

RESOLUTION NO. 2002-004

ADOPTED BY THE SACRAMENTO CITY FINANCING AUTHORITY

ON DATE OF OCT - 8 2002

A RESOLUTION OF THE SACRAMENTO CITY FINANCING AUTHORITY AUTHORIZING THE ISSUANCE, SALE AND DELIVERY OF NOT TO EXCEED \$55,000,000.00 AGGREGATE PRINCIPAL AMOUNT OF SACRAMENTO CITY FINANCING AUTHORITY 2002 REFUNDING REVENUE BONDS, AND AUTHORIZING THE EXECUTION AND DELIVERY OF AN ASSIGNMENT AGREEMENT FOR THE SECOND AMENDED AND RESTATED TRANSIT PROPERTY LEASE FOR THE SACRAMENTO LIGHT RAIL TRANSIT PROJECT AND A SECOND AMENDED AND RESTATED PROJECT LEASE FOR THE CITY OF SACRAMENTO 1987 PUBLIC FACILITIES PROJECT AND AN INDENTURE AND ESCROW AGREEMENTS IN CONNECTION THEREWITH, AND AUTHORIZING THE EXECUTION AND DELIVERY OF A PURCHASE CONTRACT FOR SUCH BONDS, AND 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 A CONTINUING DISCLOSURE CERTIFICATE 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 of Sacramento (the "City") has determined that the refunding of its existing lease obligations under the Amended and Restated Transit Property Lease by and between the Sacramento Regional Transit District (the "District") and the City for the Sacramento Light Rail Transit Project executed and entered into as of April 1, 1991 (the "Amended and Restated Transit Property Lease") and under the Amended and Restated Project Lease by and between the Authority and the City for the City of Sacramento 1987 Public Facilities Project executed and entered into as of April 1, 1991 (the "Amended and Restated Project Lease," and together with the Amended and Restated Transit Property Lease, the "1991 Leases") is necessary and proper for the City and is in the public interest of the City, and the City has determined that providing funds to the City for refunding the obligations of the City under the 1991 Leases by the issuance of revenue bonds of the Authority will result in demonstrable

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savings in borrowing costs to the City and will result in significant public benefits to the City; and

WHEREAS, in order to achieve the foregoing, the District and the City will execute and enter into as of October 1, 2002, a Second Amendment to Site Lease (the "Second Amendment to Site Lease") for the Sacramento Light Rail Transit Project and a Second Amended and Restated Transit Property Lease for the Sacramento Light Rail Transit Project (the "Second Amended and Restated Transit Property Lease"), which Second Amended and Restated Transit Property Lease will be assigned by the District to the Authority by an Assignment Agreement to be executed and entered into as of October 1, 2002 (the "Assignment Agreement"), and the Authority and the City will execute and enter into as of October 1, 2002, a Second Amended and Restated Project Lease for the City of Sacramento 1987 Public Facilities Project (the "Second Amended and Restated Project Lease," and together with the Second Amended and Restated Transit Property Lease, the "Project Leases") in substantially the forms of the Second Amendment to Site Lease, the Project Leases and the Assignment Agreement presented to this meeting, with the total principal installments of the Base Rental Payments (as that term is defined in the Project Leases, and herein the "Base Rental Payments") to be in an amount not exceeding fifty-five million dollars (\$55,000,000.00) and with the term of the Project Leases to be not in excess of fifteen (15) years; and

WHEREAS, under the Project Leases and the Assignment Agreement, the City will be obligated to make Base Rental Payments to the Authority; and

WHEREAS, the Authority has determined to issue its 2002 Refunding Revenue Bonds in an aggregate principal amount of not to exceed fifty-five million dollars (\$55,000,000.00) (the "Bonds") pursuant to an Indenture to be executed and entered into as of October 1, 2002 (the "Indenture") by and between the Authority and BNY Western Trust Company, as trustee (the "Trustee"), a portion of the proceeds of which will be used by the Authority as the source of funds for the redemption of all of the outstanding principal amount of the City of Sacramento 1991 Refunding Certificates of Participation (Sacramento Light Rail Transit Project) and all of the outstanding principal amount of the City of Sacramento 1991 Refunding Certificates of Participation (1987 Public Facilities Project) (collectively, the "1991 Certificates"), which 1991 Certificates evidence and representing the existing lease obligations of the City under the 1991 Leases; and

