



38

CITY MANAGER'S OFFICE  
**RECEIVED**  
JUL 15 1988

**DEPARTMENT OF  
PUBLIC WORKS**

ENGINEERING DIVISION

THOMAS M. FINLEY  
ENGINEERING DIVISION MANAGER

**CITY OF SACRAMENTO  
CALIFORNIA**

927 TENTH STREET  
ROOM 200  
SACRAMENTO, CA  
95814-2705

916-449-8220

CONSTRUCTION SECTION  
640 BERGUT DRIVE  
SUITE B  
SACRAMENTO, CA  
95814-0131

916-449-5282

July 19, 1988

**APPROVED**  
BY THE CITY COUNCIL

JUL 19 1988

OFFICE OF THE  
CITY CLERK

City Council  
Sacramento, California

Honorable Members in Session:

**SUBJECT: Laguna Creek Assessment District (PN:AD15, IP 5497) - Issuance of Bonds**

**SUMMARY**

This is the final action in the formation of the Laguna Creek Assessment District calling for the adoption of resolutions to determine the unpaid amount of assessments, authorize change orders, and authorizes issuance and sale of bonds. Adoption of the resolutions is recommended.

**BACKGROUND**

On May 31, 1988, the City Council approved the Engineer's Report and Assessment for the Laguna Creek Assessment District. The property owners were given the required 30 days in which to pay their assessments, as prescribed by law.

The Revenue Division has determined the assessments that remain unpaid and we are now ready to issue bonds to represent those assessments.

Attached are the resolutions to be adopted by the City Council which will finalize this district by the issuance of 1915 Act Improvement bonds.

**FINANCIAL**

The total project cost is \$11,27,494.70 which will be jointly financed by the property owners within the district, and the City and County as follows:

City Council  
Laguna Creek A.D.  
July 19, 1988  
Page 2

Acquisition of Existing Improvements	\$ 82,650.00
Acquisition of Rights-of-Way	251,000.00
Contract Cost	6,249,977.00
Contingency	812,500.00
Engineering	2,274,110.00
Incidental Expenses	<u>1,399,915.21</u>

Total Amount to be Budgeted \$ 11,070,152.21

Bond Discount 207,342.44

Total Project Cost \$ 11,277,494.70

City Contribution	\$ 28,000.00
Sacramento County CSD#1 Contribution	150,000.00
Sacramento County Drainage Contribution	652,370.00
Less Interest Earnings Projected	<u>80,000.00</u>

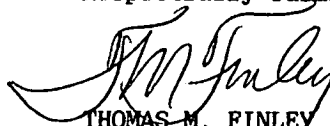
Property Owners Share \$ 10,367,124.70

RECOMMENDATION

It is recommended that the attached resolutions be adopted in the order listed below:

1. Resolution Determining Assessments Remaining Unpaid
2. Resolution Authorizing Change Orders
3. Resolution Authorizing Issuance of Bonds
4. Resolution Ordering Sale of Bonds

Respectfully submitted,



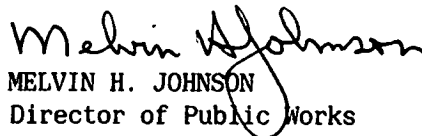
THOMAS M. FINLEY  
Engineering Division Manager

Recommendation Approved:



WALTER J. SLIPE  
City Manager

Approved:

  
MELVIN H. JOHNSON  
Director of Public Works

IEM:yg  
RE3-03AD.C  
07.0788

July 19, 1988  
District No. 7

Attachments

1950

1951

1952

1953

1954

1955

1956

1957

1958

- 1. 1959
- 2. 1960
- 3. 1961
- 4. 1962

1963

1964

1965	1966
1967	1968
1969	1970
1971	1972
1973	1974
1975	1976
1977	1978
1979	1980
1981	1982
1983	1984
1985	1986
1987	1988
1989	1990
1991	1992
1993	1994
1995	1996
1997	1998
1999	2000
2001	2002
2003	2004
2005	2006
2007	2008
2009	2010
2011	2012
2013	2014
2015	2016
2017	2018
2019	2020
2021	2022
2023	2024
2025	2026
2027	2028
2029	2030

2031

**RESOLUTION No.**

*88-~~666~~6661*

**Adopted by The Sacramento City Council on date of**

**A RESOLUTION DETERMINING ASSESSMENTS REMAINING UNPAID  
LAGUNA CREEK ASSESSMENT DISTRICT**

The City Council of the City of Sacramento resolves:

The City Treasurer has filed a list of all payments received on account of assessments levied in Laguna Creek Assessment District and a list of all assessments or portions of assessments unpaid after thirty (30) days following the recordation of the assessments.

A copy of the Paid and Unpaid List is attached to this resolution as Exhibit A and included in it. The City Council shall issue improvement bonds under the provisions of the Improvement Bond Act of 1915 of the State of California upon the security of the assessments shown as unpaid on the attached list.

\* \* \*

This Resolution was passed and adopted by the City Council of the City of Sacramento, County of Sacramento, State of California, this 19th day of July, 1988.

\_\_\_\_\_  
Mayor

ATTEST:

