

RESOLUTION NO. 2004-659

ADOPTED BY THE SACRAMENTO CITY COUNCIL

ON DATE OF August 10, 2004

A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF SACRAMENTO APPROVING THE ISSUANCE OF THE NORTH NATOMAS BASIN 8C CFD NO. 99-04, CITY OF SACRAMENTO, COUNTY OF SACRAMENTO, STATE OF CALIFORNIA, SPECIAL TAX BONDS, SERIES B (2004), AND AUTHORIZING THE EXECUTION AND DELIVERY OF A SECOND SUPPLEMENTAL INDENTURE PROVIDING FOR THE ISSUANCE OF SUCH BONDS AND A BOND PURCHASE CONTRACT PROVIDING FOR THE SALE OF SUCH BONDS AND A CONTINUING DISCLOSURE CERTIFICATE FOR SUCH BONDS AND APPROVING AN OFFICIAL STATEMENT RELATING TO SUCH BONDS

WHEREAS, the City Council (the "City Council") of the City of Sacramento (the "City") on August 17, 1999, adopted its Resolution No. 99-476 approving a Master Indenture dated as of September 1, 1999 (the "Master Indenture") by and between the City and BNY Western Trust Company (the "Trustee") authorizing the issuance of bonds under the Mello-Roos Community Facilities Act of 1982, as amended (being Sections 53311 et seq. of the Government Code of the State of California), and all laws amendatory thereof or supplemental thereto (the "Law") in the aggregate principal amount of twelve million five hundred thousand dollars (\$12,500,000) in the form and manner provided therein, to be designated the "North Natomas Basin 8C CFD No. 99-04, City of Sacramento, County of Sacramento, State of California, Special Tax Bonds" (the "Bonds"); and

WHEREAS, pursuant to the Master Indenture, as supplemented by the First Supplemental Indenture dated as of September 1, 1999 (the "First Supplemental Indenture," and together with the Master Indenture and the Second Supplemental Indenture (as defined below), the "Indentures") by and between the City and the Trustee, the City Council provided for the issuance, sale and delivery of its North Natomas Basin 8C CFD No. 99-04, City of Sacramento, County of Sacramento, State of California, Special Tax Bonds, Series A (1999) (the "Series A (1999) Bonds") in the aggregate principal amount of two million eight hundred five thousand

FOR CITY CLERK USE ONLY

RESOLUTION NO.: 2004-659

DATE ADOPTED: AUG 10 2004

dollars (\$2,805,000) to finance the costs of acquisition and construction of certain of the Facilities (as that term is defined in the Master Indenture) in and for the North Natomas Basin 8C CFD No. 99-04, City of Sacramento, County of Sacramento, State of California (the "Community Facilities District") and to pay the costs of issuance of the Series A (1999) Bonds; and

WHEREAS, the Master Indenture specifies the conditions for the issuance of a series of the Bonds in addition to the Series A (1999) Bonds in Section 2.02 thereof ("Section 2.02"), and specifies the procedure for the issuance of such additional series of the Bonds in Section 2.03 thereof ("Section 2.03"), and the City Council desires to provide for the issuance of an additional series of the Bonds under the Master Indenture payable on a parity with the Series A (1999) Bonds from the Special Tax (as that term is defined in the Master Indenture); and

WHEREAS, Section 2.03 requires that the City provide the Trustee with a certificate showing compliance with the requirements of Section 2.02, and the City is advised by its special tax consultant for the Community Facilities District that the special tax consultant will provide such a certificate concurrently with the issuance of the additional series of Bonds which is the subject of this resolution (the "Certificate of the Special Tax Consultant"), which Certificate of the Special Tax Consultant will be submitted to the Trustee to establish compliance with the requirements of Section 2.02; and

WHEREAS, both Sections 2.02 and 2.03 require a supplemental indenture for the issuance of a series of the Bonds in addition to the Series A (1999) Bonds under the Master Indenture; and

WHEREAS, it is desirable and necessary to approve a Second Supplemental Indenture by and between the City and the Trustee supplemental to the Master Indenture in the form now on file with the City Clerk (the "Second Supplemental Indenture") to specify the conditions, terms and form of such additional series of the Bonds and to designate such additional series of the Bonds as the "North Natomas Basin 8C CFD No. 99-04, City of Sacramento, County of Sacramento, State of California, Special Tax Bonds, Series B (2004)" (the "Series B (2004) Bonds") to be issued pursuant to the Law, the Master Indenture and the Second Supplemental Indenture in order to finance the costs of certain additional Facilities in and for the Community Facilities District, to increase the Bond Reserve Fund to the Required Bond Reserve for the Bonds, and to pay costs incidental to the issuance of the Series B (2004) Bonds; and

WHEREAS, it is desirable and necessary to authorize the expenditure of up to \$202,000 of the proceeds of the Series B (2004) Bonds for the cost of freeway drainage improvements attributable to and of benefit to the City (as set forth in the hearing report prepared at the time of the formation of the Community Facility District), and that there exists sufficient bonding capacity to complete all the remaining facilities intended to be financed by the Community Facilities District; and

WHEREAS, the City Council has determined that a private sale of the Series B (2004) Bonds under the Law would result in a lower overall cost to the City on the Series B (2004) Bonds; and

FOR CITY CLERK USE ONLY

RESOLUTION NO.: 2004-659
DATE ADOPTED: AUG 10 2004

WHEREAS, it is also desirable and necessary to approve the forms of the various financing documents to accompany the issuance of the Series B (2004) Bonds;

NOW, THEREFORE, BE IT RESOLVED BY THE CITY COUNCIL OF THE CITY OF SACRAMENTO AS FOLLOWS:

Section 1. The forgoing recitals are true and correct, and the City Council so finds and determines.

