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OFFICE OF THE
CITY TREASURER

THOMAS P. FRIERY
TREASURER

DONALD E. SPERLING
ASSISTANT TREASURER

CITY OF SACRAMENTO
CALIFORNIA

December 23, 1987
87221TPFlv:resolution

800 TENTH STREET
SUITE ONE
SACRAMENTO, CA
95814-2688

916-449-5318
OPERATIONS

916-449-5168
INVESTMENTS &
ADMINISTRATION

916-448-3139
DEX TRANSCEIVER

Budget & Finance Committee
Sacramento, California

SUBJECT: Resolution Approving the Final Form of and Authorizing the Execution of Legal Documents Related to 1987 Certificates of Participation and Authorizing the City Treasurer to Hold in Trust the Acquisition Fund.

Honorable Members in Session:

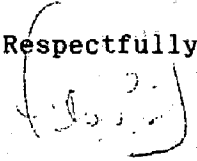
SUMMARY

Attached is a report to the full Council recommending adoption of a resolution approving the final form of and authorizing the execution of legal documents related to 1987 Certificates of Participation and authorizing the City Treasurer to hold in trust the Acquisition Fund.

RECOMMENDATION

It is recommended that after hearing the attached report, the Budget and Finance Committee recommend to the full Council adoption of the attached resolution.

Respectfully submitted,


THOMAS P. FRIERY
City Treasurer

RECOMMENDATION APPROVED:


JACK R. CRIST, Deputy City Manager

January 5, 1988
All Districts



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CALIFORNIA

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87221TPFlv:resolution(b)

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Sacramento City Council
Sacramento, California 95814

SUBJECT: Resolution Approving the Final Form of and Authorizing the Execution of Legal Documents Related to 1987 Certificates of Participation and Authorizing the City Treasurer to Hold in Trust the Acquisition Fund.

Honorable Members in Session:

SUMMARY

The final form of the legal documents related to the sale of Certificates of Participation (1987 Public Facilities Project) has been completed by bond counsel and are on file in the Clerk's office. Certain revisions have been made to the Trust Agreement allowing the City Treasurer to act as Trustee of the Acquisition Fund, and as such, require City Council approval.

BACKGROUND

On December 1, 1987 City Council passed and adopted an Ordinance authorizing the execution of a sale-leaseback financing with the Public Facilities Financing Corporation for the theater portion of the Community/Convention Center. Subsequently on December 8, Council approved a Resolution authorizing the execution and delivery of the various legal documents related to the financing and approved the sale of the COP to PaineWebber, Stone & Youngberg, and Cranston/Prescott. Since that time, City staff and bond counsel have made certain revisions to the Trust Agreement that require City Council approval.

The Trust Agreement has been revised to allow the City Treasurer to hold the Acquisition Fund in trust rather than Security Pacific Bank, who will continue to act as Trustee for the Reserve Fund, Rental Payment Fund and Escrow Fund. In the past, the Bank (acting as Trustee) held the Acquisition fund until all the projects were either completed or acquired. However, the City Treasurer managed and invested the funds held with the Trustee. The Bank's possession of the Acquisition Fund was

necessary so that Certificate holders would be assured that the assets being leased would ultimately be constructed and acquired. As money was required by the City, the Trustee would transfer money from the Acquisition Fund to the City's general account.

Since the structure of the current financing is a sale-leaseback of an existing asset, Certificate holders do not require assurance that the project will be completed. Certificate proceeds that go into the Acquisition Fund will be used to construct and acquire various City projects; however, since such projects are not part of the lease financing structure, it is not necessary for the external Trustee to monitor these monies on behalf of the Certificate holders. Therefore, the Treasurer will act as both trustee and manager of the Acquisition Fund which will be a separate safekeeping account with Security Pacific Bank. The initial deposit to the Acquisition Fund from Certificate proceeds will be \$25,530,592.05. Further, the Treasurer will maintain appropriate records of disbursements from and deposits to the Acquisition Fund.