\_\_\_\_\_  
City Clerk

**APPROVED**  
BY THE CITY COUNCIL

JUL 19 1988

OFFICE OF THE  
CITY CLERK

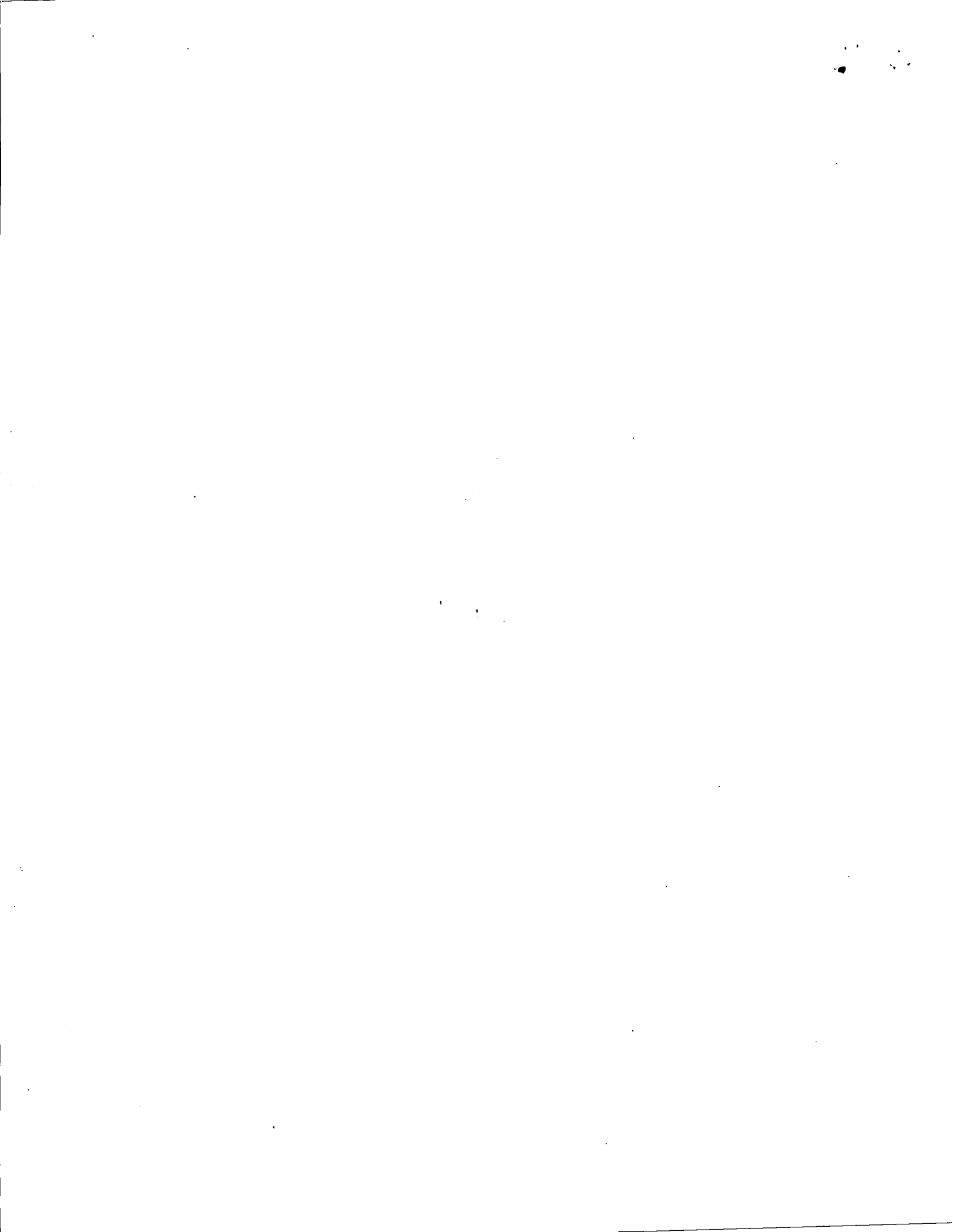
PAID AND UNPAID LIST  
OF ASSESSMENTS IN  
LAGUNA CREEK ASSESSMENT DISTRICT

I HEREBY CERTIFY that the attached list of Paid and Unpaid Assessments correctly reflects (1) all amounts received by me on account of assessments in Laguna Creek Assessment District, City of Sacramento, Sacramento County, California, within thirty (30) days after the assessments became due and payable and (2) all amounts remaining unpaid on each of the assessments in Laguna Creek Assessment District.

Executed at Sacramento, California, on July 8 1988:

THOMAS P. FRIERY, City Treasurer,  
City of Sacramento, Sacramento  
County, California

By [Signature]



PAID AND UNPAID LIST:

Laguna Creek Assessment District  
City of Sacramento  
Sacramento County, California

ASSESSMENT NUMBER	AMOUNT	PAID	CREDITED	UNPAID
1	\$9,598.98	\$8,254.33	\$9,379.92	\$219.06
2	16,819.49	.00	.00	16,819.49
3	.00	.00	.00	.00
4	.00	.00	.00	.00
5	440,323.87	.00	.00	440,323.87
6	65,096.39	.00	.00	65,096.39
7	.00	.00	.00	.00
8	48,662.74	.00	.00	48,662.74
9	33,295.14	.00	.00	33,295.14
10	62,468.32	.00	.00	62,468.32
11	62,111.38	.00	.00	62,111.38
12	.00	.00	.00	.00
13	156,139.70	.00	.00	156,139.70
14	.00	.00	.00	.00
15	232,054.97	.00	.00	232,054.97
16	38,150.97	.00	.00	38,150.97
17	249,700.87	.00	.00	249,700.87
18	.00	.00	.00	.00
19	.00	.00	.00	.00
20	.00	.00	.00	.00
21	.00	.00	.00	.00
22	.00	.00	.00	.00
23	.00	.00	.00	.00
24	.00	.00	.00	.00
25	89,945.11	.00	.00	89,945.11
26	84,082.72	.00	.00	84,082.72
27	.00	.00	.00	.00
28	179,003.75	.00	.00	179,003.75
29	1,016,392.11	.00	.00	1,016,392.11
30	197,605.00	.00	.00	197,605.00
31	13,446.26	.00	.00	13,446.26
32	40,338.80	.00	.00	40,338.80
33	47,061.92	.00	.00	47,061.92
34	.00	.00	.00	.00
35	167,001.95	.00	.00	167,001.95
36	285,581.40	.00	.00	285,581.40
37	.00	.00	.00	.00
38	.00	.00	.00	.00
39	53,593.57	.00	.00	53,593.57
40	.00	.00	.00	.00

PAID AND UNPAID LIST:

Laguna Creek Assessment District  
City of Sacramento  
Sacramento County, California

ASSESSMENT NUMBER	AMOUNT	PAID	CREDITED	UNPAID
41	\$37,578.42	\$.00	\$.00	\$37,578.42
42	201,452.65	.00	.00	201,452.65
43	.00	.00	.00	.00
44	746,214.37	.00	.00	746,214.37
45	746,372.58	.00	.00	746,372.58
46	.00	.00	.00	.00
47	198,064.06	.00	.00	198,064.06
48	427,475.15	.00	.00	427,475.15
49	.00	.00	.00	.00
50	444,213.64	.00	.00	444,213.64
51	326,386.35	.00	.00	326,386.35
52	301,103.58	.00	.00	301,103.58
53	.00	.00	.00	.00
54	.00	.00	.00	.00
55	.00	.00	.00	.00
56	.00	.00	.00	.00
57	.00	.00	.00	.00
58	35,319.76	.00	.00	35,319.76
59	173,292.24	.00	.00	173,292.24
60	33,370.08	.00	.00	33,370.08
61	273,985.76	.00	.00	273,985.76
62	876,136.77	.00	.00	876,136.77
63	.00	.00	.00	.00
64	2,448.47	.00	.00	2,448.47
65	81,866.93	.00	.00	81,866.93
66	.00	.00	.00	.00
67	448,636.11	.00	.00	448,636.11
68	80,964.63	.00	.00	80,964.63
69	272,568.45	.00	.00	272,568.45
70	213,332.80	.00	.00	213,332.80
71	307,040.74	.00	.00	307,040.74
72	160,016.49	.00	.00	160,016.49
73	.00	.00	.00	.00
74	.00	.00	.00	.00
75	.00	.00	.00	.00
76	.00	.00	.00	.00
77	15,080.70	.00	.00	15,080.70
78	2,994.85	.00	.00	2,994.85
79	40,664.53	.00	.00	40,664.53
80	.00	.00	.00	.00



