

RESOLUTION NO. 2001-740

ADOPTED BY THE SACRAMENTO CITY COUNCIL

ON DATE OF NOV 13 2001

**A RESOLUTION OF THE COUNCIL OF THE CITY OF
SACRAMENTO APPROVING AN AGREEMENT FOR LEGAL
SERVICES FOR THE CITY OF SACRAMENTO NORTH NATOMAS
REGENCY PARK COMMUNITY FACILITIES DISTRICT NO. 2001-03**

BE IT RESOLVED BY THE COUNCIL OF THE CITY OF SACRAMENTO
that this Council approves that certain Agreement for Legal Services between the City of
Sacramento (the "City") and Orrick, Herrington & Sutcliffe LLP, marked Exhibit A and attached
hereto and incorporated herein, for services of that firm as Special Bond Counsel to the City for the
City of Sacramento North Natomas Regency Park Community Facilities District No. 2001-03, dated
November 13, 2001, and the City Treasurer of the City is authorized to sign the agreement and the
City Clerk of the City is authorized to attest such execution.

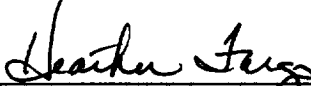
PASSED AND ADOPTED by the City Council of the City of Sacramento this
13th day of November, 2001, by the following vote:

AYES:

NOES:


ABSENT:

APPROVED:



Mayor of the City of Sacramento

ATTEST:



City Clerk of the City of Sacramento

[SEAL]

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EXHIBIT A

AGREEMENT FOR LEGAL SERVICES

CITY OF SACRAMENTO
NORTH NATOMAS REGENCY PARK
COMMUNITY FACILITIES DISTRICT NO. 2001-03

This is an agreement for legal services between the City of Sacramento, a municipal corporation of the State of California (the "City"), and Orrick, Herrington & Sutcliffe LLP, San Francisco, California (the "Bond Counsel").

1. City retains Bond Counsel as special counsel to perform the following legal services relating to the City of Sacramento North Natomas Regency Park Community Facilities District No. 2001-03 (the "CFD"):

- (a) Preparation of all forms of resolutions, notices, affidavits and other documents required by the laws governing the financing.
- (b) Preparation of written instructions to the City Clerk and other staff members concerning the performance of legally-required duties in connection with the financing.
- (c) Review of documents prepared by City's engineering staff, consulting engineers and tax rate consultants, including the method of allocation of the special tax; provided, that Bond Counsel shall not be required to express an opinion with respect to the plans, specifications, maps, financial report or other engineering or financial details of the proceedings, or upon the rate and method of apportionment of the Special Tax or the validity of the Special Tax levied upon any individual parcel in the CFD.
- (d) Attendance (if requested) at public hearings held in the furtherance of the financing, upon request of the City, after reasonable notice.
- (e) Attendance (if requested) at public meetings of City officials as requested by City, at which matters relating to the financing are considered, except routine matters.
- (f) Attendance at staff meetings or meetings of interested citizens, upon request of the City, after reasonable notice.
- (g) Telephone consultation with staff members and interested citizens to answer legal questions about the proceedings.
- (h) Coordination with the City Clerk's office in the scheduling and conduct of the election.

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- (i) Arrangements for the preparation of the bonds.
- (j) Assistance with the sale of bonds by negotiation, including a review of disclosure documents in connection with the offering and in this regard. Bond Counsel will give an opinion that the descriptions of the bonds and of Bond Counsel's bond opinion (but not of the Mello-Roos Act itself) in the Official Statement are "accurate in all material respects"; provided, that Bond Counsel will require a statement in the Official Statement to the effect that Bond Counsel expresses no opinion regarding the accuracy, completeness or fairness of the information contained in the Official Statement.
- (k) Preparation of bond delivery documents and coordination of the closing.
- (l) Rendition of Bond Counsel's usual and customary legal opinion with respect to the validity of the bonds, and the tax exempt status thereof.
- (m) Preparation of the required reports to the California Debt and Investment Advisory Commission (pursuant to Section 8855 et seq. of the Government Code) and to the Internal Revenue Service (pursuant to Section 149 of the Internal Revenue Code of 1986).
- (n) Preparation of a transcript of the legal proceedings in loose-leaf form for the use of the City.

2. The services of Bond Counsel under this agreement shall not include the following:

- (a) Legal services in connection with the acquisition of interests in real property, either through negotiation or through exercise of the power of eminent domain.
- (b) Legal services in connection with litigation, other than an uncontested validation action.
- (c) Legal services relating to compliance with environmental laws for the project.
- (d) Legal services relating to state blue sky laws or for title to or perfection of security interests in real or personal property or for any financial advice or analysis.