WHEREAS, in order to provide for the redemption of the 1991 Certificates, the Authority and the Escrow Agents (as that term is defined in the Indenture) will execute and enter into Escrow Agreements as of October 1, 2002 (the "Escrow Agreements"), in substantially the forms of the Escrow Agreements presented to this meeting; and

WHEREAS, in connection with the issuance of the Bonds, the Authority (with the approval of the City) will approve the distribution of a Preliminary Official Statement for the Bonds (the "Preliminary Official Statement") and the Authority (with the approval of the City) will enter into a Purchase Contract providing for the sale of the Bonds (the "Purchase Contract"), both in substantially the forms of the Preliminary Official Statement and the Purchase Contract presented to this meeting, and (after the sale of the Bonds) the Authority (with the approval of

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the City) will execute and deliver and authorize the distribution of a Final Official Statement for the Bonds (the "Final Official Statement") and the Authority and the City will execute a Continuing Disclosure Certificate for the Bonds (the "Continuing Disclosure Certificate") in compliance with Securities and Exchange Commission Rule 15c2-12(b)(5), in substantially the form of the Continuing Disclosure Certificate 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 Assignment Agreement, the Second Amended and Restated Project Lease, the Indenture, the Escrow Agreements 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 Authority is now duly authorized to execute and deliver the Assignment Agreement, the Second Amended and Restated Project Lease, the Indenture, the Escrow Agreements and the Continuing Disclosure Certificate and to approve the distribution of the Preliminary Official Statement and to execute and deliver the Purchase Contract and (after the sale of the Bonds) 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 above recitals are true and correct, and the Authority so finds and determines.

Section 2. The Treasurer of the Authority (the "Treasurer") is hereby authorized and directed to execute the Assignment Agreement for and on behalf of the Authority, and the Secretary of the Authority (the "Secretary") is hereby authorized and directed to attest such execution and to deliver the Assignment Agreement; and as executed and delivered, the Assignment 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 3. The Treasurer is hereby authorized and directed to execute the Second Amended and Restated Project Lease for and on behalf of the Authority, and the Secretary is hereby authorized and directed to attest such execution and to deliver the Second Amended and Restated Project Lease; and as executed and delivered, the Second Amended and Restated Project Lease 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 4. 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 Bonds authorized to be issued under

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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 Representative hereinafter defined in accordance with written instructions executed on behalf of the Treasurer, which instructions the Treasurer 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 Bonds to such Representative upon payment of the purchase price thereof and shall provide for the use of a portion of the proceeds of the Bonds for the refunding of the 1991 Certificates.

Section 5. The Treasurer is hereby authorized and directed to execute the Escrow Agreements for and on behalf of the Authority, and the Secretary is hereby authorized and directed to attest such execution and to deliver the Escrow Agreements; and as executed and delivered, the Escrow Agreements 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.

Section 6. The Purchase Contract between Stone & Youngberg LLC, as representative of the underwriters of the Bonds (the "Representative"), and the Authority, in substantially the form presented to this meeting, providing for the sale of the 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 Treasurer shall require or approve, such approval to be conclusively evidenced by the execution and delivery thereof; provided, that the Bonds shall bear interest at a true interest cost not to exceed four and one-half percent (4%) per annum and with an underwriter's discount of not more than one percent (.825%) of the principal amount thereof.

Section 7. The Treasurer is hereby authorized and directed for and on behalf of the Authority (after the approval of the City) 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 Bonds) the Treasurer is hereby authorized and directed for and on behalf of the Authority (after the approval of the City) 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 Bonds and is directed to distribute copies of the Final Official Statement to all actual purchasers of the Bonds.

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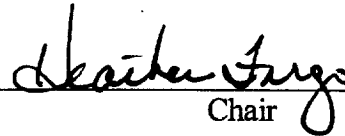
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Section 8. The Treasurer is hereby authorized and directed to execute the Continuing Disclosure Certificate for and on behalf of the Authority and to deliver the Continuing Disclosure Certificate; and as executed and delivered, the Continuing Disclosure 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.


Section 9. 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, 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 Project Leases, the Assignment Agreement, the Indenture, the Escrow Agreements, the Continuing Disclosure Certificate, the Purchase Contract and the Bonds, including the purchase of a bond insurance policy for the Bonds if deemed desirable, and any such actions heretofore taken by such officers are hereby ratified, confirmed and approved.

Section 10. This resolution shall take effect immediately upon its passage.

PASSED AND ADOPTED this 8th day of October, 2002.


Chair

Attest:


Secretary

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