Laguna Creek Assessment District  
 City of Sacramento  
 Sacramento County, California

ASSESSMENT NUMBER	AMOUNT	PAID	CREDITED	UNPAID
81	\$2,322.16	\$.00	\$.00	\$2,322.16
82	2,322.16	.00	.00	2,322.16
83	2,322.16	.00	.00	2,322.16
84	2,322.16	.00	.00	2,322.16
85	2,322.16	.00	.00	2,322.16
86	2,322.16	.00	.00	2,322.16
87	2,322.16	.00	.00	2,322.16
88	2,322.16	.00	.00	2,322.16
89	2,322.16	.00	.00	2,322.16
90	2,322.16	.00	.00	2,322.16
91	2,322.16	.00	.00	2,322.16
92	2,322.16	.00	.00	2,322.16
93	2,322.16	.00	.00	2,322.16
94	2,322.16	.00	.00	2,322.16
95	2,322.16	.00	.00	2,322.16
96	2,322.16	.00	.00	2,322.16
97	2,322.16	.00	.00	2,322.16
98	2,322.16	.00	.00	2,322.16
99	2,322.16	.00	.00	2,322.16
100	2,322.16	.00	.00	2,322.16
101	2,322.16	.00	.00	2,322.16
102	2,322.16	.00	.00	2,322.16
103	2,322.16	.00	.00	2,322.16
104	2,322.16	.00	.00	2,322.16
105	2,322.16	.00	.00	2,322.16
106	2,322.16	.00	.00	2,322.16
107	2,322.16	.00	.00	2,322.16
108	2,322.16	.00	.00	2,322.16
109	2,322.16	.00	.00	2,322.16
110	2,322.16	.00	.00	2,322.16
111	2,322.16	.00	.00	2,322.16
112	2,322.16	.00	.00	2,322.16
113	2,322.16	.00	.00	2,322.16
114	2,322.16	.00	.00	2,322.16
115	2,322.16	.00	.00	2,322.16
116	2,322.16	.00	.00	2,322.16
117	2,322.16	.00	.00	2,322.16
118	2,322.16	.00	.00	2,322.16
119	2,322.16	.00	.00	2,322.16
120	2,322.16	.00	.00	2,322.16

Laguna Creek Assessment District  
 City of Sacramento  
 Sacramento County, California

ASSESSMENT NUMBER	AMOUNT	PAID	CREDITED	UNPAID
121	\$2,322.16	\$.00	\$.00	\$2,322.16
122	2,322.16	.00	.00	2,322.16
123	2,322.16	.00	.00	2,322.16
124	2,322.16	.00	.00	2,322.16
125	2,322.16	.00	.00	2,322.16
126	2,322.16	.00	.00	2,322.16
127	2,322.16	.00	.00	2,322.16
128	2,322.16	.00	.00	2,322.16
129	2,322.16	.00	.00	2,322.16
130	2,322.16	.00	.00	2,322.16
131	2,322.16	.00	.00	2,322.16
132	2,322.16	.00	.00	2,322.16
133	2,322.16	.00	.00	2,322.16
134	2,322.16	.00	.00	2,322.16
135	2,322.16	.00	.00	2,322.16
136	2,322.16	.00	.00	2,322.16
137	2,322.16	.00	.00	2,322.16
138	2,322.16	.00	.00	2,322.16
139	2,322.16	.00	.00	2,322.16
140	2,322.16	.00	.00	2,322.16
141	2,322.16	.00	.00	2,322.16
142	2,322.16	.00	.00	2,322.16
143	2,322.16	.00	.00	2,322.16
144	2,322.16	.00	.00	2,322.16
145	2,322.16	.00	.00	2,322.16
146	2,322.16	.00	.00	2,322.16
147	2,322.16	.00	.00	2,322.16
148	2,322.16	.00	.00	2,322.16
149	2,322.16	.00	.00	2,322.16
150	2,322.16	.00	.00	2,322.16
151	2,322.16	.00	.00	2,322.16
152	2,322.16	.00	.00	2,322.16
153	2,322.16	.00	.00	2,322.16
154	2,322.16	.00	.00	2,322.16
155	2,322.16	.00	.00	2,322.16
156	2,322.16	.00	.00	2,322.16
157	2,322.16	.00	.00	2,322.16
158	2,322.16	.00	.00	2,322.16
159	2,322.16	.00	.00	2,322.16
160	2,322.16	.00	.00	2,322.16

Laguna Creek Assessment District  
 City of Sacramento  
 Sacramento County, California

ASSESSMENT NUMBER	AMOUNT	PAID	CREDITED	UNPAID
161	\$2,322.16	\$.00	\$.00	\$2,322.16
162	2,322.16	.00	.00	2,322.16
163	2,322.16	.00	.00	2,322.16
164	2,322.16	.00	.00	2,322.16
165	2,322.16	.00	.00	2,322.16
166	2,322.16	.00	.00	2,322.16
167	2,322.16	.00	.00	2,322.16
168	2,322.16	.00	.00	2,322.16
169	2,322.16	.00	.00	2,322.16
170	2,322.16	.00	.00	2,322.16
171	2,322.16	.00	.00	2,322.16
172	2,322.16	.00	.00	2,322.16
173	2,322.16	.00	.00	2,322.16
174	2,322.16	.00	.00	2,322.16
175	2,322.16	.00	.00	2,322.16
176	2,322.16	.00	.00	2,322.16
177	2,322.16	.00	.00	2,322.16
178	2,322.16	.00	.00	2,322.16
179	2,322.16	.00	.00	2,322.16
180	2,322.16	.00	.00	2,322.16
181	2,322.16	.00	.00	2,322.16
182	2,322.16	.00	.00	2,322.16
183	2,322.16	.00	.00	2,322.16
184	2,322.16	.00	.00	2,322.16
185	2,322.16	.00	.00	2,322.16
186	2,322.16	.00	.00	2,322.16
187	2,322.16	.00	.00	2,322.16
188	2,322.16	.00	.00	2,322.16
189	2,322.16	.00	.00	2,322.16
190	2,322.16	.00	.00	2,322.16
191	2,322.16	.00	.00	2,322.16
192	2,322.16	.00	.00	2,322.16
193	2,322.16	.00	.00	2,322.16
194	2,322.17	.00	.00	2,322.17
195	2,322.17	.00	.00	2,322.17
196	2,322.17	.00	.00	2,322.17
197	2,322.17	.00	.00	2,322.17
198	2,322.17	.00	.00	2,322.17
199	2,322.17	.00	.00	2,322.17
200	2,322.17	.00	.00	2,322.17

Laguna Creek Assessment District  
 City of Sacramento  
 Sacramento County, California