Also, Bond Counsel will not be responsible for the services performed or acts or omissions of any other participant, and Bond Counsel's services will not extend past the date of issuance of the bonds and will not, for example, include services related to rebate compliance or continuing disclosure, although barring any conflict not otherwise waived or waivable, Bond Counsel would be willing to perform such excluded services on such terms as might be mutually agreed to at the time, and the performance by Bond Counsel of services excluded by this paragraph, if required by City, shall be under separate written agreement.

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3. In consideration of the services set forth in paragraph 1, City shall pay to Bond Counsel the following fee and costs:

- (a) The legal fee of Bond Counsel for the legal services rendered hereunder for the first series of the bonds shall be an amount equal to one per cent (1%) of that portion of the bonds issued for the first series of the bonds not exceeding \$5 million, plus three-quarters of one per cent (0.75%) of that portion thereof exceeding \$5 million but not exceeding \$10 million, plus one-half of one per cent (0.5%) of that portion exceeding \$10 million but not exceeding \$20 million, plus one-quarter of one per cent (0.25%) of that portion thereof exceeding \$20 million, except that the fee shall not be less than \$30,000 for the first series of the bonds, payable upon the successful closing for such series of the bonds; and for each subsequent series of the bonds, the fee shall be one-half of one per cent (0.5%) of that portion of the bonds not exceeding \$10 million, plus one-quarter of one per cent (0.25%) of that portion thereof exceeding \$10 million, except that the fee shall not be less than \$30,000 for each subsequent series of the bonds, payable upon the successful closing for such series of the bonds, provided, that if there is no bond issuance, then Bond Counsel shall be paid no such fee. The fee shall be due immediately following the bond closing.
- (b) In addition to the foregoing, Bond Counsel shall be paid \$3,000 for each change proceedings or annexation in which a 100% waiver of election requirements is obtained from the qualified electors, and \$6,000 for each change proceedings or annexation in which a 100% waiver of election requirements is not obtained from the qualified electors, except that if change or annexation proceedings are abandoned prior to completion, an appropriate portion of the fee shall be paid. This fee shall be due immediately following an unsuccessful election, and following the recordation of the Amended Notice of Special Tax Lien when the election is successful.
- (c) In addition to the fees provided in paragraphs (a) and (b) above, Bond Counsel shall be reimbursed on a timely basis for its expenses (copying, telephone, telecopy, word processing, legal research database charges, travel, postage, express delivery service, and the like), but not to exceed \$5,000 in total for each series of the bonds; provided, that the cost of some services for which Bond Counsel makes arrangements under this agreement (such as bond printing costs, publication costs and filing fees) shall be billed to the City and shall be paid by City directly to the payee.

4. Bond Counsel certifies that it has no interest, either direct or contingent, in any property or contract arising from or affected by the proposed financing, except as Bond Counsel under this agreement, and certifies that it does not represent any owner of property within the

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limits of the proposed CFD, and has not received a fee from any source for services connected with the project.

5. This Agreement and all legal services to be rendered under it may be terminated at any time by written notice from either party, with or without cause. In that event, all finished and unfinished documents prepared for adoption or execution by City, shall, at the option of City, become its property and shall be delivered to it or to any party it may designate; provided, that Bond Counsel shall have no liability whatsoever for any subsequent use of such documents. In the event of termination by City, Bond Counsel shall be paid for all satisfactory work, unless the termination is made for cause, in which event compensation, if any, shall be adjusted in the light of the particular facts and circumstances involved in the termination. If not sooner terminated as aforesaid, this Agreement and all legal services to be rendered under it shall terminate upon issuance of all of the bonds; provided, that City shall remain liable for any unpaid compensation or reimbursement due under Section 3 hereof. Upon termination, Bond Counsel shall have no future duty of any kind to or with respect to the bonds or the City under this Agreement.

6. The role of bond counsel, generally, is to prepare or review the procedures for issuance of the bonds, notes or other evidence of indebtedness and to provide an expert legal opinion with respect to the validity thereof and other subjects addressed by the opinion. Consistent with the historical origin and unique role of bond counsel, and reliance thereon by the public finance market, Bond Counsel's role as bond counsel under this Agreement is to provide an opinion and related legal services that represent an objective judgment on the matters addressed rather than the partisan position of an advocate. Bond Counsel's function and responsibility under this Agreement, and as bond counsel with respect to the issuance of the

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bonds, terminates upon issuance of the bonds (unless terminated sooner as provided herein).

