

RESOLUTION NO. 2006-758

Adopted by the Sacramento City Council

October 17, 2006

DECLARATION OF THE CITY OF SACRAMENTO'S OFFICIAL INTENT TO REIMBURSE CERTAIN EXPENDITURES FROM PROCEEDS OF INDEBTEDNESS OF ITS NATOMAS CENTRAL COMMUNITY FACILITIES DISTRICT NO. 2006-02, SPECIAL TAX BONDS (2006)

BACKGROUND

- A. The City Council has determined to construct and acquire certain public facilities authorized under its Natomas Central Community Facilities District No. 2006-02, including collector roadways, intersection widening and associated landscaping for the nature park and open space (collectively, the "Project").
- B. To finance, on a long-term basis, the costs associated with the Project, the City reasonably expects to issue its Natomas Central Community Facilities District No. 2006-02 Special Tax Bonds, the interest on which is to be exempt from income taxation under the United States Internal Revenue code (the "Debt Obligations"). The amount of the Debt Obligations is not expected to exceed \$35,000,000.
- C. The City expects to pay certain expenditures in connection with the Project before the issuance of the Debt Obligations (the "Reimbursement Expenditures") and to use a portion of the proceeds of the Debt Obligations, to reimburse the Reimbursement Expenditures.
- D. If the City reimburses the Reimbursement Expenditures from the proceeds of Debt Obligations, then Section 1.150-2 of the United States Treasury Regulations (the "Treasury Regulations") requires the City to declare its reasonable official intent to reimburse prior expenditures for the Project with proceeds of a subsequent borrowing.
- E. The City Council is fully advised as to this matter.

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

- Section 1.** The above recitals are true, and the City Council so finds and determines.
- Section 2.** This resolution is adopted solely for purposes of establishing compliance with the requirements of Section 1.150-2 of the Treasury Regulations. It does not bind the City to make any expenditure, incur any indebtedness, or proceed with the Project.

Section 3. The City Manager or his designee is hereby authorized and directed to execute and deliver the Agreement to Reimburse Fees from Bond Proceeds in substantially the form presented to this meeting, with such changes as are approved by the City Manager in consultation with the City Treasurer, City Attorney and Bond Counsel, such approval and consultation to be conclusively evidenced by such execution and delivery. The City Clerk of the City is authorized to attest its execution.

Section 4. The City declares its official intent to use proceeds of indebtedness to reimburse itself for Reimbursement Expenditures.

Section 5. This resolution takes effect when adopted.

Adopted by the City of Sacramento City Council on October 17, 2006 by the following vote:

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

Noes: None.

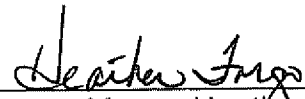
Abstain: None.

Absent: Councilmember Tretheway.

Attest



Shirley Concolino, City Clerk



Mayor, Heather Fargo