ASSESSMENT NUMBER	AMOUNT	PAID	CREDITED	UNPAID
201	\$2,322.17	\$.00	\$.00	\$2,322.17
202	2,322.17	.00	.00	2,322.17
203	2,322.17	.00	.00	2,322.17
204	2,322.17	.00	.00	2,322.17
205	2,322.17	.00	.00	2,322.17
206	2,322.17	.00	.00	2,322.17
207	2,322.17	.00	.00	2,322.17
208	2,322.17	.00	.00	2,322.17
209	2,322.17	.00	.00	2,322.17
210	2,322.17	.00	.00	2,322.17
211	2,322.17	.00	.00	2,322.17
212	2,322.17	.00	.00	2,322.17
213	2,322.17	.00	.00	2,322.17
214	2,322.17	.00	.00	2,322.17
215	2,322.17	.00	.00	2,322.17
216	2,322.17	.00	.00	2,322.17
217	2,322.17	.00	.00	2,322.17
218	2,322.17	.00	.00	2,322.17
219	2,322.17	.00	.00	2,322.17
220	2,322.17	.00	.00	2,322.17
221	2,322.17	.00	.00	2,322.17
222	2,322.17	.00	.00	2,322.17
223	2,322.17	.00	.00	2,322.17
=====	=====	=====	=====	=====
\$10,367,124.70		\$8,254.33	\$9,379.92	\$10,357,744.78

RESOLUTION No. *88-~~603~~ 6002*

Adopted by The Sacramento City Council on date of

APPROVED  
BY THE CITY COUNCIL

A RESOLUTION AUTHORIZING CHANGE ORDERS

JUL 19 1988

LAGUNA CREEK ASSESSMENT DISTRICT

OFFICE OF THE  
CITY CLERK

The City Council of the City of Sacramento resolves:

The City Council hereby authorizes the Director of Public Works to issue change orders for the work in Laguna Creek Assessment District under the following conditions:

1. To correct clerical and technical errors in the plans and specifications.
2. To modify the design of the improvement to accord with better engineering practice or to achieve economy of construction.
3. To adjust the design of the improvement to utility locations, soil conditions, or other conditions unknown or uncertain when plans were drawn.

Cost increases in change orders issued under this authority shall not aggregate more than the amount set aside for construction contingencies in the cost estimate approved by the City Council.

\* \* \*

This Resolution was passed and adopted by the City Council of the City of Sacramento, County of Sacramento, State of California, this 19th day of July, 1988.

\_\_\_\_\_  
Mayor

ATTEST:

\_\_\_\_\_  
City Clerk



This Bond will continue to bear interest after maturity at the rate above stated, provided, it is presented at maturity and payment thereof is refused upon the sole ground that there are not sufficient moneys in said redemption fund with which to pay same. If it is not presented at maturity, interest thereon will run until maturity.

This Bond shall not be entitled to any benefit under the Act or the Resolution Authorizing Issuance of Bonds (the "Resolution of Issuance"), or become valid or obligatory for any purpose, until the certificate of authentication and registration hereon endorsed shall have been dated and signed by the Bank.

IN WITNESS WHEREOF, said City of Sacramento has caused this Bond to be signed in facsimile by the Treasurer of said City and by its Clerk, and has caused its corporate seal to be reproduced in facsimile hereon all as of the 26th day of July, 1988.

CITY OF SACRAMENTO

\_\_\_\_\_  
Clerk

\_\_\_\_\_  
Treasurer

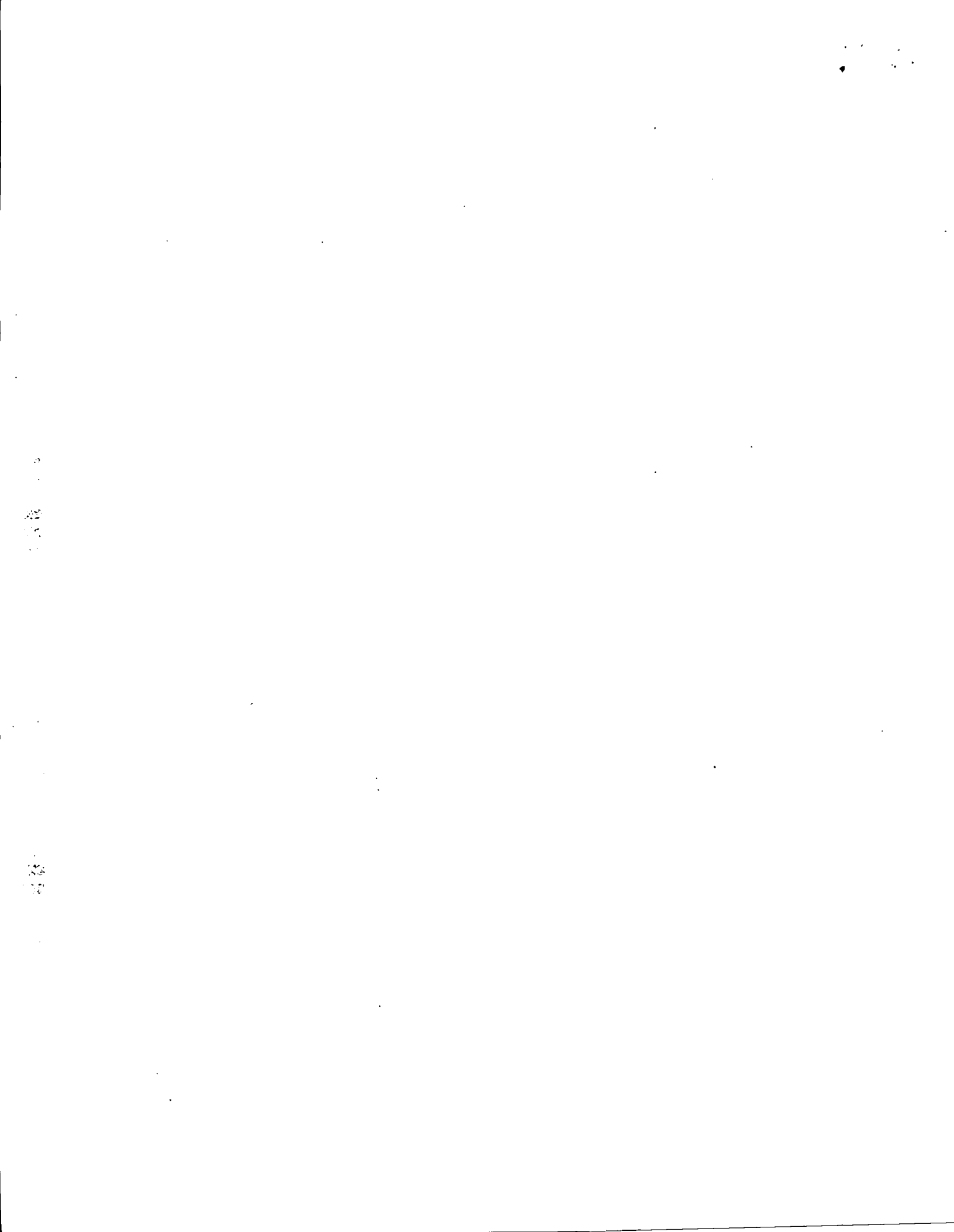
(SEAL)

