

RESOLUTION NO. 98-001

ADOPTED BY THE SACRAMENTO CITY FINANCING AUTHORITY

ON DATE OF MARCH 31, 1998

A RESOLUTION OF THE BOARD OF THE SACRAMENTO CITY FINANCING AUTHORITY AUTHORIZING THE EXECUTION AND DELIVERY OF A BOND PURCHASE CONTRACT AND APPROVING RELATED ACTIONS IN CONNECTION THEREWITH

WHEREAS, the Sacramento City Financing Authority (the "Authority") has been formed pursuant to a Joint Powers Agreement between the City of Sacramento (the "City") and the Redevelopment Agency of the City of Sacramento (the "Agency"), pursuant to a Joint Exercise of Powers Agreement, dated as of October 1, 1989, between the City and the Agency; and

WHEREAS, the Agency has previously issued \$78,435,000 principal amount of its Merged Downtown Sacramento Redevelopment Project Tax Allocation Bonds, Series 1990 A (the "1990 Tax-Exempt Bonds") and \$7,475,000 principal amount of its Merged Downtown Sacramento Redevelopment Project Taxable Tax Allocation Bonds, Series 1990 B (the "1990 Taxable Bonds"); and

WHEREAS, the Agency has authorized the issuance of (a) its Merged Downtown Sacramento Redevelopment Project Tax Allocation Bonds, Series 1998 A (the "1998 Tax-Exempt Bonds") for the purpose of advance refunding a portion of the 1990 Tax-Exempt Bonds maturing on and after November 1, 2001 and of providing additional moneys for the implementation of the Agency's Merged Downtown Sacramento Redevelopment Project (the "Redevelopment Project") and (b) its Merged Downtown Sacramento Redevelopment Project Taxable Tax Allocation Bonds, Series 1990 B (the "1998 Taxable bonds" and, together with the 1998 Tax-Exempt Bonds, the "1998 Bonds") for the purpose of advance refunding all of the outstanding 1990 Taxable Bonds and of providing additional moneys for the implementation of the Redevelopment Project; and

WHEREAS, the Authority has determined that it is desirable and furthers its public purpose to assist the Agency in the financing and refinancing of the Redevelopment Project, and to that end the Authority desires to enter into a bond purchase contract with the Agency and Merrill Lynch & Co., Stone & Youngberg LLC, E.J. De La Rosa & Co., Inc., Sutter Securities Incorporated, and M.R. Beal & Company (collectively, the "Underwriters") for the purchase and sale, and resale of the 1998 Bonds.

NOW, THEREFORE, BE IT RESOLVED BY THE SACRAMENTO CITY FINANCING AUTHORITY:

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Section 1: The form of bond purchase contract related to the 1998 Bonds (the "1998 Purchase Contract") among the Agency, the Authority, and the Underwriters, a copy of which is on file with the Secretary of the Authority, is hereby approved. The Manager and/or Treasurer of the Authority are hereby authorized to execute and deliver the 1998 Purchase Contract in substantially the form hereby approved with such changes as the Manager and/or Treasurer, after consultation with the General Counsel of the Authority and Brown & Wood LLP, Bond Counsel to the Agency, may deem necessary or appropriate, execution by either said officer to evidence conclusively their approval of any said changes. Notwithstanding the foregoing, the 1998 Purchase Contract shall not provide for (i) an aggregate principal amount of the 1998 Tax-Exempt Bonds in excess of \$48,000,000, an interest rate on any 1998 Tax-Exempt Bond in excess of 5.5% per annum, and a final maturity of any 1998 Tax-Exempt Bond later than November 1, 2013 or (ii) an aggregate principal amount of the 1998 Taxable Bonds in excess of \$17,000,000, an interest rate on any 1998 Taxable Bond in excess of 7.2%, and a final maturity of any 1998 Taxable Bond later than November 1, 2013; and (b) the underwriting discount with respect to the 1998 Tax-Exempt Bonds (exclusive of any original issue discount) shall not exceed 1.0% and the underwriting discount with respect to the 1998 Taxable Bonds (exclusive of any original issue discount) shall not exceed 1.25%.

Section 2: The Manager and/or Treasurer of the Authority are hereby further authorized to take any and all other actions necessary or appropriate to carry out the 1998 Purchase Contract and to execute any other contracts, agreements, filings, or other actions necessary or appropriate for the purpose of the issuance, sale, and delivery of the 1998 Bonds or any other transaction related thereto.

Section 3: This Resolution shall take effect immediately upon passage.

CHAIR

ATTEST:

CLERK

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