

RESOLUTION NO. 2012-417

Adopted by the Sacramento City Council

December 11, 2012

AUTHORIZING (1) THE ISSUANCE OF THE CITY OF SACRAMENTO 2013 NORTH NATOMAS WESTLAKE COMMUNITY FACILITIES DISTRICT NO. 2000-01 SPECIAL TAX REFUNDING BONDS, SERIES A; (2) THE ISSUANCE OF THE CITY OF SACRAMENTO 2013 NORTH NATOMAS REGENCY PARK COMMUNITY FACILITIES DISTRICT NO. 2001-03 SPECIAL TAX REFUNDING BONDS, SERIES A; (3) THE EXECUTION AND DELIVERY OF A TRUST AGREEMENT, INDENTURES, LOCAL OBLIGATION PURCHASE CONTRACTS, A BOND PURCHASE CONTRACT, A CONTINUING DISCLOSURE CERTIFICATE, AN OFFICIAL STATEMENT, AND AN AGREEMENT FOR BOND COUNSEL SERVICES IN CONNECTION WITH THE BONDS; AND (4) CERTAIN OTHER ACTIONS IN CONNECTION WITH THE BONDS

BACKGROUND:

- A.** At an election held in the City of Sacramento North Natomas Westlake Community Facilities District No. 2000-01 (the "**Westlake CFD**") on October 31, 2000, the qualified electors in the Westlake CFD duly authorized the issuance of \$15,000,000 principal amount of special tax bonds under the Mello Roos Community Facilities Act of 1982, as amended, and all laws amendatory thereof or supplemental thereto (the "**Act**") for the purpose of financing the acquisition and construction of certain public facilities.
- B.** At such election, the qualified electors in the Westlake CFD also authorized the levy and collection of a special tax under the Act to be used for the purpose of paying the interest on, principal of, and redemption premiums (if any) on such bonds.
- C.** On April 26, 2001, the City of Sacramento (the "**City**") issued the City of Sacramento North Natomas Westlake Community Facilities District No. 2000-01 Special Tax Bonds in the principal amount of \$11,890,000 (the "**Prior Westlake CFD Bonds**").
- D.** At an election held in the City of Sacramento North Natomas Regency Park Community Facilities District No. 2001-03 (the "**Regency Park CFD**") on January 22, 2002, the qualified electors in the Regency Park CFD duly authorized the issuance of \$20,000,000 principal amount of special tax bonds under the Act for the purpose of financing the acquisition and construction of certain public facilities.
- E.** At such election the qualified electors in the Regency Park CFD also authorized the levy and collection of a special tax under the Act to be used for the purpose of paying the interest on, principal of, and redemption premiums (if any) on such bonds.
- F.** On July 24, 2003, the City issued the City of Sacramento North Natomas Regency Park Community Facilities District No. 2001-03 Special Tax Bonds in the principal amount of \$19,570,000 (the "**Prior Regency Park CFD Bonds**") and, collectively with the Prior Westlake CFD Bonds, the "**Prior Bonds**").

- G. The Act authorizes the City to issue bonds for the purpose of refunding the Prior Bonds.
- H. The Sacramento City Council (the "**City Council**") has determined to authorize the issuance of the City of Sacramento 2013 North Natomas Westlake Community Facilities District No. 2000-01 Special Tax Refunding Bonds, Series A (the "**Westlake CFD Refunding Bonds**") under the Act for the purpose of refunding all of the outstanding Prior Westlake CFD Bonds and has determined that the issuance of the Westlake CFD Refunding Bonds is prudent in the management of the City's fiscal affairs.
- I. The City Council has determined to authorize the issuance of the City of Sacramento 2013 North Natomas Regency Park Community Facilities District No. 2001-03 Special Tax Refunding Bonds, Series A (the "**Regency Park CFD Refunding Bonds**" and, collectively with the Westlake CFD Refunding Bonds, the "**Local Obligations**") under the Act for the purpose of refunding all of the outstanding Prior Regency Park CFD Bonds and has determined that the issuance of the Regency Park CFD Refunding Bonds is prudent in the management of the City's fiscal affairs.
- J. The City desires to sell the Local Obligations to the Sacramento City Financing Authority (the "**Authority**") and the City Council has determined that a private (i.e., negotiated) sale of the Local Obligations to the Authority under the Act will result in a lower overall cost to the City.
- K. The Marks-Roos Local Bond Pooling Act of 1985, constituting Article 4 of Chapter 5 of Division 7 of Title 1 of the California Government Code, empowers the Authority to issue its bonds for the purpose of purchasing local obligations of the City, including the Local Obligations.
- L. The Authority has determined to issue its 2013 Special Tax Refunding Revenue Bonds (Westlake and Regency Park), Series A (the "**Bonds**") to provide funds to purchase the Local Obligations.
- M. In furtherance of the City's issuance of the Local Obligations and the Authority's issuance of the Bonds and purchase of the Local Obligations, forms of the following documents have been filed with the Sacramento City Clerk (the "**Clerk**") for consideration and approval by the City Council:
- Two separate Indentures (the "**Indentures**"), under the terms of which the Local Obligations are to be issued.
 - A Trust Agreement (the "**Trust Agreement**"), under the terms of which the Bonds are to be issued and the Revenues (as defined in the Trust Agreement) are to be administered to pay the principal of, interest on, and premium (if any) on the Bonds.
 - Two separate Local Obligation Purchase Contracts (the "**Local Obligation Purchase Contracts**"), under the terms of which, among other things, the City agrees to sell and the Authority agrees to purchase the Local Obligations.