CERTIFICATE OF AUTHENTICATION AND REGISTRATION

This is the Bond described in the within mentioned Resolution of Issuance, which has been authenticated and registered on

THE BANK OF CALIFORNIA, N.A.  
as paying agent, transfer agent and registrar

By \_\_\_\_\_  
Authorized Officer





(REVERSE OF BOND)

LIMITED OBLIGATION IMPROVEMENT BOND  
CITY OF SACRAMENTO  
LAGUNA CREEK ASSESSMENT DISTRICT

ADDITIONAL PROVISIONS OF THE BOND

This Bond is one of several annual series of bonds of like date, tenor and effect, but differing in amounts, maturities and interest rates, issued by the City of Sacramento under the Act and the Resolution of Issuance, for the purpose of providing means for paying for the improvements described in said proceedings, and is secured by the moneys in said redemption fund and by the unpaid portion of said assessments made for the payment of said improvements, and, including principal and interest, is payable exclusively out of said fund.

This Bond is transferable by the registered owner hereof, in person or by the owner's attorney duly authorized in writing, at said office of the Bank, subject to the terms and conditions provided in the Resolution of Issuance, including the payment of certain charges, if any, upon surrender and cancellation of this Bond. Upon such transfer, a new registered Bond or Bonds, of any authorized denomination or denominations, of the same maturity, for the same aggregate principal amount, will be issued to the transferee in exchange therefor.

Bonds shall be registered only in the name of an individual (including joint owners), a corporation, a partnership or a trust.

Neither the City nor the Bank shall be required to make such exchange or registration of transfer of bonds during the fifteen days immediately preceding any interest payment date.

The City will not obligate itself to advance available funds from the City treasury to cure any deficiency which may occur in the bond redemption fund. A determination not to obligate itself shall not prevent the City from, in its sole discretion, so advancing funds.

The City and the Bank may treat the registered owner hereof as the absolute owner for all purposes, and the City and the Bank shall not be affected by any notice to the contrary.

This Bond or any portion of it in the amount of \$5,000 or any integral multiple thereof, may be redeemed and paid in advance of maturity upon the second day of March or September in any year by giving at least 30 days' notice by registered mail to the registered owner hereof at such owner's address as it appears on the registration books of the Bank and by paying principal and accrued interest together with a premium equal to three percentum of the principal.

I hereby certify that the following is a correct copy of the signed legal opinion of STURGIS, NESS, BRUNSELL & SPERRY a professional corporation, Emeryville, California, on file in my office.

City Clerk

RESOLUTION No. 88-~~603~~ 603

Adopted by The Sacramento City Council on date of

A RESOLUTION AUTHORIZING ISSUANCE OF BONDS  
LAGUNA CREEK ASSESSMENT DISTRICT

APPROVED  
BY THE CITY COUNCIL

JUL 19 1988

OFFICE OF THE  
CITY CLERK

The City Council of the City of Sacramento resolves:

Section 1. RECITALS. On March 4, 1986, the City Council of the City of Sacramento adopted its resolution of intention, as later amended, to order improvements in Laguna Creek Assessment District, City of Sacramento, Sacramento County, California, under the provisions of the Municipal Improvement Act of 1913 (the "Act"), as amended. Proceedings taken under the Act led to the levy of a special assessment by the City Council against parcels of land within the assessment district in the total amount of \$10,367,124.70. These assessments were recorded in the office of the County Recorder of the County of Sacramento, and thereupon became a lien on each parcel assessed. The period within which parcel owners might pay their assessments in cash without interest expired on July 1, 1988.

Section 2. ISSUANCE OF BONDS. The City Council hereby authorizes the issuance of improvement bonds under the provisions of the Improvement Bond Act of 1915 to represent unpaid assessments in an amount of \$10,357,744.78. The bonds shall be designated, "Limited Obligation Improvement Bond, City of Sacramento, Laguna Creek Assessment District." Bonds shall be issued in denominations of \$5,000 or integral multiples thereof, except for Bond No. 1, which may be an odd amount, and shall be dated July 26, 1988. Bonds shall mature and shall bear interest at the rates set forth in the table attached as Exhibit A.

Section 3. APPOINTMENT OF PAYING AGENT, REGISTRAR AND TRANSFER AGENT. The City Council hereby appoints The Bank of California, N.A., as paying agent, registrar and transfer agent for the bonds in accordance with an agreement between the City of Sacramento and The Bank of California.

Section 4. FORM AND EXECUTION. Bonds shall be issued as fully registered bonds substantially in the form set forth as Exhibit B to this resolution. The bonds shall be signed by the City Treasurer and the City Clerk and the seal of the City shall be affixed. Both signatures and seal may be reproduced on the bonds by facsimile, but upon its registration or reregistration each bond shall be authenticated by the manual signature of the registrar.

The paying agent shall assign to each bond authenticated and registered by it a distinctive letter, or number, or letter and number, and shall maintain a record thereof which shall be available to the City for inspection.

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Section 5. ESTABLISHMENT OF SPECIAL FUNDS. For administering the proceeds of the sale of bonds and payment of interest and principal on the bonds, there are hereby established five funds to be known as the improvement fund, the redemption fund, the investment earnings fund, the excess investment earnings fund and the special reserve fund, respectively, for Laguna Creek Assessment District.

Section 5.1. IMPROVEMENT FUND. Except as provided in Section 5.3, proceeds of sale of the bonds, together with all amounts paid on the assessments prior to bond issuance, shall be deposited in the improvement fund to be maintained by the City Treasurer. Disbursements from the improvement fund shall be made by the City Treasurer in accordance with the budget of estimated costs and expenses set forth in the amended engineer's report heretofore approved by the City Council, which report and budget are subject to modification by the City Council from time to time as prescribed by the Act.

Section 5.2. REDEMPTION FUND. The redemption fund shall be maintained by the City Treasurer. All payments of principal and interest installments on the assessments, together with penalties, if any, shall be deposited in the redemption fund, which shall be a trust fund for the benefit of the bondholders. Payment of the bonds at maturity, or at redemption prior to maturity, and all interest on the bonds shall be made from the redemption fund.

Section 5.3. SPECIAL RESERVE FUND. The special reserve fund shall be maintained by the City Treasurer. There shall be deposited into the special reserve fund the amount of \$1,035,774.48 from the proceeds of the sale of bonds.

