

RESOLUTION NO. 2007-002

Adopted by the Sacramento City Financing Authority

May 8, 2007

AUTHORIZING THE EXECUTION AND DELIVERY OF A FIRST AMENDMENT TO FACILITY LEASE, A FIRST SUPPLEMENTAL INDENTURE, A REMARKETING MEMORANDUM, A DELAYED DELIVERY PURCHASE AND REMARKETING AGREEMENT AND AN INTEREST RATE HEDGING AGREEMENT IN CONNECTION WITH THE REMARKETING OF THE SACRAMENTO CITY FINANCING AUTHORITY 1997 LEASE REVENUE BONDS (ARCO ARENA ACQUISITION) AND OTHER ACTIONS IN CONNECTION THEREWITH, AND AUTHORIZING RELATED ACTIONS

BACKGROUND:

- A. 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").
- B. 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).
- C. The Authority issued its Sacramento City Financing Authority 1997 Lease Revenue Bonds pursuant to an Indenture, dated as of July 1, 1997, between the Authority and U.S. Bank National Association, as successor trustee, (the "Original Indenture") in the aggregate principal amount of \$73,725,000 (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").
- D. The City of Sacramento (the "City"), which qualifies as a local agency under the Act, leases to the Authority the site on which the Project is located, pursuant to the terms of a Site Lease (the "Site Lease"), dated as of July 1, 1997, between the City and the Authority, and the Authority subleases back to the City the Project, pursuant to the terms of a Facility Lease (the "Original Facility Lease"), dated as of July 1, 1997, between the Authority and the City all in furtherance of the purposes of assisting the Authority in financing the acquisition of the Project.
- E. Pursuant to the terms of the Original Indenture, each Bond in a Floating Rate Mode is subject to mandatory tender on July 18, 2007 at which time the Bonds shall be adjusted to a new Mode.

- F. Pursuant to the terms of the Original Indenture, each Bond will be remarketed to new Owners on July 18, 2007, with modifications and amendments to the determination of the Floating Rate pursuant to the Original Indenture and certain redemption provisions, including the optional redemption provisions and amounts of mandatory redemption pursuant thereto.
- G. The Authority desires, pursuant to a First Supplemental Indenture (the "First Supplemental Indenture" and, together with the Original Indenture, the "Indenture"), between the Authority and the Trustee, to make such modifications and amendments.
- H. Pursuant to the Original Indenture, the Original Indenture may be modified and amended from time to time when the written consents of the Owners and the Bond Insurer have been filed with the Trustee.
- I. The Owners and the Bond Insurer will have duly consented to the amendments set forth therein prior to the execution and delivery thereof.
- J. The Original Facility Lease provides that Exhibit B of the Original Facility Lease may be amended from time to time by the filing of a new Exhibit D to the Indenture and, pursuant to the Original Facility Lease, the Original Facility Lease may be modified and amended from time to time when the written consent of the Bond Insurer have been filed with the Trustee.
- K. The Bond Insurer will have duly consented to the amendment of Exhibit B of the Original Facility Lease pursuant to a First Amendment to Facility Lease (the "First Amendment to Facility Lease"), between the Authority and the City, prior to the execution and delivery thereof.
- L. 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 every requirement of law, to authorize the execution and delivery of certain documents in order to finance the Project in the manner and upon the terms herein provided.

BASED ON THE FACTS SET FORTH IN THE BACKGROUND, THE SACRAMENTO CITY FINANCING AUTHORITY RESOLVES 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 First Amendment to 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 First Amendment to Facility Lease in a form substantially the same as the approved 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 First Supplemental Indenture 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 First Supplemental Indenture in a form substantially the same as the approved 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 4. The form of Remarketing Memorandum relating to the remarketing of the Bonds (the "Remarketing Memorandum") 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 Remarketing Memorandum in a form substantially the same as the approved 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. Goldman, Sachs & Co., the remarketing agent for the Bonds (the "Remarketing Agent"), is hereby authorized to distribute the Remarketing Memorandum to persons who may be interested in the purchase of the Bonds and to all actual purchasers of the Bonds.
- Section 6. The form of Delayed Delivery Purchase and Remarketing Agreement among the Authority, the City, and the Remarketing Agent (the "Delayed Delivery Purchase and Remarketing Agreement") 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 Delayed Delivery Purchase and Remarketing Agreement in a form substantially the same as the approved 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 7. The Authority hereby finds and determines that the form of Interest Rate Hedging Agreement presented to this meeting and on file with the Secretary of the Board (the "Interest Rate Hedging Agreement") is in the best interests of the Authority in that such Interest Rate Hedging Agreement will result in a lower cost of borrowing related to the Bonds and 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 Interest Rate Hedging Agreement in a form substantially the same as the approved 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 8. 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 First Amendment to Facility Lease, the First Supplemental Indenture, the Remarketing Memorandum, the Delayed Delivery Purchase and Remarketing Agreement and the Interest Rate Hedging Agreement.

Section 9. 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 limitation, documents relating to bond insurance that 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 "Resolution"), including, without limitation, the First Amendment to Facility Lease, the First Supplemental Indenture, the Remarketing Memorandum, the Delayed Delivery Purchase and Remarketing Agreement, the Interest Rate Hedging Agreement and the sale and delivery of the Bonds. Any such actions heretofore taken by such officers are hereby ratified, confirmed and approved.

Section 10. This Resolution takes effect immediately upon its passage.

Adopted by the City of Sacramento Financing Authority on May 8, 2007 by the following vote:

Ayes: Members Cohn, Fong, Hammond, McCarty, Pannell Sheedy, Tretheway, Waters, and Chair Fargo.

Noes: None.

Abstain: None.

Absent: None.



Heather Fargo, Chair

Attest:



Shirley Concolino, Secretary