Bond Counsel's services as bond counsel through bond issuance are limited to those contracted for explicitly in this Agreement, and any engagement of Bond Counsel with respect to rebate compliance, post-issuance disclosure or any other matter after bond issuance shall be separate and distinct from its engagement as bond counsel through bond issuance. However, unless otherwise provided, any such post-issuance engagement with respect to the bonds shall continue on the same basis set forth in this Section 6.

7. Bond Counsel shall staff the financing project with the following attorneys: Carlo S. Fowler. Bond Counsel may use other attorneys and paralegals on the project, who will always be under the direct supervision of Mr. Fowler, to provide the most efficient delivery of services and expertise to the financing.

8. City understands that Bond Counsel regularly performs legal services for many private and public entities in connection with a wide variety of matters. Some of these entities may have some direct or indirect relationship with City or City's other consultants or agents, as, for example, underwriters, financial advisors, fiscal agents, paying agents, trustees, insurers, suppliers, lenders, bankers, landlords, developers or owners of property within the jurisdiction of City. Bond Counsel may represent or have represented or in the future may represent the underwriter, fiscal agent or other participants in the financing on other matters. With such varied client representation, there is always the possibility of other transactions between clients or disputes among them. Given the special, limited role of bond counsel described above, City acknowledges that no conflict of interest exists or would exist, and waives any conflict of interest that might appear actually or potentially to exist, now or in the future, by virtue of this Agreement or any such other attorney-client relationship that Bond Counsel may have had, have

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or enter into, and the City specifically consents to any and all such relationships; provided, that Bond Counsel does not represent any participant other than City in connection with the financing which is the subject of this Agreement.

9. Nothing in this Agreement or in any of the documents contemplated hereby, expressed or implied, is intended or shall be construed to give any person other than City and Bond Counsel any legal or equitable right or claim under or in respect of this Agreement, and this Agreement shall inure to the sole and exclusive benefit of City and Bond Counsel.

10. Bond Counsel may not assign its obligations under this Agreement without written consent of City except to a successor partnership or corporation to which all or substantially all of the assets and operations of Bond Counsel are transferred. City shall assign its rights and obligations under this Agreement to (but only to) any other public entity that issues the bonds (if not the City), in which case City hereby acknowledges that any relationship or obligation of Bond Counsel to City under or by virtue of this Agreement shall be deemed to be totally annulled ab initio. City shall not otherwise assign its rights and obligations under this Agreement without written consent of Bond Counsel. All references to Bond Counsel and City in this Agreement shall be deemed to refer to any such successor of Bond Counsel and to any such assignee of City and shall bind and inure to the benefit of such successor and assignee whether so expressed or not.

11. This Agreement may be executed in any number of counterparts and each counterpart shall for all purposes be deemed to be an original, and all such counterparts shall together constitute but one and the same Agreement.

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12. Any and all notices pertaining to this Agreement shall be sent by U.S. Postal Service, first class, postage prepaid to Bond Counsel at 400 Sansome Street, San Francisco, CA 94111, Attention: Carlo S. Fowler and to City at 926 J Street, Suite 300, Sacramento, CA 95814, Attention: City Treasurer.

City and Bond Counsel have executed this Agreement by their duly authorized representatives as of the date provided below.

DATED: November 13, 2001

CITY OF SACRAMENTO,
a municipal corporation of the State of
California

By _____
City Treasurer

ATTEST:

City Clerk

ORRICK HERRINGTON & SUTCLIFFE LLP

By _____
Carlo S. Fowler, A Partner

APPROVED AS TO FORM:

Sacramento City Attorney

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CLERK'S CERTIFICATE

I, Valerie A. Burrowes, City Clerk of the City of Sacramento, do hereby certify as follows:

The foregoing resolution 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 13th day of November, 2001, of which meeting all of the members of said Council had due notice and at which a majority thereof were present, and that at said meeting said resolution was adopted by the following vote:

AYES:

NOES:

ABSENT:

An agenda for said meeting was posted at least seventy-two (72) hours before said meeting at the City Council Chambers, Sacramento City Hall, 915 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 foregoing with the original minutes of said meeting on file and of record in my office, and the foregoing is a full, true and correct copy of the original resolution adopted at said meeting and entered in said minutes.

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.

Dated: _____, 2001.

City Clerk of the City
of Sacramento

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