A. During the term of the bonds, the amount in the special reserve fund shall be available for transfer into the redemption fund in accordance with Section 8808 of the Streets and Highways Code. The amount so advanced shall be reimbursed to the special reserve fund from the proceeds of redemption or sale of the parcel for which payment of delinquent assessment installments was made from the special reserve fund.

B. If any assessment is prepaid before final maturity of the bonds, the amount of principal which the assessee is required to prepay shall be reduced by an amount which is in the same ratio to the original amount of the special reserve fund as the original amount of the prepaid assessment bears to the total amount of assessments originally levied in Laguna Creek Assessment District. This reduction in the amount of principal prepaid shall be balanced by a transfer from the special reserve fund to the redemption fund in the same amount.

C. The amounts deposited in the reserve fund will never exceed 10% of the proceeds of the bond issue. Proceeds of investment of the special reserve fund shall be deposited in the investment earnings fund.

D. When the amount in the special reserve fund equals or exceeds the amount required to retire the remaining unmatured bonds (whether by advance retirement or otherwise), the amount of the special reserve fund shall be transferred to the redemption fund, and the remaining installments of principal and interest not yet due from assessed property owners shall be cancelled without payment.

Section 5.4. INVESTMENT EARNINGS FUND. Proceeds of the investment of amounts in the improvement fund, the special reserve fund and the redemption fund will be deposited in the investment earnings fund. On July 1 of each year during the term of the bonds (or at other times as may be required or permitted by regulations of the United States Internal Revenue Service), the Treasurer shall determine whether any portion of investment earnings must be rebated to the United States pursuant to Section 148 of the United States Internal Revenue Code and regulations adopted thereunder. Any amounts required to be rebated will be transferred to the excess investment earnings fund, and the balance will be transferred to the improvement fund (or, upon completion of the improvement, to the redemption fund to be applied as credit to the next installment of principal and interest collected from owners of assessed land).

The City Treasurer is authorized to retain independent attorneys, accountants and other consultants to assist in complying with Federal requirements.

Section 5.5. EXCESS INVESTMENT EARNINGS FUND. Amounts in the excess investment earnings fund shall be invested in the same manner as amounts in the other funds and shall be held in trust for rebate to the United States at the times required by Section 148 of the United States Internal Revenue Code and regulations adopted thereunder.

Section 6. PAYMENT ON BONDS. The principal and interest on the bonds shall be payable at the office of The Bank of California, N.A., San Francisco, California. Principal and interest shall be paid by check, draft or warrant mailed to the registered owner of each bond at the owner's address appearing on the register maintained by the registrar on the 15th day preceding the date of interest payment or maturity of each bond.

Section 7. REREGISTRATION. Any bond may be registered to a new owner by completing the assignment certificate on the reverse of the bond and delivering the bond to the registrar. Upon reregistration, any bond may be replaced by one or more bonds of the same maturity and aggregate amount in denominations of \$5,000 or any integral multiple thereof.

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Section 8. COVENANTS. In the event of a default in the payment of any bond or any installment of interest thereon, bondholders shall have the remedies set forth in the Improvement Bond Act of 1915. In addition, the City Council makes the following covenants, which shall constitute a contract with the bondholders:

Section 8.1. FORECLOSURE OF LIENS. If any installment of principal or interest of any assessment levied in Laguna Creek Assessment District becomes delinquent, the City Council shall cause an action to be filed in the Superior Court of the County of Sacramento to foreclose the lien of the delinquent assessment under the authority of Section 8830 and following of the Streets and Highways Code of the State of California. This action shall be filed not later than one hundred fifty (150) days after the date of delinquency.

Section 8.2. ARBITRAGE. During the term of the bonds, the City will make no use of bond proceeds which, if such use had been reasonably expected at the date the bonds are issued, could have caused the bonds to be "arbitrage bonds" within the meaning of Section 148 of the United States Internal Revenue Code of 1986, and regulations of the Internal Revenue Service adopted thereunder, and further shall rebate to the United States any amounts actually earned as arbitrage in accordance with the provisions of that Code and those regulations.

Section 8.3. MAINTENANCE OF TAX EXEMPTION. The City will take all reasonable actions required to maintain the status of the bonds as bonds exempt from federal income taxes and State of California personal income taxes.

\* \* \*

This Resolution was passed and adopted by the City Council of the City of Sacramento, County of Sacramento, State of California, this 19th day of July, 1988.

\_\_\_\_\_  
Mayor

ATTEST:

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City Clerk



MATURITY SCHEDULE  
Laguna Creek Assessment District, City of Sacramento

SEPT 2 MATURITY DATE	PRINCIPAL AMOUNT	INTEREST RATE
1989	\$337,744.78	5.75%
1990	440,000.00	6.25
1991	470,000.00	6.50
1992	500,000.00	6.75
1993	530,000.00	7.00
1994	570,000.00	7.20
1995	610,000.00	7.40
1996	655,000.00	7.60
1997	700,000.00	7.75
1998	755,000.00	7.90
1999	815,000.00	8.00
2000	880,000.00	8.00
2001	950,000.00	8.10
2002	1,030,000.00	8.15
2003	1,115,000.00	8.20
=====		
TOTAL:	\$10,357,744.78	

RESOLUTION No.

88-~~665~~ 664

Adopted by The Sacramento City Council on date of

A RESOLUTION ORDERING SALE OF BONDS

LAGUNA CREEK ASSESSMENT DISTRICT

The City Council of the City of Sacramento resolves:

The City Council accepts the offer of Stone & Youngberg (attached to this resolution and by reference incorporated in it) to purchase all of the improvement bonds to be issued in Laguna Creek Assessment District.

The City Council directs the sale and delivery of the bonds to the offeror in accordance with the terms and conditions stated in the offer.

\* \* \*

This Resolution was passed and adopted by the City Council of the City of Sacramento, County of Sacramento, State of California, this 19th day of July, 1988.

