

RESOLUTION NO. 2003-008

ADOPTED BY THE SACRAMENTO CITY COUNCIL

ON DATE OF January 9, 2003

A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF SACRAMENTO APPROVING THE ISSUANCE OF THE CITY OF SACRAMENTO NORTH NATOMAS DRAINAGE COMMUNITY FACILITIES DISTRICT NO. 97-01 SUBORDINATED SPECIAL TAX BONDS, SERIES C, AND AUTHORIZING THE EXECUTION AND DELIVERY OF A SECOND SUPPLEMENTAL INDENTURE PROVIDING FOR THE ISSUANCE OF SUCH BONDS AND BOND PURCHASE AGREEMENTS PROVIDING FOR THE SALE OF SUCH BONDS

WHEREAS, the City Council (the "City Council") of the City of Sacramento (the "City") on August 26, 1997, adopted its Resolution No. 97-491 approving an Indenture dated as of September 1, 1997 (the "Indenture") by and between the City and U.S. Bank, N.A. (as successor to U.S. Bank Trust National Association and formerly known as First Trust of California, National Association) as Trustee (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 thirty-five million dollars (\$35,000,000) in the form and manner provided therein to be designated the "City of Sacramento North Natomas Drainage Community Facilities District No. 97-01 Special Tax Bonds" (the "Bonds"); and

WHEREAS, pursuant to the Indenture and the Law, the City Council provided for the issuance, sale and delivery of its City of Sacramento North Natomas Drainage Community Facilities District No. 97-01 Special Tax Bonds, Series A (the "Series A Bonds") in the aggregate principal amount of twenty million one hundred seventy-five thousand dollars (\$20,175,000) to finance the costs of acquisition and construction of certain of the Facilities (as that term is defined in the Indenture, and herein the "Facilities") in and for the City of Sacramento North Natomas Drainage Community Facilities District No. 97-01 (the "Community Facilities District") and to pay for the costs of issuance of the Series A Bonds; and

WHEREAS, pursuant to the Indenture and the Law and a First Supplemental Indenture dated as of May 1, 2000, by and between the City and the Trustee, the City Council

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provided for the issuance, sale and delivery of a series of bonds on a parity with the Series A Bonds designated the "City of Sacramento North Natomas Drainage Community Facilities District No. 97-01 Special Tax Bonds, Series B" (the "Series B Bonds," and together with the Series A Bonds, the "Senior Bonds"), in the aggregate principal amount of five million four hundred thousand dollars (\$5,400,000) to finance the costs of acquisition and construction of certain additional Facilities and to pay for the costs of issuance of the Series B Bonds; and

WHEREAS, the Indenture specified the conditions for the issuance of additional series of Bonds in Section 2.02 thereof, and the procedure for the issuance of such Bonds in Section 2.03 thereof; and

WHEREAS, both Sections 2.02 and 2.03 of the Indenture require a supplemental indenture for the issuance of an additional series of Bonds; and

WHEREAS, Section 7.02 of the Indenture provides for the conditions and terms under which the City may issue an additional series of Bonds subordinate to the Senior Bonds, and the City Council now desires to issue such a series of subordinate Bonds; and

WHEREAS, it is desirable and necessary to approve a Second Supplemental Indenture by and between the City and the Trustee supplemental to the Indenture in the form now on file with the City Clerk (the "Second Supplemental Indenture") to specify the conditions, terms and form of such series of additional Bonds which are subordinate to the Senior Bonds and to designate such additional series of the Bonds as the "City of Sacramento North Natomas Drainage Community Facilities District No. 97-01 Subordinate Special Tax Bonds, Series C" (the "Series C Bonds") to be issued pursuant to the Law, the Indenture and the Second Supplemental Indenture to finance the costs of certain additional Facilities and to pay for the costs of issuance of the Series C Bonds; and

WHEREAS, the City Council has determined that a private sale of the Series C Bonds would result in a lower overall cost to the City on the Series C Bonds; and

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

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 Indenture and the Second Supplemental Indenture, the Series C Bonds in an aggregate principal amount not to exceed \$6,040,000 are hereby authorized to be issued by the City, which Series C Bonds shall be subordinate to the

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Senior Bonds, shall be dated, shall mature and be subject to redemption, shall be in the form and shall bear interest as set forth in the Second Supplemental Indenture, and shall be executed by the manual or facsimile signature of the Treasurer of the City and attested by the manual or facsimile signature of the City Clerk of the City.

Section 3. The Second Supplemental Indenture is hereby approved, and the City Treasurer (the "Treasurer") 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 Treasurer may require or approve, after consultation with Bond Counsel, provided, that such additions or changes shall not authorize an aggregate principal amount of Bonds in excess of the amount stated above or result in a true interest cost on the Bonds in excess of seven per cent (7.00%) per annum.

Section 4. The Bond Purchase Agreements (the "Bond Purchase Agreements") providing for the sale of the Series C Bonds, in the form on file with the City is hereby approved; and the Treasurer is authorized to execute the Bond Purchase Agreements on behalf of the City in substantially the form on file with the City Clerk, with such changes as shall be approved by the Treasurer, after consultation with Bond Counsel, for the sale of the Series C Bonds to the various purchasers of the Series C Bonds (each a "Purchaser") at the purchase price to be set forth in the Bond Purchase Agreements, upon the terms and conditions set forth in the Bond Purchase Agreement.

Section 5. The City Council hereby finds and determines that the proposed bonds should be issued, notwithstanding the limitations of Section 53345.8(a) of the Government Code of the State of California, because of the necessity for the City to permit development to continue in the Community Facilities District.

Section 6. 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 C 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 Series C Bonds, the Bond Purchase Agreement, and any such actions heretofore taken by such officers in connection therewith are hereby ratified, confirmed and approved.

Section 7. This resolution shall take effect from and after its adoption.

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PASSED AND ADOPTED by the City Council of the City of Sacramento this 9th day of January, 2003.


APPROVED:



Mayor of the City of Sacramento

[SEAL]

ATTEST:



City Clerk of the City of Sacramento

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