

RESOLUTION NO. 2004-___ 2004-915

ADOPTED BY THE SACRAMENTO CITY COUNCIL

ON DATE OF DEC 7 2004

A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF SACRAMENTO PROVIDING FOR THE FORM, EXECUTION AND ISSUANCE OF ITS CITY OF SACRAMENTO DEVELOPMENT FEE FINANCING COMMUNITY FACILITIES DISTRICT NO. 95-01 SPECIAL TAX BONDS, REFUNDING SERIES B (2005); APPROVING THE FORM OF THE SECOND SUPPLEMENTAL INDENTURE PROVIDING FOR THE ISSUANCE OF SUCH BONDS AND AUTHORIZING ITS EXECUTION; APPROVING THE CONSOLIDATED PRELIMINARY OFFICIAL STATEMENT RELATING TO SUCH BONDS AND AUTHORIZING ITS DISTRIBUTION; APPROVING THE CONSOLIDATED FINAL OFFICIAL STATEMENT RELATING TO SUCH BONDS AND AUTHORIZING ITS EXECUTION; APPROVING THE FORM OF THE BOND PURCHASE CONTRACT RELATING TO SUCH BONDS AND AUTHORIZING ITS EXECUTION; AUTHORIZING THE EXECUTION AND DELIVERY OF AN ESCROW AGREEMENT IN CONNECTION WITH THE REDEMPTION OF THE CITY OF SACRAMENTO DEVELOPMENT FEE FINANCING COMMUNITY FACILITIES DISTRICT NO. 95-01 SPECIAL TAX BONDS, SERIES A (1995) AND THE CITY OF SACRAMENTO DEVELOPMENT FEE FINANCING COMMUNITY FACILITIES DISTRICT NO. 95-01 SPECIAL TAX BONDS, SERIES B (1998); AND AUTHORIZING AND RATIFYING ACTIONS BY THE OFFICERS OF THE CITY IN FURTHERANCE OF THE ISSUANCE OF SUCH BONDS

WHEREAS, the City Council (the "City Council") of the City of Sacramento (the "City"), by proceedings duly had and taken pursuant to the provisions of the Mello-Roos

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Community Facilities Act of 1982, as amended (the "Act"), is authorized to annually levy a special tax against all taxable parcels of land within the City of Sacramento Development Fee Financing Community Facilities District No. 95-01 ("CFD 95-01") and to issue special tax bonds in amounts not to exceed a total of twenty-five million dollars (\$25,000,000) to finance the acquisition and construction of the authorized facilities specified in Resolution No. 95-138 adopted by the City Council on April 6, 1995; and

WHEREAS, on May 16, 1995, the City Council adopted its Resolution No. 95-248 approving an Indenture (the "Indenture") providing for the form, execution and issuance of special tax bonds which authorized the issuance of its City of Sacramento Development Fee Financing Community Facilities District No. 95-01 Special Tax Bonds, Series A (1995) (the "Series A (1995) Bonds") in the principal amount of one million eight hundred thousand dollars (\$1,800,000) to finance the costs of the acquisition and construction of certain designated facilities in and for CFD 95-01 and to pay the costs of issuance of the Series A (1995) Bonds; and

WHEREAS, by proceedings duly had and taken pursuant to the Act, certain territories constituting Annexation No. 1 ("Annexation No. 1") were thereafter annexed to CFD 95-01, and the Notice of Amendment to Special Tax Lien and Notice of Annexation to Community Facilities District for CFD 95-01 was recorded in the office of the Sacramento County Recorder on May 29, 1998; and

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WHEREAS, the Indenture specified the conditions for the issuance of additional bonds other than the Series A (1995) Bonds and the procedure for the issuance of such additional bonds by a supplemental indenture as provided in Section 5.5 of the Indenture; and

WHEREAS, pursuant to the Indenture, as supplemented by the First Supplemental Indenture dated as of July 1, 1998, the City Council provided for the form, execution and issuance of its City of Sacramento Development Fee Financing Community Facilities District No. 95-01 Special Tax Bonds, Series B (1998) (the "Series B (1998) Bonds") in the principal amount of two million five hundred fifteen thousand dollars (\$2,515,000) to finance the costs of the acquisition and construction of certain other designated facilities in and for Annexation No. 1 to CFD 95-01 and to pay the costs of issuance of the Series B (1998) Bonds; and

