

RESOLUTION NO. 2006-004

Adopted by the Sacramento City Financing Authority

November 21, 2006

AUTHORIZING THE ISSUANCE, SALE AND DELIVERY OF NOT TO EXCEED \$310,000,000 AGGREGATE PRINCIPAL AMOUNT OF SACRAMENTO CITY FINANCING AUTHORITY 2006 CAPITAL IMPROVEMENT REVENUE BONDS, SERIES C (300 RICHARDS BOULEVARD BUILDING ACQUISITION), SACRAMENTO CITY FINANCING AUTHORITY 2006 TAXABLE CAPITAL IMPROVEMENT REVENUE BONDS, SERIES D (300 RICHARDS BOULEVARD BUILDING ACQUISITION) AND SACRAMENTO CITY FINANCING AUTHORITY 2006 CAPITAL IMPROVEMENT REFUNDING REVENUE BONDS, SERIES E (MASTER LEASE PROGRAM FACILITIES) AND AUTHORIZING THE EXECUTION AND DELIVERY OF RELATED AMENDMENTS TO ONE OR MORE LEASES WITH THE CITY OF SACRAMENTO AND ONE OR MORE INDENTURES IN CONNECTION THEREWITH, AUTHORIZING THE EXECUTION AND DELIVERY OF ONE OR MORE PURCHASE CONTRACTS FOR THE BONDS, APPROVING THE DISTRIBUTION OF ONE OR MORE PRELIMINARY OFFICIAL STATEMENTS AND AUTHORIZING THE EXECUTION, DELIVERY AND DISTRIBUTION OF ONE OR MORE FINAL OFFICIAL STATEMENTS FOR THE BONDS, AUTHORIZING THE REFUNDING OF CERTAIN PRIOR BONDS AND APPROVING CERTAIN OTHER ACTIONS IN CONNECTION THEREWITH

BACKGROUND:

- A. 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").
- B. 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 the 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 2002A Project, the 2003 Project and the 2006 Project (as defined in the Master Project Lease and herein collectively called the "Master Lease Program Projects").
- C. 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 the real property described in one or more Amendments to Master Site Lease (collectively, the "Amendment to Master Site Lease"), by and between the City and the Authority, be leased by the City to the Authority, and that the Authority lease the real property (together with the improvements thereon) back to the City pursuant to one or more Amendments to Master Project Lease (collectively, the "Amendment to Master Project Lease"), by and between the Authority and the City, in substantially the forms presented to this meeting, with the total principal components of the payments payable as base rental pursuant to the Amendment to Master Project Lease to be in a combined amount not exceeding three hundred ten million dollars (\$310,000,000) and with the term of any Amendment to Master Project Lease to be not in excess of thirty-five (35) years from the date of the execution of such Amendment to Master Project Lease.

- D. Pursuant to the Amendment to Master Project Lease, the City will be obligated to make base rental payments to the Authority for the lease of the real property (together with the improvements thereon) to it.
- E. The Authority has determined that it may reduce the costs of the Master Lease Program Projects by issuing refunding revenue bonds to refund all or a portion of the Authority's 2001 Capital Improvement Revenue Bonds, Series A (Water and Capital Improvement Projects), 2002 Revenue Bonds, Series A (City Hall and Redevelopment Projects) and 2003 Capital Improvement Revenue Bonds (911 Call Center and Other Municipal Projects) (collectively, the "Prior 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.
- F. The Authority has determined to issue its 2006 Capital Improvement Revenue Bonds, Series C (300 Richards Boulevard Building Acquisition) (the "Series C Bonds"), 2006 Taxable Capital Improvement Revenue Bonds, Series D (300 Richards Boulevard Building Acquisition) (the "Series D Bonds") and 2006 Capital Improvement Refunding Revenue Bonds, Series E (Master Lease Program Facilities) (the "Series E Bonds" and, together with the Series C Bonds and the Series D Bonds, the "Bonds") pursuant to one or more Indentures (collectively, 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 the payment to the City of the purchase price of the Amendment to Master Project Lease (being the Program Obligation as defined in the Indenture), and the City has determined that on the date of issuance of the Bonds the projects to be acquired and constructed for the citizens of the City with the proceeds of the Bonds will be located within the territorial limits of the City, namely, the acquisition and improvement of the 300 Richards Boulevard Building, adjacent parking, land and implementation of related improvements and other actions consistent with the City's Downtown Space Planning—Guiding Principles and may apply a portion of such purchase price to provide funds to refund, in whole or in part, the Prior Bonds.

