ARBITRAGE AND TAX CERTIFICATE

We, the undersigned Thomas P. Friery, City Treasurer of the City of Sacramento, California (the "Issuer") and the City Council of the Issuer, do hereby certify that this Certificate is issued pursuant to Sections 1.141-1 through 1.141-16, 1.148-0 through 1.148-11, 1.150-1 and 1.150-2 of the Treasury Regulations (the "Regulations") promulgated pursuant to the Internal Revenue Code of 1986, as amended (the "Code"), to set forth the Issuer's reasonable expectations on the date of issue of the obligations of the Issuer under that certain Lease/Purchase Agreement (as hereinafter defined) and as to future events regarding the amount and use of the proceeds thereof.

The Lease/Purchase Agreement

1. Each of the undersigned is charged, together with other officials and officers, with the responsibility for entering into the $_____ Schedule of Property No. __ dated as of _____ (the "Schedule") between the Issuer and Banc of America Public Capital Corp (the "Lessor"), which Schedule incorporates by reference the terms of that certain Master Equipment Lease/Purchase Agreement, dated as of March 16, 2004, (the "Master Lease") by and between the Issuer and Banc of America Leasing & Capital, LLC, an affiliate of Lessor (the Schedule and the Master Lease are collectively referred to herein as the "Lease/Purchase Agreement"). The Lease Purchase Agreement is authorized pursuant to the laws of the State of California and a resolution adopted by the Issuer on _____ (the "Resolution"). This certificate is a document related to the Lease/Purchase Agreement.

2. The Lease/Purchase Agreement is being entered into to finance the cost of certain Equipment described in the Lease/Purchase Agreement. As contemplated by the Lease/Purchase Agreement, the Lessor will fund the Equipment Cost to the Issuer. The Lessor will then lease the equipment to the Issuer, and the Issuer will agree to make rental payments under the Lease/Purchase Agreement (the "Rental Payments") to the Lessor. The Equipment will be used for a corporate and public purpose of the Issuer.

Proceeds

3. The Issuer will receive from the Lessor, as a result of the financing of the Equipment as contemplated by the Lease/Purchase Agreement, the amount of $_____ (the "Equipment Proceeds"). Completion of the acquisition of the Equipment is expected to occur prior to _____. Issuer has entered into, or will enter into within six months after the date hereof, binding contracts or commitments obligating the expenditure of at least five percent (5%) of the Equipment Proceeds. At least eighty-five percent (85%) of the Equipment Proceeds will be expended to pay issuance costs or to acquire the Equipment within three years after the date hereof.

4. The total cost of the Equipment is anticipated to be equal to the Equipment Proceeds. It is not anticipated that any proceeds from the issue will be used to pay the expenses of issuing the Lease/Purchase Agreement obligations.

Equipment

5. The Equipment Proceeds and anticipated investment earnings on such proceeds do not exceed the amount necessary to complete the acquisition of the Equipment.

6. The Issuer represents that the Equipment will not be used in such a manner so as to cause the Lease/Purchase Agreement to constitute "private activity bonds" as defined in Section 141(a) of the Code and Sections 1.141-0 through 1.141-16 of the Regulations.

7. All Equipment financed by the Lease/Purchase Agreement will be owned by the Issuer in accordance with Section 141 of the Code. The Issuer represents and covenants that while the Lease/Purchase Agreement is in effect, it will not sell, lease, or otherwise dispose of any portion of the Equipment, *except that* a portion of the Equipment may be disposed of in the normal course such as by reason of obsolescence and normal wear and tear without providing to the Lessor an opinion of bond counsel that such sale, lease, or other disposition will not adversely affect the exclusion of the interest portion of the Rental Payments made under the Lease/Purchase Agreement from the gross income of the Lessor for federal income tax purposes.

Yield

8. The Issuer represents that no other obligations of the Issuer (1) were or will be sold within 15 days of the lease of the Equipment as contemplated by the Lease/Purchase Agreement; (2) are being sold pursuant to a plan of financing common with the sales contemplated by the Lease/Purchase Agreement; and (3) are payable from substantially the same source of funds as the Lease/Purchase Agreement.

9. For purposes of this Certificate, "yield" means yield computed by the actuarial method using a 360-day year and semi-annual compounding, resulting in a discount rate which, when used in computing the present worth of all payments of principal and interest to be paid on an obligation, produces an amount equal to the issue price, fair market value, present value, or purchase price thereof, as applicable, and is determined in all respects in accordance with Section 148 of the Code and the Regulations.