WHEREAS, the City has determined to provide for the redemption of the entire outstanding principal amount of the Series A (1995) Bonds (being \$190,000) in accordance with the terms of the Indenture from funds available to the City for such purpose and the entire outstanding principal amount of the Series B (1998) Bonds (being \$1,110,000) in accordance with the terms of the Indenture, as supplemented by the First Supplemental Indenture, from the proceeds of a series of refunding special tax bonds as hereinafter provided; and

WHEREAS, the Series B (1998) Bonds were issued on a parity with the Series A (1995) Bonds, and the City Council desires to provide for the form, execution and issuance of such series of refunding special tax bonds under the terms and conditions of the Indenture and

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the Second Supplemental Indenture (the "Second Supplemental Indenture") to the Indenture to redeem the Series B (1998) Bonds simultaneously with the redemption of the Series A (1995) Bonds, which Second Supplemental Indenture will amend the Indenture to provide that only the territory within Annexation No. 1 to CFD 95-01 shall be subject to the special tax for the retirement of such series of refunding special tax bonds and will eliminate the requirement that such series of refunding special tax bonds and any additional Bonds issued under the Indenture be issued on a parity with all other Bonds issued under the Indenture; and

WHEREAS, it is desirable and necessary to approve the Second Supplemental Indenture, now on file with the City Clerk, and to specify the conditions, terms and form of such issue of refunding special tax bonds in the principal amount of not to exceed one million two hundred thousand dollars (\$1,200,000) and to designate such issue of refunding special tax bonds as the "City of Sacramento Development Fee Financing Community Facilities District No. 95-01 Special Tax Bonds, Refunding Series B (2005)" (the "Refunding Series B (2005) Bonds"); and

WHEREAS, the City Council has carefully considered the terms and conditions of the Second Supplemental Indenture; and

WHEREAS, it is also desirable and necessary to approve the forms of the various financing documents to accompany the issuance of the Refunding Series B (2005) Bonds and the redemption of the Series A (1995) Bonds and the redemption of the Series B (1998) Bonds; and

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WHEREAS, the firm of Stone & Youngberg LLC (the "Underwriter") has submitted an offer to purchase the Refunding Series B (2005) Bonds pursuant to a form of Bond Purchase Contract (the "Bond Purchase Contract") now on file with the City Clerk; and

WHEREAS, the City Council has considered carefully the terms and conditions of the Bond Purchase Contract, and has determined that a private sale of the Refunding Series B (2005) Bonds to the Underwriter in accordance with the Bond Purchase Contract would result in a lower overall cost to the City; and

WHEREAS, the City has caused to be prepared a consolidated Official Statement in preliminary form relating to the Refunding Series B (2005) Bonds, a copy of which is on file with the City Clerk; and

WHEREAS, in order to accomplish the redemption of the Series A (1995) Bonds and the redemption of the Series B (1998) Bonds, the City will execute and deliver an Escrow Agreement, a copy of which is on file with the City Clerk;

NOW, THEREFORE, BE IT RESOLVED by the City Council of the City of Sacramento as follows:

SECTION 1. The above recitals are true and correct, and the City Council so finds and determines.

SECTION 2. The Second Supplemental Indenture approved hereby constitutes a supplemental indenture under the Indenture, and the terms of the Indenture, except as they deal solely with the Series A (1995) Bonds and the Series B (1998) Bonds and except as they provide

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that any additional Bonds issued thereunder must be issued on a parity with all other Bonds issued thereunder, shall govern the Refunding Series B (2005) Bonds issued thereunder.

SECTION 3. The Second Supplemental Indenture, substantially in the form on file with the City Clerk, is hereby approved by the City Council, and the Mayor and the City Clerk of the City are hereby authorized to execute, attest and deliver the Second Supplemental Indenture on behalf of the City, with such changes therein as the City Treasurer or his designee may require or approve after consultation with Bond Counsel, such execution, attestation and delivery to be conclusive evidence of the approval by the City Council of such changes.