- A Bond Purchase Contract (the “**Bond Purchase Contract**”), under the terms of which, among other things, the Authority agrees to sell the Bonds to the underwriter of the Bonds (the “**Underwriter**”) and the Underwriter agrees to purchase the Bonds.
- A preliminary form of an Official Statement (the “**Official Statement**”) describing the Bonds and the Local Obligations.
- A Continuing Disclosure Certificate (the “**Continuing Disclosure Certificate**”), under the terms of which the City agrees to provide certain ongoing disclosure with respect to the Bonds and the Local Obligations.
- An Agreement for Bond Counsel Services (the “**Agreement for Bond Counsel Services**”), under the terms of which the firm of Orrick, Herrington & Sutcliffe LLP will provide legal services to the Authority and the City as bond counsel with respect to the Bonds.

N. All acts, conditions, and things required by California law to exist, to have happened, and to have been performed before and in connection with the consummation of the financing authorized by this resolution do exist, have happened, and have been performed in regular and due time, form, and manner as required by law, and the City is now duly authorized and empowered, under each requirement of law, to authorize the execution and delivery of certain documents in order to further implement the financing in the manner and upon the terms provided in this resolution.

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

Section 1. The statements in paragraphs A through N of the Background are true.

Section 2. The issuance of the Westlake CFD Refunding Bonds by the City in the aggregate principal amount of not to exceed \$11,000,000, in accordance with the Indenture related to the Westlake CFD Refunding Bonds as finally executed and delivered, is hereby authorized and approved. The final maturity date of the Westlake CFD Refunding Bonds may not be later than the final maturity date of the Prior Westlake CFD Bonds.

The City Council hereby determines that the value of the real property within the Westlake CFD that will be subject to the levy of a special tax under the Act to pay debt service on the Westlake CFD Refunding Bonds (based upon the full cash value as shown on the ad valorem assessment roll) is at least three times the sum of the following: the principal amount of the Westlake CFD Refunding Bonds, plus the principal amount of all other bonds outstanding that are secured by a special tax levied under the Act on property within the Westlake CFD, plus the principal amount of all other bonds outstanding that are secured by special assessments levied on property within the Westlake CFD. Accordingly the limitations of section 53345.8(a) of the California Government Code have been duly satisfied.

The issuance of the Regency Park CFD Refunding Bonds by the City in the aggregate principal amount of not to exceed \$18,000,000, in accordance with the Indenture related to the Regency Park CFD Refunding Bonds as finally executed and delivered, is hereby

authorized and approved. The final maturity date of the Regency Park CFD Refunding Bonds may not be later than the final maturity date of the Prior Regency Park CFD Bonds.

The City Council hereby determines that the value of the real property within the Regency Park CFD that will be subject to the levy of a special tax under the Act to pay debt service on the Regency Park CFD Refunding Bonds (based upon the full cash value as shown on the ad valorem assessment roll) is at least three times the sum of the following: the principal amount of the Regency Park CFD Refunding Bonds, plus the principal amount of all other bonds outstanding that are secured by a special tax levied pursuant to the Act on property within the Regency Park CFD, plus the principal amount of all other bonds outstanding that are secured by special assessments levied on property within the Regency Park CFD. Accordingly the limitations of section 53345.8(a) of the California Government Code have been duly satisfied.

Section 3. The proposed forms of Indentures on file with the Clerk and the terms and conditions in those forms are hereby approved. The date, maturity date or dates, fixed interest rates, interest payment dates, forms, registration privileges, place or places of payment, terms of redemption and number of Local Obligations and other terms of the Local Obligations are to be as provided in the Indentures as finally executed and delivered.

The Sacramento City Treasurer or his designee (the "**Treasurer**") is hereby authorized and directed to execute the Indentures for, and on behalf of, the City in substantially the forms on file with the Clerk, with any changes as the Treasurer may require or approve with the concurrence of the City Attorney, and with approval to be conclusively evidenced by the execution and delivery of the Indentures.

The Local Obligations are to be executed by the manual or facsimile signature of the Mayor of the City and countersigned by the manual or facsimile signature of the Clerk, and each must be in the form set forth in, and otherwise be in accordance with, the applicable Indenture. When the Local Obligations are so executed, the Treasurer shall deliver them to the trustee under the Indentures for authentication by the trustee. The trustee is then to deliver the Local Obligations to the Authority in accordance with written instructions the Treasurer executes on the City's behalf, which instructions the Treasurer is hereby authorized and directed to execute and deliver to the trustee, and which instructions must provide for the delivery of the Local Obligations to the Authority in accordance with the Local Obligation Purchase Contracts upon payment by the Authority of the purchase price of the Local Obligations.

