

RESOLUTION NO. 2007-596

Adopted by the Sacramento City Council

August 14, 2007

AUTHORIZING THE ISSUANCE OF COLLEGE SQUARE COMMUNITY FACILITIES DISTRICT NO. 2005-01, 2007 SPECIAL TAX BONDS; AND APPROVING THE EXECUTION AND DELIVERY OF RELATED AGREEMENTS AND DOCUMENTS

BACKGROUND

- A. On July 19, 2005, at an election held in the City's "College Square Community Facilities District No. 2005-01" (the "District") under the Mello-Roos Community Facilities Act of 1982, as amended (the "Act"), the qualified electors of the District duly authorized the issuance of special-tax bonds in the principal amount of \$13,000,000 for the purpose of financing the acquisition and construction of certain public facilities and the payment of certain governmental development-impact fees.
- B. At the election, the qualified electors of the District additionally authorized the levy and collection of a special tax under the Act, to be used for the purposes of paying the interest on, the principal of, and the redemption premiums (if any) for, the bonds.
- C. The City Council desires to provide for the issuance of the City's "College Square Community Facilities District No. 2005-01, 2007 Special Tax Bonds" in the amount of not to exceed \$13,000,000 (the "2007 Bonds").
- D. The City Council has determined that it is desirable and necessary to approve a Bond Indenture between the City and The Bank of New York Trust Company, N. A. as Trustee, in the form now on file with the City Clerk (the "Bond Indenture"), to specify the conditions, terms, and form of the 2007 Bonds.
- E. The City Council has determined that a private (negotiated) sale of the 2007 Bonds under the Act would result in a lower overall cost to the City.
- F. A form of Bond Purchase Contract providing for the sale of the 2007 Bonds to Stone & Youngberg LLC (the "Underwriter") is now on file with the City Clerk (the "Bond Purchase Contract").

- G. A form of Continuing Disclosure Certificate with respect to the 2007 Bonds, to be signed by the City, is now on file with the City Clerk (the "City's Continuing Disclosure Certificate").
- H. A form of Continuing Disclosure Certificate with respect to the 2007 Bonds, to be signed by certain owners of property in the District, is now on file with the City Clerk (the "Developer's Continuing Disclosure Certificate").
- G. A form of Preliminary Official Statement relating to the 2007 Bonds is now on file with the City Clerk (the "Preliminary Official Statement").
- I. The City Council has determined that it is also desirable and necessary to authorize appropriate City officers to perform the functions necessary to the issuance of the 2007 Bonds.
- J. The City Council is fully advised on this matter.

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

- Section 1. The City Council finds that the statements in the Background are true.
- Section 2. Pursuant to the Act and the Bond Indenture, the 2007 Bonds are hereby authorized to be issued by the City in an aggregate principal amount not to exceed \$13,000,000. The 2007 Bonds must be in the form set forth in the Bond Indenture and must be executed by the manual or facsimile signature of the Mayor. The City Clerk shall attest the 2007 Bonds by manual or facsimile signature and shall impress or imprint the 2007 Bonds with the City seal.
- Section 3. The Bond Indenture is hereby approved, and the City Treasurer or his designee (the "City Treasurer") is hereby authorized to execute and deliver it on the City's behalf in substantially the form now on file with the City Clerk, with any changes the City Treasurer requires or approves in the City's interest after consulting with the City Attorney and Bond Counsel. Those additions or changes must not authorize an aggregate principal amount in excess of the amount stated above in Section 2.
- Section 4. The Bond Purchase Contract is hereby approved, and the City Treasurer is hereby authorized to execute and deliver it on the City's behalf in substantially the form now on file with the City Clerk, with any changes the City Treasurer requires or approves in the City's interest after consulting with the City Attorney and Bond Counsel. The 2007 Bonds may not be sold at a yield exceeding 8.0% per annum or with an underwriter's discount (exclusive of original issue discount) exceeding 3.0% of their principal amount.
- Section 5. The City's Continuing Disclosure Certificate is hereby approved, and the City Treasurer is hereby authorized to execute and deliver it on the City's

behalf in substantially the form now on file with the City Clerk, with any changes the City Treasurer requires or approves in the City's interest after consulting with the City Attorney and Bond Counsel.

Section 6. The Developer's Continuing Disclosure Certificate is hereby approved, and the City Treasurer is hereby authorized (a) to present it to any owner of property in the District who, in the Underwriter's judgment, is required under Rule 15c2-12 promulgated under the Securities and Exchange Act of 1934 ("Rule 15c2-12") to execute it; and (b) to require its execution by each such owner as a condition to closing the purchase of the 2007 Bonds.

Section 7. The Preliminary Official Statement is hereby approved, and the City Treasurer is hereby authorized to approve its distribution in substantially the form on file with the City Clerk and to certify to the Underwriter on the City's behalf that it was, as of its date, deemed "final" by the City within the meaning of Rule 15c2-12 (except for the omission of certain final pricing, rating, and related information as permitted by the rule). The City Treasurer is hereby authorized and directed to execute and deliver to the Underwriter, on the City's behalf, a final Official Statement that pertains to the sale of the 2007 Bonds (the "Official Statement"). The Official Statement must be in substantially the form of the Preliminary Official Statement, with any additions or changes the City Treasurer requires or approves. The City Treasurer's approval will be conclusively evidenced by the execution and delivery of the Official Statement. The Underwriter is hereby authorized to distribute copies of the Official Statement to persons who may be interested in purchasing the 2007 Bonds, and the Underwriter is hereby directed to deliver copies to all actual purchasers of the 2007 Bonds.

Section 8. The City's officers are hereby authorized and directed, jointly and severally, to do all things and to execute and deliver all documents and contracts they deem necessary or advisable for consummating the sale, execution, and delivery of the 2007 Bonds and otherwise to carry out, give effect to, and comply with the terms and intent of this resolution, the Bond Indenture, the 2007 Bonds, the Bond Purchase Contract, the City's Continuing Disclosure Certificate, the Developer's Continuing Disclosure Certificate, the Preliminary Official Statement, and the Official Statement. All such actions previously taken by City officers are hereby ratified, confirmed, and approved.

Section 9. This resolution takes effect when adopted.

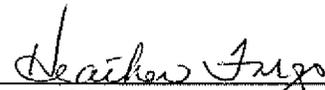
Adopted by the City of Sacramento City Council on August 14, 2007 by the following vote:

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

Noes: None.

Abstain: None.

Absent: Councilmember Waters.



Mayor, Heather Fargo

Attest:



Shirley Concolino, City Clerk