

RESOLUTION NO. 2009-241

Adopted by the Sacramento City Council

April 21, 2009

CONSENT TO ORRICK'S SERVING AS BOND COUNSEL FOR THE STATE OF CALIFORNIA IN CONNECTION WITH THE CITY'S PURCHASE OF STATE GENERAL-OBLIGATION BONDS

BACKGROUND

- A. The city is considering purchasing the State of California's general-obligation bonds as an investment. Orrick, Herrington & Sutcliffe LLP ("Orrick") will serve as the state's bond counsel on this transaction, and the City Attorney's Office will represent the city.
- B. Orrick's representation of the state on this transaction raises the possibility of a conflict of interest because Orrick serves as the city's bond counsel when the city issues and sells its own bonds. Thus, under the California Rules of Professional Conduct, Orrick may not represent the state on this transaction unless both of the following have occurred. First, Orrick has informed the city and the state of the relevant circumstances surrounding the transaction and of the actual and the reasonably foreseeable adverse consequences to them of Orrick's representing the state on this transaction. And second, the city and the state have each given their informed written consent to Orrick's representation of the state. (Rules Prof. Conduct, rule 3-310.)
- C. Orrick has informed the city of the relevant circumstances surrounding the transaction and of the actual and the reasonably foreseeable adverse consequences to the city of Orrick's representing the state. This information is set forth in a letter Orrick sent to City Attorney's Office, dated April 15, 2009, a copy of which is attached (Exhibit A) to this resolution.

BASED ON THE FACTS SET FORTH IN THE BACKGROUND, THE CITY COUNCIL RESOLVES AS FOLLOWS:

- Section 1. The City Council hereby consents to Orrick's serving as bond counsel for the State of California on the transaction described in the Background.
- Section 2. The City Attorney (or her designee) is hereby authorized to sign the letter attached to this resolution and to deliver the signed letter to Orrick, thereby indicating the city's consent to Orrick's representation of the State of California on the transaction described above in the Background.

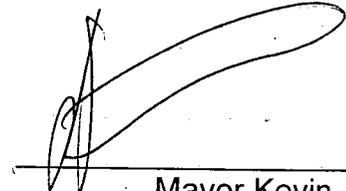
Adopted by the City of Sacramento City Council on April 21, 2009 by the following vote:

Ayes: Councilmembers Cohn, Fong, Hammond, McCarty, Pannell, Sheedy, Tretheway, Waters, and Mayor Johnson.

Noes: None.

Abstain: None.

Absent: None.



Mayor Kevin Johnson

Attest:



Shirley Concolino, City Clerk