Section 2. Pursuant to the Law, the Master Indenture and the Second Supplemental Indenture, the Series B (2004) Bonds in an aggregate principal amount not to exceed three million nine hundred thousand dollars (\$3,900,000) are hereby authorized to be issued by the City, which Series B (2004) Bonds shall be in the form as set forth in the Second Supplemental Indenture, and shall be executed by the manual or facsimile signature of the Mayor of the City and attested by the manual or facsimile signature of the City Clerk of the City, and the seal of the City shall be impressed or imprinted thereon.

Section 3. The Second Supplemental Indenture is hereby approved, and the Mayor of the City (the "Mayor") is hereby authorized to execute and deliver the Second Supplemental Indenture on behalf of the City in substantially the form on file with the City Clerk, with such changes therein as the City Treasurer of the City (the "City Treasurer") may require or approve, after consultation with Bond Counsel, provided, that such additions or changes shall not authorize an aggregate principal amount of Series B (2004) Bonds in excess of the amount stated above.

Section 4. The Bond Purchase Contract (the "Bond Purchase Contract") providing for the sale of the Series B (2004) Bonds, in the form submitted by Stone & Youngberg LLC (the "Underwriter") and now on file with the City Clerk, is hereby approved; and the City Treasurer is authorized to execute the Bond Purchase Contract on behalf of the City in substantially the form on file with the City Clerk, with such changes as shall be approved by the City Treasurer, after consultation with Bond Counsel, for the sale of the Series B (2004) Bonds to the Underwriter at the purchase price to be set forth in the Bond Purchase Contract, upon the terms and conditions set forth in the Bond Purchase Contract; provided, that the Series B (2004) Bonds shall be sold at a true interest cost not to exceed seven and a half per cent (7½%) per annum and with an underwriter's discount (exclusive of original issue discount) not in excess of three per cent (3%) of the principal amount thereof

FOR CITY CLERK USE ONLY

RESOLUTION NO.: 2004-659

DATE ADOPTED: AUG 10 2004

Section 5. The Continuing Disclosure Certificate (the "Continuing Disclosure Certificate") for the Series B (2004) Bonds, in the form now on file with the City Clerk, is hereby approved; and the City Treasurer is authorized to execute the Continuing Disclosure Certificate on behalf of the City in substantially the form on file with the City Clerk, with such changes as shall be approved by the City Treasurer, after consultation with Bond Counsel.

Section 6. The Preliminary Official Statement (the "Preliminary Official Statement") relating to the Series B (2004) Bonds, in the form now on file with the City Clerk, is hereby approved, and the City Treasurer is hereby authorized to approve the distribution of the Preliminary Official Statement in substantially the form on file with the City Clerk and to certify to the Underwriter on behalf of the City that the Preliminary Official Statement was, as of its date, deemed "final" by the City within the meaning of Rule 15c2-12 promulgated under the Securities and Exchange Act of 1934 (except for the omission of certain final pricing, rating and related information as permitted by such rule), and the City Treasurer is hereby authorized and directed, for and in the name and on behalf of the City, to execute and deliver to the Underwriter the final Official Statement (the "Official Statement"), which shall be in substantially the form of the Preliminary Official Statement with such additions thereto or changes therein as the City Treasurer shall require or approve that pertain to the sale of the Series B (2004) Bonds, such approval to be conclusively evidenced by the execution and delivery thereof, and the Underwriter is hereby authorized to distribute copies of the Official Statement to persons who may be interested in the purchase of the Series B (2004) Bonds and the Underwriter is directed to deliver such copies to all actual purchasers of the Series B (2004) Bonds.

Section 7. 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 and contracts which they may deem necessary or advisable in order to consummate the sale, execution and delivery of the Series B (2004) Bonds, and otherwise to carry out, give effect to and comply with the terms and intent of this resolution, the Master Indenture, the Second Supplemental Indenture, the Series B (2004) Bonds, the Bond Purchase Contract, the Continuing Disclosure Certificate, the Preliminary Official Statement and the Official Statement; 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 use of and the expenditure of the proceeds of the Series B (2004) Bonds and otherwise implementing all the provisions hereof shall be made by the Treasurer of the City

FOR CITY CLERK USE ONLY


RESOLUTION NO.: 2004-659

DATE ADOPTED: AUG 10 2004

Section 8. This resolution shall take effect from and after its adoption.

PASSED AND ADOPTED by the City Council of the City of Sacramento this 10th day of August, 2004, by the following vote:

APPROVED:



Mayor of the City of Sacramento

[SEAL]

ATTEST:



City Clerk of the City of Sacramento

FOR CITY CLERK USE ONLY

RESOLUTION NO.: 2004-659

DATE ADOPTED: AUG 10 2004

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 10th day of August, 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: 8

NOES: 0

ABSENT: 1

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: September 15, 2004.



City Clerk of the City of Sacramento

[SEAL]