

RESOLUTION NO. 2005-281

ADOPTED BY THE SACRAMENTO CITY COUNCIL

ON DATE OF April 26, 2005

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 SPECIAL TAX BONDS, SERIES 2005, AUTHORIZING THE EXECUTION AND DELIVERY OF A THIRD 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, APPROVING AN OFFICIAL STATEMENT FOR SUCH BONDS AND AUTHORIZING THE EXECUTION AND DELIVERY OF AN ESCROW AGREEMENT FOR THE REFUNDING OF THE CITY OF SACRAMENTO NORTH NATOMAS DRAINAGE COMMUNITY FACILITIES DISTRICT NO. 97-01 SPECIAL TAX BONDS, SERIES A, SERIES B AND SERIES C

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 National Association (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 and any refunding bonds to refund any thereof, 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

FOR CITY CLERK USE ONLY

7

RESOLUTION NO.: 2005-281

DATE ADOPTED: APR 26 2005

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 provided for the issuance, sale and delivery of an additional series of the Bonds payable 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") 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, pursuant to the Indenture and the Law and a Second Supplemental Indenture dated as of March 1, 2003, by and between the City and the Trustee, the City Council provided for the issuance, sale and delivery of an additional series of the Bonds subordinate to both the Series A Bonds and the Series B Bonds designated the "City of Sacramento North Natomas Drainage Community Facilities District No. 97-01 Subordinated Special Tax Bonds, Series C" (the "Series C Bonds") in the aggregate principal amount of six million forty thousand dollars (\$6,040,000) to finance the costs of acquisition and construction of certain additional Facilities and to pay for the costs of issuance of the Series C Bonds; and

WHEREAS, the City has determined to provide for the issuance of a series of the Bonds in the aggregate principal amount of not to exceed forty million dollars (\$40,000,000) to finance the costs of the acquisition and construction of certain additional Facilities and to refund the outstanding Series A Bonds, the outstanding Series B Bonds and the outstanding Series C Bonds; and

WHEREAS, it is desirable and necessary to approve a Third 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 "Third Supplemental Indenture") to specify the conditions, terms and form of such series of the Bonds and to designate such series of the Bonds as the "City of Sacramento North Natomas Drainage Community Facilities District No. 97-01 Special Tax Bonds, Series 2005" (the "Series 2005 Bonds") to be issued pursuant to the Law, the Indenture and the Third Supplemental Indenture to finance the costs of certain additional Facilities, to refund the

FOR CITY CLERK USE ONLY

8

RESOLUTION NO.: 2005-281

DATE ADOPTED: APR 26 2005

outstanding Series A Bonds, the outstanding Series B Bonds and the outstanding Series C Bonds, to make a deposit into the Bond Reserve Fund established under the Indenture to increase the amount therein to the Required Bond Reserve (as that term is defined in the Indenture), to fund capitalized interest on the Series 2005 Bonds through September 1, 2006, and to pay for the costs of issuance of the Series 2005 Bonds; and

WHEREAS, the City Council has determined that a private sale of the Series 2005 Bonds would result in a lower overall cost to the City on the Series 2005 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 2005 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 Third Supplemental Indenture, the Series 2005 Bonds in an aggregate principal amount not to exceed forty million dollars (\$40,000,000) are hereby authorized to be issued by the City, which Series 2005 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 Third 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 sealed by the City Clerk with an impression of the seal of the City.

Section 3. The Third Supplemental Indenture is hereby approved, and the Treasurer of the City (the "Treasurer") is hereby authorized to execute and deliver the Third 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 Series 2005 Bonds in excess of the amount stated above or result in a true interest cost on the Series 2005 Bonds in excess of seven per cent (7%) per annum.

Section 4. The Bond Purchase Contract (the "Bond Purchase Contract") providing for the sale of the Series 2005 Bonds, in the form submitted by Stone & Youngberg LLC (the "Underwriter") and now on file with the City, is hereby approved; and the 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 Treasurer, after consultation with Bond Counsel, for the sale of the

FOR CITY CLERK USE ONLY

RESOLUTION NO.: 2005-281

DATE ADOPTED: APR 26 2005

Series 2005 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 such changes shall not authorize an underwriter's discount (exclusive of original issue discount) in excess of three per cent (3%) of the principal amount of the Series 2005 Bonds.

Section 5. The Continuing Disclosure Certificate (the "Continuing Disclosure Certificate") for the Series 2005 Bonds, in the form now on file with the City Clerk, is hereby approved; and the 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 Treasurer, after consultation with Bond Counsel.

Section 6. The Preliminary Official Statement (the "Preliminary Official Statement") relating to the Series 2005 Bonds is hereby approved in substantially the form now on file with the City Clerk, with such changes as may be approved by the Treasurer (after consultation with Bond Counsel), and the 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 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 Treasurer shall require or approve that pertain to the sale of the Series 2005 Bonds, such approval to be conclusively evidenced by the execution and delivery thereof, and the Underwriter is hereby authorized to distribute copies of the Preliminary Official Statement to persons who may be interested in the purchase of the Series 2005 Bonds and the Underwriter is directed to deliver such copies of the Official Statement to all actual purchasers of the Series 2005 Bonds.

Section 7. The Escrow Agreement (the "Escrow Agreement") relating to the refunding of the outstanding Series A Bonds, the outstanding Series B Bonds and the outstanding Series C Bonds, in the form now on file with the City Clerk, is hereby approved; and the Treasurer is authorized to execute the Escrow Agreement 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.

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

FOR CITY CLERK USE ONLY

2005-281 ¹⁰

RESOLUTION NO.: _____

DATE ADOPTED: APR 26 2005

documents and contracts which they may deem necessary or advisable in order to consummate the sale, execution and delivery of the Series 2005 Bonds, and otherwise to carry out, give effect to and comply with the terms and intent of this resolution, the Indenture, the Third Supplemental Indenture, the Series 2005 Bonds, the Bond Purchase Contract, the Continuing Disclosure Certificate, the Preliminary Official Statement and the Official Statement and the Escrow Agreement; and any such actions heretofore taken by such officers in connection therewith are hereby ratified, confirmed and approved.

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

* * * * *

PASSED AND ADOPTED by the City Council of the City of Sacramento
this 26th day of April, 2005.

APPROVED:

HEATHER FARGO

Mayor of the City of Sacramento

[SEAL]

ATTEST:

SHIRLEY CONCOLINO

City Clerk of the City of Sacramento

FOR CITY CLERK USE ONLY

RESOLUTION NO.: 2005-281
DATE ADOPTED: APR 26 2005

CLERK'S CERTIFICATE

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

The foregoing 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 26th day of April, 2005, of which meeting all of the members of said City Council had due notice and at which a majority thereof was present; and that at said meeting said resolution was adopted by the following vote:

AYES:

NOES:

ABSENT:

An agenda of said meeting was posted at least 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 same with the original minutes of said meeting on file and of record in my office; the foregoing resolution is a full, true and correct copy of the original resolution adopted at said meeting and entered in said minutes; and 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.

WITNESS my hand this _____ day of _____, 2005.

City Clerk of the
City of Sacramento

[SEAL]

RESOLUTION NO. 2005-281
APR 26 2005