FINANCIAL

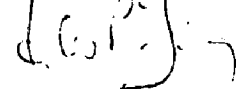
Although some annual Trustee expense will be saved, the primary motivation behind having the Treasurer act as Trustee of the Acquisition Fund will be the convenience to the City of accessing the construction monies in a timely fashion.

RECOMMENDATION

It is recommended that the City Council adopt the Resolution which:

- Approves the final form of legal documents associated with the COP financing, and
- Authorizes the City Treasurer to hold in trust the Acquisition Fund pursuant to the Trust Agreement.

Respectfully submitted,



THOMAS P. FRIERY
City Treasurer

RECOMMENDATION APPROVED:

WALTER J. SLIPE, City Manager

January 5, 1988
All Districts

CITY OF SACRAMENTO

RESOLUTION NO. _____

ADOPTED BY THE SACRAMENTO CITY COUNCIL

ON THE DATE OF _____

RESOLUTION OF THE CITY COUNCIL OF THE CITY OF SACRAMENTO APPROVING THE FINAL FORMS OF AND AUTHORIZING THE EXECUTION OF AN ACQUISITION AGREEMENT, A PROJECT LEASE, A TRUST AGREEMENT, AN ESCROW AGREEMENT AND RELATED DOCUMENTS FOR THE 1987 PUBLIC FACILITIES PROJECT AND AUTHORIZING THE CITY TREASURER TO HOLD IN TRUST THE ACQUISITION FUND PURSUANT TO THE TRUST AGREEMENT AND AUTHORIZING CERTAIN ACTIONS IN CONNECTION WITH SUCH FINANCING

WHEREAS, the City of Sacramento is a charter city and municipal corporation duly organized and existing under and by virtue of the Constitution and laws of the State of California (herein called the "City");

WHEREAS, the Sacramento City Public Facilities Financing Corporation (herein called the "Corporation") is a non-profit corporation duly organized and existing under and by virtue of the laws of the State of California for the purpose of facilitating the financing of public improvements and facilities of the City;

WHEREAS, under Ordinance No. 87-114 passed and adopted on December 1, 1987 and effective 30 days thereafter (the "Ordinance"), the City is authorized to execute and enter into into a sale-leaseback financing with the Corporation of the theater comprising a part of the Sacramento Community/Convention Center (the "Facility") in the City of Sacramento, California, in order to acquire and construct certain municipal improvements and to refinance the Sacramento Community Center Authority 1971 Bonds, pursuant to an Escrow Agreement (the "Escrow Agreement"), dated as of December 1, 1987, by and between the Sacramento Community Center Authority, the City and Security Pacific National Bank;

WHEREAS, the City will sell the Facility to the Corporation, pursuant to the Acquisition Agreement (the "Acquisition Agreement"), and will lease the Facility from the Corporation, pursuant to the Project Lease (the "Project Lease"), and the Corporation will, pursuant to a Trust

Agreement among the City, the Corporation and Security Pacific National Bank, as trustee (the "Trust Agreement"), arrange for the execution and delivery of certificates of participation (the "Certificates") evidencing proportionate undivided interests in the base rental payments to be made by the City pursuant to the Project Lease;

WHEREAS, this Council pursuant to such Ordinance adopted on December 1, 1987 and Resolution No.87-1014 adopted December 8, 1987 approved certain documents relating to such financing, including the then current forms of the Acquisition Agreement, the Project Lease, the Trust Agreement, the Escrow Agreement, an Official Statement relating to the Certificates (the "Official Statement") and a Purchase Agreement (the "Purchase Agreement") and authorized and directed the execution of such documents and the consummation of such financing;

WHEREAS, the Purchase Agreement and Official Statement have heretofore been executed by the appropriate City officials and it is now necessary to approve the final forms of the documents and authorize the execution thereof; and

WHEREAS, all acts, conditions and things required by the Constitution and laws of the State of California to exist, to have happened and to have been performed precedent to and in connection with the consummation of such financing authorized hereby 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, pursuant to each and every requirement of law, to consummate such financing for the purpose, in the manner and upon the terms herein provided;

NOW, THEREFORE, BE IT RESOLVED BY THE CITY COUNCIL OF THE CITY OF SACRAMENTO AS FOLLOWS:

Section 1. The City hereby specifically finds and declares that the actions authorized hereby constitute and are with respect to municipal affairs of the City and that the statements, findings and determinations of the City set forth above are true and correct.