10. As of the Closing Date, the Issuer expects that the purchase price of _____ is the issue price of the obligations under the Lease/Purchase Agreement to the public (excluding bond houses, brokers, and other intermediaries). Based upon such price, the Issuer expects the yield on the Lease/Purchase Agreement to be computed as ___%.

Arbitrage Certifications

11. No sinking fund has been established in connection with the payment of the principal of, and interest under, the Lease/Purchase Agreement, and no other similar fund or reserve or replacement fund has or will be created or established, nor does the Issuer expect to create or establish such a fund. The Issuer will pay Rental Payments directly to the Lessor on the due dates thereof.

12. The Lease/Purchase Agreement has a weighted average maturity of __ years. As of the Closing Date, the Issuer expects that the term of the Lease/Purchase Agreement is not

longer than reasonably necessary for the governmental purpose of the Lease/Purchase Agreement. As of the Closing Date, the Issuer does not expect to have available amounts (within the meaning of Section 1.148-1(c)(4) of the Regulations) during the period in which the Lease/Purchase Agreement is in effect.

13. The Issuer acknowledges its rebate obligations under Section 148 of the Code. The Issuer will maintain such records as to the investments and earnings on the Equipment Proceeds as may be necessary and appropriate to determine the amount, if any, that it is required to rebate to the U.S. Treasury because the earnings on such investments exceed the amount that would have been earned if such proceeds had been invested at the yield payable as the interest portion of the Rental Payments on the Lease/Purchase Agreement. In the event that the Issuer invests any of the Equipment Proceeds or any investment proceeds in investments that have a yield in excess of ____%, the Issuer agrees to retain a rebate advisor to assist the Issuer in complying with Section 148 of the Code. The Issuer will make the calculations of its liability, file such reports and make any required payments at the time or times as are now or may hereafter be prescribed under Section 148 (or a successor provision) of the Code.

14. Except as expressly permitted hereunder, the Issuer will not use any gross proceeds of the Lease/Purchase Agreement to acquire investments with a yield considered as a class higher than the yield payable as the interest portion of the Rental Payments on the Lease/Purchase Agreement or to replace funds which are used to directly or indirectly acquire investments with a yield higher than the yield payable as the interest portion of the Rental Payments on the Lease/Purchase Agreement.

15. The Lease/Purchase Agreement is not and will not be part of a transaction or series of transactions that attempts to circumvent the provisions of Section 148 of the Code or the Regulations (a) enabling the Issuer to exploit the difference between tax-exempt and taxable interest rates to gain a material financial advantage; or (b) overburdening the market for tax-exempt obligations.

Miscellaneous

16. The Lease/Purchase Agreement will not be federally guaranteed within the meaning of Section 149(b) of the Code.

17. The Issuer shall file or cause to be filed, the requisite Form 8038-G on or before the 15th day of the second month after the calendar quarter in which the Lease/Purchase Agreement is executed. The Issuer has reviewed the Form 8038-G prepared for the Lease/Purchase Agreement and all of the information contained therein is, to the best of the Issuer's knowledge, true and complete.

18. At least 85% of the net Equipment Proceeds of the Lease/Purchase Agreement will be allocated to expenditures for the Project no later than three years from the date hereof and therefore not more than 50% of the proceeds of the Lease/Purchase Agreement will be invested in nonpurpose investments (as defined in Section 148(f)(6)(A) of the Code) having a substantially guaranteed yield for four years or more.

19. The Issuer has not received notice of deficiency or other notice from the Internal Revenue Service, the Department of Treasury, or any other governmental agency or department challenging or questioning in any way the status of the interest portion of the Rental Payments as being excludable from gross income for federal income tax purposes, nor has the Issuer been notified of any listing or proposed listing of it by the Internal Revenue Service as an issuer that may not enter into the type of lease/purchase transaction as contemplated here.

On the basis of the foregoing facts, estimates and circumstances in existence on the date hereof it is not expected that the proceeds of the Lease/Purchase Agreement will be used in a manner that would cause the Lease/Purchase Agreement to be "arbitrage bonds" under Section 148 of the Code and the Regulations. To the best of our knowledge and belief there are no other facts, estimates, or circumstances which would materially change such expectations.

Dated this __th day of _____ 2007, the same being the date of delivery of and payment for the Lease/Purchase Agreement.

IN WITNESS WHEREOF, we have hereunto set our hands.

City of Sacramento, California

By: _____

Name: _____

Title: _____