SECTION 4. The Bond Purchase Contract, in the form submitted by Stone & Youngberg LLC and on file with the City Clerk, is hereby approved for execution and delivery by the City Treasurer, with such changes therein as the City Treasurer or his designee may require or approve after consultation with Bond Counsel, including final pricing, such execution and delivery to be conclusive evidence of the approval by the City Council of such changes; provided, that the true interest rate on the Refunding Series B (2005) Bonds shall not exceed seven per cent (7%) per annum and the Underwriter's discount for the sale of the Refunding Series B (2005) Bonds shall not exceed two per cent (2%) of the principal amount thereof.

SECTION 5. The consolidated Preliminary Official Statement (the "POS") on file with the City Clerk is hereby approved as to form, acknowledging that there are blank spaces yet to be filled in, and some additional information still to be obtained and inserted; and when those blanks have been filled in, and such additional information obtained and inserted, the POS

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will be deemed “near final” by the City Council for the purposes of Rule 15c2-12 of the Securities and Exchange Commission of the United States, and the City Council hereby delegates to the City Treasurer, or his designee, the authority to determine that the blanks have been filled in (except those which are to remain blank until the consolidated final Official Statement is prepared), to determine that the additional information has been obtained and inserted, and the authority, in that event, to certify that the POS was deemed “near final” by the City Council as set forth above; and upon such certification, the Underwriter is authorized to distribute to the public copies of the POS.

SECTION 6. The City Treasurer or his designee is authorized to sign and deliver the consolidated final Official Statement, to be substantially in the form of the POS, such execution and delivery to be conclusive evidence of the approval by the City Council of the consolidated final Official Statement.

SECTION 7. The Escrow Agreement (the “Escrow Agreement”) proposed to be executed as of January 1, 2005, by and between the City and U.S. Bank National Association, as successor Paying Agent and Escrow Agent for the Series A (1995) Bonds and the Series B (1998) Bonds, in the form on file with the City Clerk, is hereby approved by the City Council, and the City Treasurer of the City is hereby authorized and directed to execute the Escrow Agreement for and on behalf of the City, with such changes therein as the City Treasurer or his designee may require or approve after consultation with Bond Counsel, such execution and delivery to be conclusive evidence of the approval by the City Council of such changes.

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SECTION 8. The officers of the City are hereby authorized and directed, jointly and severally, to do any and all things, and to execute and deliver any and all documents, including the tax certificate and the continuing disclosure certificate, and contracts, which they may deem necessary or advisable in order to consummate the sale, execution and delivery of the Refunding Series B (2005) Bonds and the redemption of the Series A (1995) Bonds and the redemption of the Series B (1998) Bonds and otherwise to carry out, give effect to and comply with the terms and intent of this resolution, the Indenture, the Second Supplemental Indenture, the Refunding Series B (2005) Bonds, the consolidated Preliminary Official Statement, the consolidated Official Statement and the Escrow Agreement; and any such actions heretofore taken by such officers in connection therewith are hereby ratified, confirmed and approved; provided, that all decisions relating to the budgeting for the expenditure of the proceeds of the Refunding Series B (2005) Bonds and otherwise implementing all the provisions hereof shall be made by the City Treasurer of the City.

SECTION 9. This resolution shall take effect from and after its adoption.

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APPROVED:

HEATHER FARGO

Mayor of the City of Sacramento

ATTEST:

SHIRLEY CONCOLINO

City Clerk of the City of Sacramento

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CLERK'S CERTIFICATE

I, Shirley Concolino, City Clerk of the City of Sacramento, do hereby certify as follows:

The foregoing resolution is a full, true and correct copy of a resolution duly adopted at a regular meeting of the City Council of said City duly and regularly held at the regular meeting place thereof on the 7th day of December, 2004, of which meeting all of the members of said City Council had due notice and at which a majority thereof were present, and that at said meeting said resolution was adopted by the following vote:

AYES: 9

NOES: 0

ABSENT: 0

An agenda for said meeting was posted at least seventy-two (72) hours before said meeting at the Sacramento Interim City Hall, 730 I Street, Sacramento, California 95814, a location freely accessible to members of the public, and a brief description of said resolution appeared on said agenda.

I have carefully compared the foregoing with the original minutes of said meeting on file and of record in my office, and the foregoing is a full, true and correct copy of the original resolution adopted at said meeting and entered in said minutes.

Said resolution has not been amended, modified or rescinded since the date of its adoption and the same is now in full force and effect.

Dated: January __, 2005.

City Clerk of the City of Sacramento

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