLID WASTE AND REDEVELOPMENT PROJECTS), IN ONE OR MORE SERIES, AND AUTHORIZING THE EXECUTION AND DELIVERY OF LEASES WITH THE CITY OF SACRAMENTO AND LOAN AGREEMENTS WITH THE REDEVELOPMENT AGENCY OF THE CITY OF SACRAMENTO AND ONE OR MORE INDENTURES IN CONNECTION THEREWITH, AND AUTHORIZING THE EXECUTION AND DELIVERY OF AN OFFICIAL STATEMENT AND A BOND PURCHASE CONTRACT FOR SUCH BONDS 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 City Council (the "City Council") of the City of Sacramento (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 certain real property described in that certain Master Site Lease relating to the City of Sacramento 1999 Improvements dated as of December 1, 1999 (the "Master Site Lease") by and between the City and the Authority be leased to the Authority, and

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that the Authority lease such real property back to the City pursuant to that certain Master Project Lease relating to the City of Sacramento 1999 Improvements dated as of December 1, 1999 (the "Master Project Lease") by and between the Authority and the City, in substantially the forms of such leases presented to this meeting, with the total principal components of the Base Rental Payments (as that term is defined in the Master Project Lease) to be in the principal amount of not to exceed eighteen million five hundred fifty thousand dollars (\$18,550,000) and with the term of the Master Project Lease to be not in excess of thirty (30) years; 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 certain real property described in that certain Site Lease relating to the City of Sacramento 1999 Solid Waste Facility dated as of December 1, 1999 (the "Site Lease") by and between the City and the Authority be leased to the Authority, and that the Authority lease such real property back to the City pursuant to that certain Facility Lease relating to the City of Sacramento 1999 Solid Waste Facility dated as of December 1, 1999 (the "Facility Lease") by and between the Authority and the City, in substantially the forms of such leases presented to this meeting, with the total principal components of the Base Rental Payments (as that term is defined in the Facility Lease) to be in the principal amount of not to exceed thirty million two hundred seventy-five thousand dollars (\$30,275,000) and with the term of the Facility Lease to be not in excess of thirty (30) years; and

WHEREAS, under the Master Project Lease and the Facility Lease, the City will be obligated to make rental payments to the Authority for the lease of such real property to it; and

WHEREAS, the Redevelopment Agency of the City of Sacramento (the "Agency") proposes to enter into a Loan Agreement (Del Paso Heights Redevelopment Project, Project No. 5) in the aggregate principal amount of not to exceed ten million eight hundred fifty thousand dollars (\$10,850,000) and a Loan Agreement (Oak Park Redevelopment Project) in the aggregate principal amount of not to exceed nineteen million two hundred twenty thousand dollars (\$19,200,000), both dated as of December 1, 1999 (together, the "Loan Agreements") with the Authority for the purpose of financing redevelopment activities within or of benefit to such projects, in substantially the forms of the Loan Agreements presented to this meeting; and

WHEREAS, under the Loan Agreements, the Agency will be obligated to make loan payments to the Authority; and

WHEREAS, the Authority has determined to issue one or more series of its 1999 Capital Improvement Revenue Bonds (Solid Waste and Redevelopment Projects) in an aggregate principal amount of not to exceed seventy-eight million eight hundred seventy-five thousand

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dollars (\$78,875,000) (the "Bonds") pursuant to one or more Indentures dated as of December 1, 1999 (the "Indenture") by and between the Authority and BNY Western Trust Company, as the trustee named therein (the "Trustee"), to provide funds to finance the acquisition of the Master Project Lease and the Facility Lease and the Loan Agreements (being the Program Obligations as defined in the Indenture), and the Authority has determined that on the date of issuance of the Bonds the public capital improvements to be financed for the City and for the Agency with a portion of the proceeds of the Bonds will be located within the geographic boundaries of the City and the Agency; and

WHEREAS, the Authority will assign, without recourse, all its rights to receive all such rental payments from the City under the Master Project Lease and the Facility Lease and all such loan payments from the Agency under the Loan Agreements to the Trustee, for the benefit of the registered owners of the Bonds; and

WHEREAS, in connection with the issuance of the Bonds, the Authority will distribute a Preliminary Official Statement for the Bonds (the "Preliminary Official Statement") and the Authority will enter into a Bond Purchase Contract providing for the sale of the Bonds (the "Bond Purchase Contract"), all in substantially the forms of the Preliminary Official Statement and the Bond Purchase Contract presented to this meeting; 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 of the Master Site Lease, the Master Project Lease, the Site Lease, the Facility Lease, the Loan Agreements and the Indenture 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 Master Site Lease, the Master Project Lease, the Site Lease, the Facility Lease, the Loan Agreements and the Indenture and to approve the Preliminary Official Statement and the distribution thereof and to approve the execution by the Authority of the Bond Purchase Contract;

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

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

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Section 2. The form of the Master Site Lease proposed to be executed and entered into by and between the City and the Authority, and the form of the Master Project Lease proposed to be executed and entered into by and between the Authority and the City, presented to this meeting and on file with the Secretary of the Authority (the "Secretary"), are hereby approved, and the Treasurer of the Authority or the designee thereof (the "Treasurer") is hereby authorized, for and in the name and on behalf of the Authority, to execute and deliver the Master Site Lease and the Master Project Lease in substantially said forms, with such changes as such officer may require or approve (subject to the second recital paragraph hereof), such approval to be conclusively evidenced by the execution and delivery thereof.