\_\_\_\_\_  
Mayor

ATTEST:

\_\_\_\_\_  
City Clerk

APPROVED  
BY THE CITY COUNCIL

JUL 19 1988

OFFICE OF THE  
CITY CLERK



# STONE & YOUNGBERG

MEMBERS: PACIFIC STOCK EXCHANGE

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July 18, 1988

The Honorable Members of the City Council  
of the City of Sacramento  
915 I Street  
Sacramento, CA 95814

Re: Offer to Purchase Bonds in the Amount of \$10,357,744.78  
City of Sacramento Improvement Bonds  
Laguna Creek Assessment District  
(Sacramento County, California)

Members of the Council:

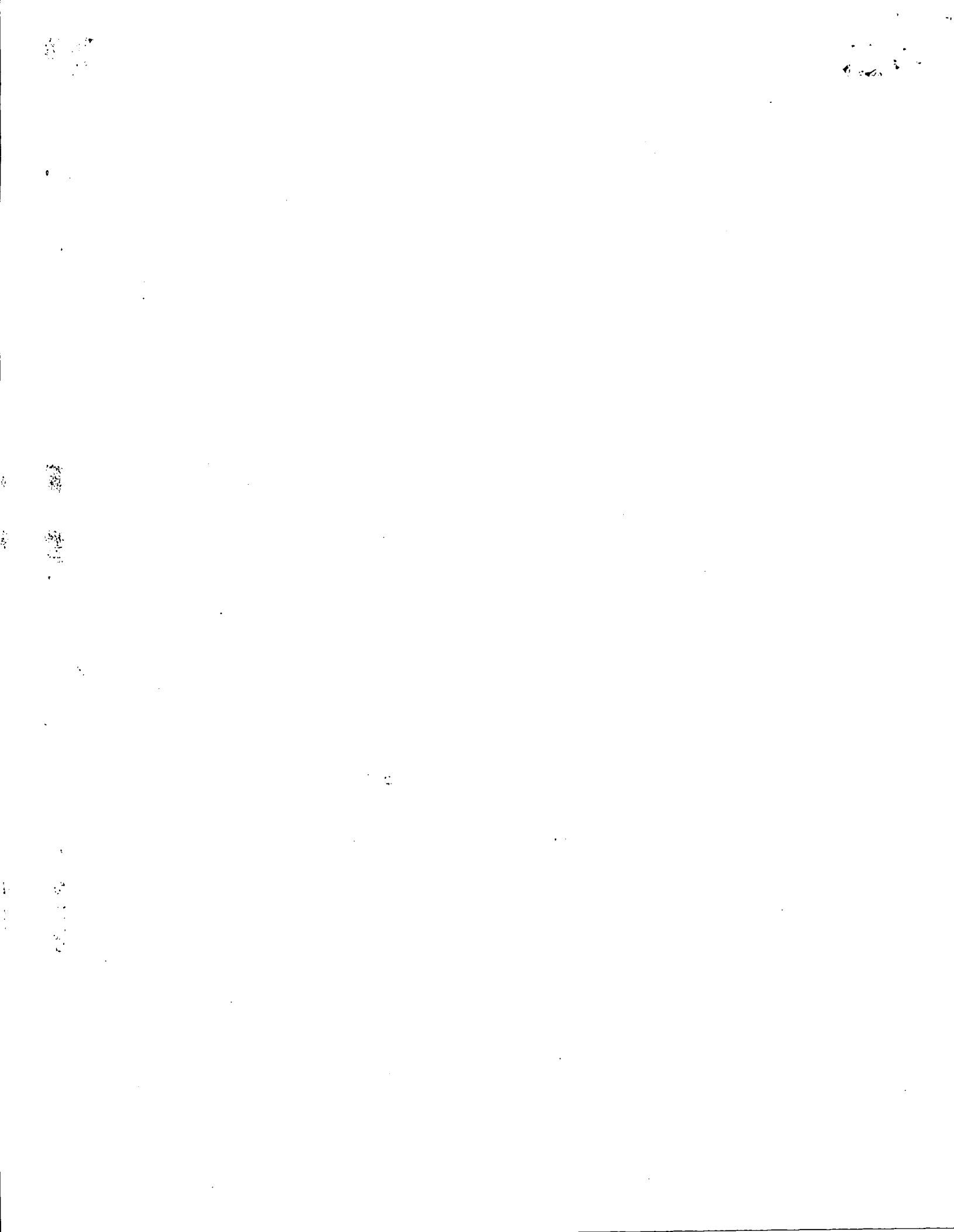
Pursuant to discussions with City staff, bond counsel and our investigation and analysis of the captioned bond issue, Stone & Youngberg ("the Underwriter") hereby offers to purchase all of such bonds subject to the following conditions:

1. The bonds shall be issued pursuant to the Municipal Improvement Act of 1913 and the Improvement Bond Act of 1915
2. The par value of the bonds shall be in an amount equal to \$10,357,744.78, and the bonds shall mature serially over a period of 15 years.
3. The bonds shall be issued in denominations of \$5,000, or in integral multiples thereof as may be requested by the Underwriter, and one bond in an add amount due in 1989.
4. All bonds shall be issued in registered form in accordance with instructions to be determined by the Underwriter prior to closing. The City shall retain the Bank of California, N.A., as Paying Agent, Registrar and Transfer Agent.
5. The bonds shall be dated July 26, 1988 and be delivered on or about July 26, 1988.
6. The bonds shall mature in each of the years and in the amounts and at the rates of interest set forth on the attached maturity schedule marked Exhibit A.
7. The City shall establish from the proceeds of the bonds a reserve fund equal to 10.0 percent of the principal amount of the bonds. The reserve fund shall be administered pursuant to the Resolution of Issuance for the bonds, as well as pursuant to applicable federal laws and regulations. The reserve fund balance shall be shown as a separately stated item in the City's annual financial report.
8. The City shall covenant to commence judicial foreclosure of delinquent assessments within 150 days after any delinquency.

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9. The City shall award the sale of the bonds to us at their meeting on July 19, 1988.
10. The purchase price shall be 98.00 percent of par, plus accrued interest, if applicable, and shall be paid in full upon delivery to us of the Bonds.
11. The City will deliver to the Underwriter at closing in forms suitable to the Underwriter:
  - (a) The unqualified approving legal opinion of Sturgis Ness Brunsell & Sperry of Emeryville, Bond Counsel. The legal opinion shall be printed on the bonds at no charge to us.
  - (b) A no-litigation certificate of the City.
12. The obligations of the Underwriter to accept delivery of and pay for the bonds on the Closing Date shall be subject, at the option of the Underwriter to the following additional conditions:
  - (a) At the Closing Date, the Resolution and any other applicable agreements shall be in full force and effect, and shall not have been amended, modified or supplemented except as may have been agreed in writing by the Underwriter, and there shall have been taken in connection therewith, with the issuance of the Bonds and with the transactions contemplated thereby and by this Purchase Contract, all such actions as, in the opinion of Bond Counsel, shall be necessary and appropriate;
  - (b) Between the date hereof and the Closing Date, the market price or marketability of the Bonds at the initial offering prices shall not have been materially adversely affected, in the judgment of the Underwriter (evidenced by a written notice to the City terminating the obligation of the Underwriter to accept delivery of and pay for the Bonds) by reason of any of the following:
    - (1) Legislation enacted (or resolution passed) by the Congress of the United States of America or a decision rendered by a court established under Article III of the Constitution of the United States of America or by the Tax Court of the United States of America, or an order, ruling, regulation (final, temporary or proposed), press release or other form of notice issued or made by or on behalf of the Treasury Department or the Internal Revenue Service of the United States of America, with the purpose or effect, directly or indirectly, of imposing federal income taxation upon the interest as would be received by the owners of the Bonds;
    - (2) Legislation enacted (or resolution passed) by the Congress of the United States of America, or an order, decree or injunction issued by any court of competent jurisdiction.