Section 2. The form of the Acquisition Agreement, executed and entered into as of December 1, 1987, between the City, as seller, and the Corporation, as purchaser, on file with the City Clerk and the acquisition price of \$40,902,842.90 for the Project as set forth therein are hereby approved. The Mayor of the City and the City Clerk are hereby authorized and directed, for and in the name and on behalf of the City, to execute, acknowledge and deliver to the

Corporation the Acquisition Agreement in substantially said form, with such changes therein as such officers may require or approve, such approval to be conclusively evidenced by the execution and delivery thereof.

Section 3. The form of Project Lease between the City and the Corporation, executed and entered into as of December 1, 1987, on file with the City Clerk is hereby approved and the Mayor of the City and the City Clerk are hereby authorized and directed, for and in the name and on behalf of the City, to execute, acknowledge and deliver the Project Lease in substantially said form with such changes therein as such officers may require or approve, such approval to be conclusively evidenced by the execution and delivery thereof.

Section 4. The execution and delivery, pursuant to the Trust Agreement, of \$41,650,000 aggregate principal amount of the City of Sacramento Certificates of Participation (1987 Public Facilities Project), evidencing proportionate undivided interests in the rights to receive base rental payments payable by the City pursuant to the Project Lease, is hereby authorized and approved.

Section 5. The City Treasurer is hereby authorized to establish and to hold in trust the Acquisition Fund as a separate account within the treasury of the City and to perform such other trust duties related to the Acquisition Fund in accordance with the provisions of the Trust Agreement.

Section 6. The form of Trust Agreement, Escrow Agreement, Project Lease and related documents, on file with the City Clerk, are hereby approved. The appropriate officers of the City are hereby authorized and directed, for and in the name and on behalf of the City, to execute and deliver such documents in substantially said forms, with such changes therein as such officers may require or approve, such approval to be conclusively evidenced by the execution and delivery thereof.

Section 7. The officers of the City are hereby authorized and directed, jointly and severally, to do any and all things and to execute and deliver any and all documents, including arbitrage certificates, or make any necessary or advisable modifications to those documents which are acceptable to the City Attorney's Office and Orrick, Herrington & Sutcliffe and Arnelle & Hastie, Co-Bond Counsel, and which they may deem necessary or advisable in order to consummate the sale, execution and delivery of the Certificates.

Section 8. All actions heretofore taken by the officers and agents of the City with respect to the sale, execution and delivery of the Certificates are hereby approved, confirmed and ratified.

Section 9. This Resolution shall take effect immediately from and after its adoption and approval.

PASSED AND ADOPTED this ___ day of _____, 198_,
by the following vote:

AYES:

NOES:

ABSENT:

ABSTAIN:

Mayor of the
City of Sacramento

[SEAL]

Attest:

City Clerk of the
City of Sacramento

CLERK'S CERTIFICATE

I, LORRAINE MAGANA, City Clerk of the City of Sacramento, County of Sacramento, California hereby certify as follows:

The foregoing is a full, true and correct copy of a resolution duly adopted at a regular meeting of the City Council of the City of Sacramento duly and regularly and legally held at the regular meeting place thereof on _____, 198_, of which meeting all of the members of the City Council of said City had due notice and at which a majority thereof were present.

An agenda of said meeting was posted at least 72 hours before said meeting at a location in Sacramento, California, freely accessible to members of the public and a brief general description of said resolution appeared on said agenda.

I have carefully compared the same 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: _____, 1988

City Clerk of the
City of Sacramento

[Seal]