- G The Authority will assign, without recourse, all its rights to receive the base rental payments from the City under the Amendment to Master Project Lease to the Trustee, for the benefit of the registered owners of the Bonds.
- H. In connection with the issuance of the Bonds, the Authority (with the prior approval of the City) will approve the distribution of one or more Preliminary Official Statements for the Bonds (collectively, the "Preliminary Official Statement") and the Authority (with the prior approval of the City) will enter into one or more Purchase Contracts providing for the sale of the Bonds (collectively, the "Purchase Contract"), each 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 prior approval of the City) will execute and deliver and authorize the distribution of one or more Final Official Statements for the Bonds (collectively, the "Final Official Statement").
- I. 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 Amendment to Master Site Lease, the Amendment to Master Project Lease and the Indenture and the execution and delivery of the Bonds do exist, have happened and have been performed in regular and due time, form and manner as required by law. The Authority is now duly authorized to execute and deliver the Amendment to Master Site Lease, the Amendment to Master Project Lease and the Indenture and (with the prior approval of the City) to approve the distribution of the Preliminary Official Statement and (with the prior approval of the City) to execute and deliver the Purchase Contract and (after the sale of the Bonds) (with the prior approval of the City) to execute and deliver and authorize the distribution of the Final Official Statement and to execute and deliver the Bonds and to do any and all things and to execute any and all documents related to the Authority's refunding of all or a portion of the Prior Bonds.

BASED ON THE FACTS SET FORTH IN THE BACKGROUND, THE SACRAMENTO CITY FINANCING AUTHORITY RESOLVES AS FOLLOWS:

- Section 1. The Authority so finds and determines that the statements in paragraphs A through I of the Background are true.
- Section 2. The Authority is authorized to execute and deliver the Amendment to Master Site Lease and the Amendment to Master Project Lease, and the Treasurer of the Authority (the "Treasurer") is hereby authorized and directed to execute the Amendment to Master Site Lease and the Amendment to Master Project Lease for and on behalf of the Authority, and the Secretary of the Authority (the "Secretary") is hereby authorized and directed to attest the execution and to deliver the Amendment to Master Site Lease and the Amendment to Master Project Lease, and as executed and delivered, the Amendment to Master Site Lease and the

Amendment to Master Project Lease shall be in substantially the forms presented to this meeting, with the additions thereto or changes therein as the Treasurer shall require or approve, with approval to be conclusively evidenced by the execution and delivery thereof.

Section 3. The Authority is authorized to 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 the execution and to deliver the Indenture, and as executed and delivered, the Indenture shall be in substantially the form presented to this meeting, with the additions thereto or changes therein as the Treasurer shall require or approve, with approval to be conclusively evidenced by the execution and delivery thereof, and the Authority is authorized to execute and deliver the Bonds pursuant to the Indenture, which 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 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 Bonds to the Representative upon payment of the purchase price thereof.

Section 4. The Authority is authorized to execute and deliver the Purchase Contract with the representative of the underwriters of the Bonds designated therein as finally executed (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 the additions thereto or changes therein as the officer executing the Purchase Contract shall require or approve, with 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 eight percent (8%) and with an underwriter's discount of not more than two percent (2%) of the principal amount thereof.

Section 5. The Treasurer (with the prior approval of the City) 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, after the sale of the Bonds, the Treasurer is hereby authorized and directed for and on behalf of the Authority (with the prior approval of the City) to execute and deliver to the Representative the Final Official Statement, each with the additions thereto or changes therein as the Treasurer shall require or approve, with approval to be conclusively evidenced by the execution (in the case of the Final Official Statement) 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. The Treasurer (with the prior approval of the City) is hereby authorized and directed for and on behalf of the Authority 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.

Section 6. The Authority is authorized to do any and all things and to execute any and all documents necessary to refund all or a portion of the Prior Bonds with proceeds of the Series E Bonds, including, but not limited to, the execution and delivery of the amendments to the related leases and any other documents necessary to accomplish the refunding of the Prior Bonds, provided that the scheduled payments of the principal of and interest on the Series E 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 four and a half (4.50%), which determination by the Treasurer shall be final, conclusive and binding, and such amendments and documents shall be in the form as the Treasurer executing the same shall require or approve, with 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, a tax certificate, escrow agreements and any documents as may be required in order to obtain bond insurance, a reserve fund surety bond, if any, 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 Amendment to Master Site Lease, the Amendment to Master Project Lease, the Indenture, the Purchase Contract, the Official Statement and the Bonds, including the purchase of a bond insurance policy and a reserve fund surety bond for the Bonds if deemed desirable, and any actions heretofore taken by the officers are hereby ratified, confirmed and approved.

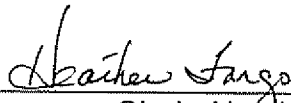
Adopted by the City of Sacramento Financing Authority on November 21, 2006 by the following vote:

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

Noes: None.

Abstain: None.

Absent: None.



Chair, Heather Fargo

Attest 

Shirley Concolino, Secretary