Section 4. The Authority's issuance of the Bonds in accordance with the Trust Agreement as finally executed and delivered, in the aggregate principal amount of not to exceed \$29,000,000 is hereby approved. The proposed form of Trust Agreement on file with the Clerk and the terms and conditions in that form are hereby approved. The Treasurer is hereby authorized and directed to execute the Trust Agreement on the City's behalf in substantially the form on file with the Clerk, with any changes the Treasurer may require or approve with the concurrence of the City Attorney, and with approval to be conclusively evidenced by the execution and delivery of the Trust Agreement.

Section 5. The proposed forms of the Local Obligation Purchase Contracts on file with the Clerk are hereby approved. The Treasurer is hereby authorized and directed to execute the

Local Obligation Purchase Contracts on the City's behalf in substantially the forms on file with the Clerk, with any changes the Treasurer may require or approve with the concurrence of the City Attorney, and with approval to be conclusively evidenced by the execution and delivery of the Local Obligation Purchase Contracts.

Section 6. The proposed form of the Bond Purchase Contract on file with the Clerk is hereby approved. The Treasurer is hereby authorized to execute and deliver the Bond Purchase Contract on the City's behalf, in substantially the form on file with the Clerk, with any changes the Treasurer may require or approve with the concurrence of the City Attorney, and with approval to be conclusively evidenced by the execution and delivery of the Bond Purchase Contract, all subject to the following: the true interest cost for the Bonds may not exceed 5.00% and the Underwriter's compensation may not exceed 1.25% of the principal amount of the Bonds.

Section 7. The proposed form of Official Statement on file with the Clerk is hereby approved. The Treasurer is hereby authorized and directed to execute and deliver to the Underwriter, on the City's behalf, a certificate deeming the preliminary Official Statement, in substantially the form on file with the Clerk and with any changes the Treasurer approves in the interest of the City with the concurrence of the City Attorney, to be final within the meaning of Securities Exchange Commission Rule 15c2-12. The Underwriter is hereby authorized to distribute the Official Statement in preliminary and final form. The Treasurer is hereby authorized and directed on the City's behalf to execute and deliver the final Official Statement in substantially the form on file with the Clerk, with any changes the Treasurer may require or approve with the concurrence of the City Attorney, and with such approval to be conclusively evidenced by the execution and delivery of the final Official Statement.

Section 8. The proposed form of the Continuing Disclosure Certificate on file with the Clerk is hereby approved. The Treasurer is hereby authorized and directed to execute the Continuing Disclosure Certificate on the City's behalf in substantially the form on file with the Clerk, with any changes the Treasurer may require or approve with the concurrence of the City Attorney, and with approval to be conclusively evidenced by the execution and delivery of the Continuing Disclosure Certificate.

Section 9. The proposed form of the Agreement for Bond Counsel Services on file with the Clerk is hereby approved. The Sacramento City Attorney or his designee (the "**City Attorney**") is hereby authorized and directed to execute the Agreement for Bond Counsel Services on the City's behalf in substantially the form on file with the Clerk, with any changes the City Attorney may require or approve, and with approval to be conclusively evidenced by the execution and delivery of the Agreement for Bond Counsel Services.

Section 10. The officers of the City, each acting alone, are hereby authorized and directed to do any and all things and to execute and deliver any and all documents and agreements they consider necessary or advisable to carry out, give effect to and comply with the terms and intent of this resolution, the Indentures, the Trust Agreement, the Local Obligation Purchase Contracts, the Bond Purchase Contract, the Official Statement, the Bonds, and the Local Obligations. This authorization includes the execution and delivery of any documents required to obtain bond insurance and of any escrow agreements or other documents necessary to refund the Prior Bonds; it also includes the purchase of bond insurance. All actions previously taken by those officers are hereby ratified, confirmed, and approved.

Section 11. This resolution takes effect when adopted.

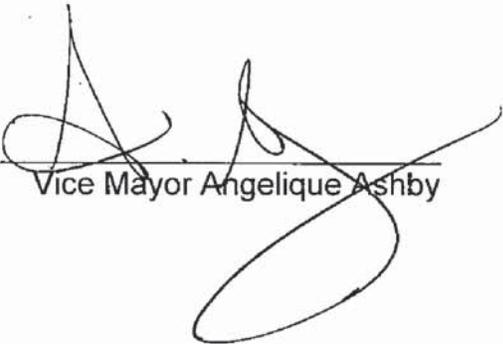
Adopted by the City of Sacramento City Council on December 11, 2012 by the following vote:

Ayes: Councilmembers Ashby, Cohn, Fong, Hansen, McCarty, Pannell, Schenirer, Warren, and Mayor Johnson.

Noes: None.

Abstain: None.

Absent: None.



Vice Mayor Angelique Ashby

Attest:



Shirley Concolino
Shirley Concolino, City Clerk