Section 3. The form of the Site Lease proposed to be executed and entered into by and between the City and the Authority, and the form of the Facility Lease proposed to be executed and entered into by and between the Authority and the City, presented to this meeting and on file with the Secretary, are hereby approved, and the Treasurer is hereby authorized, for and in the name and on behalf of the Authority, to execute and deliver the Site Lease and the Facility Lease in substantially said forms, with such changes as such officer may require or approve (subject to the third recital paragraph hereof), such approval to be conclusively evidenced by the execution and delivery thereof.

Section 4. The forms of the Loan Agreements proposed to be executed and entered into by and between the Agency and the Authority, presented to this meeting and on file with the Secretary, are hereby approved, and the Treasurer is hereby authorized, for and in the name and on behalf of the Authority, to execute and deliver to the Agency the Loan Agreements in substantially said forms, with such changes as such officer may require or approve (subject to the fifth recital paragraph hereof), such approval to be conclusively evidenced by the execution and delivery thereof.

Section 5. The form of the Indenture proposed to be executed and entered into by and between the Authority and the Trustee, presented to this meeting and on file with the Secretary, is hereby approved, and the Treasurer is hereby authorized, for and in the name and on behalf of the Authority, to execute and deliver one or more Indentures in substantially said form, with such changes as such officer may require or approve, such approval to be conclusively evidenced by the execution and delivery thereof, and the 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 Bonds by executing the Certificate of Authentication appearing thereon, and to deliver the Bonds, when duly executed and authenticated, to the Underwriter hereinafter defined in accordance with written instructions executed on behalf of the Authority by the Chairman of the Authority (the

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“Chairman”), or his designee, and the Secretary, which instructions said officers are 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 Bonds to such Underwriter upon payment of the purchase price thereof.

Section 6. The form of the Bond Purchase Contract proposed to be executed and entered into by and between the Authority and Stone & Youngberg LLC, as representative of the underwriters of the Bonds (the “Underwriter”), presented to this meeting and on file with the Secretary, providing for the sale of the Bonds to the Underwriter, is hereby approved, and the Treasurer is hereby authorized, for and in the name and on behalf of the Authority, to execute and deliver to the Underwriter the Bond Purchase Contract in substantially said form providing for the sale of the Bonds, which Bonds shall bear interest at a true interest cost not to exceed six and one-half per cent (6.5%) per annum and with an underwriter’s discount of not more than one per cent (1%) of the principal amount thereof, plus accrued interest, with such changes as such officer may require or approve, such approval to be conclusively evidenced by the execution and delivery thereof.

Section 7. The form of the Official Statement in preliminary form relating to the Bonds (the “Official Statement”), presented to this meeting and on file with the Secretary, is hereby approved, and the Treasurer is hereby authorized, for and in the name and on behalf of the Authority, to approve the distribution of the Official Statement in preliminary form and to certify on behalf of the Authority that the Official Statement in preliminary form 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 the Treasurer is hereby authorized, for and in the name and on behalf of the Authority, to execute and deliver to the Underwriter the Official Statement in final form, with such changes as such officer may require or approve, such approval to be conclusively evidenced by the execution and delivery thereof, and the Underwriter is hereby authorized to distribute copies of the Official Statement to persons who may be interested in the purchase of the Bonds and is directed to deliver such copies to all actual purchasers of the Bonds.

Section 8. The officers of the Authority are hereby 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 or to issue the 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 Master Site Lease, the Mater Project Lease, the Site Lease, the Facility Lease, the Loan Agreements, the Indenture, the Bond Purchase Contract and the Bonds, including the

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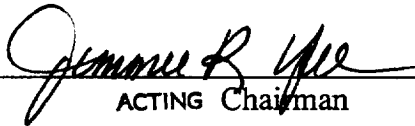
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purchase of a bond insurance policy for the Bonds, and any such actions heretofore taken by such officers are hereby ratified, confirmed and approved.

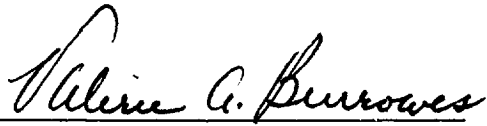
Section 9. This resolution shall take effect immediately upon its passage.

PASSED AND ADOPTED this 16 day of November, 1999.



ACTING Chairman

Attest:



Secretary

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