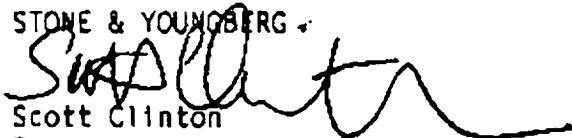


or an order, ruling, regulation (final, temporary or proposed), press release or other form of notice issued or made by or on behalf of the Securities and Exchange Commission, or any other governmental agency having jurisdiction of the subject matter, to the effect that obligations of the general character of the Bonds, or the Bonds, including any or all underlying arrangements, are not exempt from registration under or other requirements of the Securities Act of 1933, as amended, or that the Resolution is not exempt from qualification under or other requirements of the Trust Indenture Act of 1939, as amended, or that the issuance, offering or sale of obligations of the general character of the Bonds, or of the Bonds, including any or all underwriting arrangements, as contemplated hereby or by the Offering Memorandum or otherwise is or would be in violation of the federal securities laws as amended and then in effect;

- (3) The withdrawal or downgrading of any rating of any securities of the City by a national municipal bond rating agency;
- (4) Any amendment to the Federal or California Constitution or action by any Federal or California court, legislative body, regulatory body or other authority materially adversely affecting the tax status of the City, its property, income, securities (or interest thereon), validity or enforceability of the assessments or the ability of the City to construct or acquire the improvements as contemplated by the Resolution and the Offering Memorandum; or
- (5) Any event occurring, or information becoming known which, in the judgment of the Underwriter makes untrue or misleading in any material respect any statement or information contained in the Offering Memorandum concerning the City, the Improvement Project, the major landowners or the property assessed.

Respectfully submitted,

STONE & YOUNGBERG

  
Scott Clinton  
Partner

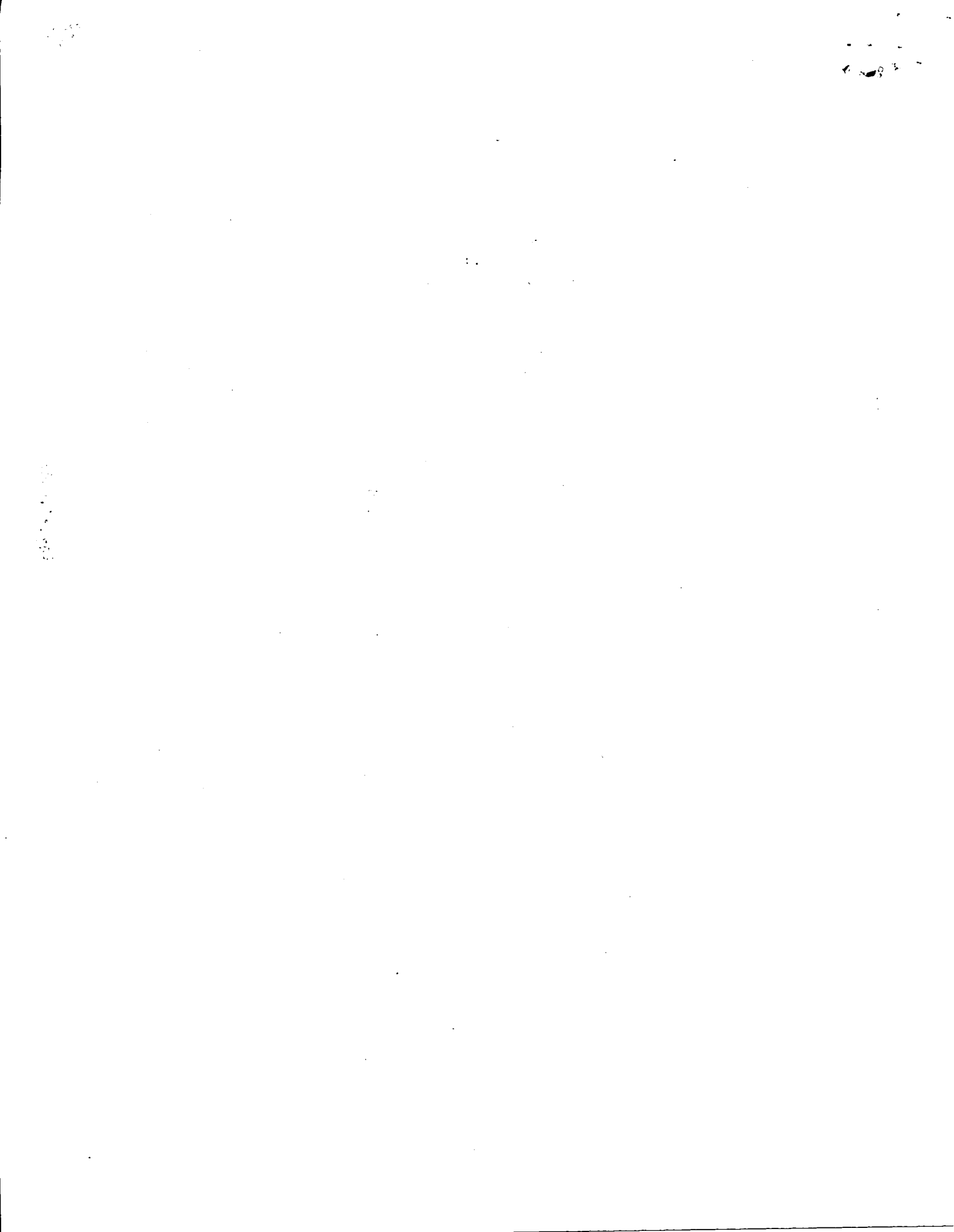




EXHIBIT A

\$10,357,744.78  
CITY OF SACRAMENTO IMPROVEMENT BONDS  
LAGUNA CREEK ASSESSMENT DISTRICT  
(SACRAMENTO COUNTY, CALIFORNIA)

<u>Maturity Date</u> (September 2)	<u>Principal</u> <u>Amount</u>	<u>Interest</u> <u>Rate</u>
1989	\$ 337,744.78	5.75%
1990	440,000.00	6.25%
1991	470,000.00	6.50%
1992	500,000.00	6.75%
1993	530,000.00	7.00%
1994	570,000.00	7.20%
1995	610,000.00	7.40%
1996	655,000.00	7.60%
1997	700,000.00	7.75%
1998	755,000.00	7.90%
1999	815,000.00	8.00%
2000	880,000.00	8.00%
2001	950,000.00	8.10%
2002	1,030,000.00	8.15%
2003	1,115,000.00	8.20%

The average interest rate is 7.868%. The net interest cost including the 2.00% discount is 8.07893.

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