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CITY OF SACRAMENTO -- COUNTY OF SACRAMENTO



APPROVED
MAY 7 2002
OFFICE OF THE
CITY CLERK



TO: Mayor, Members of the Sacramento City Council
Sacramento County Board of Supervisors

FROM: Thomas P. Friery, City Treasurer
Geoffrey B. Davey, County Chief Financial Officer

**SUBJECT: H STREET THEATERS PROJECT – APPROVE ISSUANCE OF
CERTIFICATES OF PARTICIPATION AND AUTHORIZE THE EXECUTION
AND DELIVERY OF VARIOUS AGREEMENTS AND DOCUMENTS**

LOCATION AND DISTRICT: 1419 H Street
City Council District 1
Supervisorial District 1

RECOMMENDATION:

Staff recommends that the Sacramento City Council and Sacramento County Board of Supervisors adopt the attached resolution to:

- Approve the debt financing of the H Street Theater project through the delivery of Sacramento Regional Arts Facilities Financing Authority Series 2002 certificates of participation
- Authorize the execution and delivery of related documents and other actions to include: a Site Lease Agreement II, a Sublease Agreement, a Facility Lease Agreement, a Memorandum of Understanding, a Trust Agreement, a Control Agreement, a Continuing Disclosure Certificates, a Purchase Contract, an Amendment and Supplement to Funding Agreement, and an Official Statement (all documents are on file in the City Clerk's and County Clerk's Offices.)

Further, staff recommends that the Sacramento City Council adopt the attached resolution to:

- Authorize the assignment of the construction management agreement with Kitchell CEM to the Sacramento Regional Arts Facility Financing Authority (on file in the City Clerk's Office.)

CONTACT PERSON: Thomas P. Friery, City Treasurer, (916) 264-5168
Geoffrey B. Davey, County Chief Financial Officer, (916) 874-5803

FOR COUNCIL MEETING OF: May 7, 2002
FOR BOARD OF SUPERVISORS MEETING OF: May 7, 2002

SUMMARY:

A joint county and city financial team has been working with the California Musical Theater and the Sacramento Theater Company for several years on a plan to improve the theater facilities located in downtown Sacramento in the block bounded by 14th, 15th, H, and G Streets. The County and City have formed the Sacramento Regional Arts Facility Financing Authority (SRAFFA), a joint powers authority of the County and City of Sacramento. The Authority will issue approximately \$14.2 million in debt to fund the theater improvements, which will be repaid over a 25-year period.

The annual debt service payments of approximately \$1.0 million will come from theater group revenues and annual contributions of \$66,000 each from the County and the City. These annual contributions will be extended through 2020. Should the theater group revenues fail to be sufficient to meet the annual debt service payments, the County and City then will share equally in making up the shortfall. The County Board of Supervisors and City Council are being asked to approve proceeding with the project financing and to approve several agreements and documents necessary to proceed with the financing.

COMMITTEE/COMMISSION ACTION:

None required. City and County staff has been working closely with representatives of CMT and STC on this project for several years. The details of this financing have been discussed in great depth with both organizations. The recommendations in this report are, in reality, the joint recommendations of county staff, city staff, CMT, and STC.

BACKGROUND INFORMATION:

The Project

The proposed debt financing will fund the H Street Theaters Renovation Project. The H Street Theaters project site includes facilities used by both the California Musical Theater (CMT, the Music Circus) and the Sacramento Theater Company (STC). The STC facilities are located on property owned by Sacramento County and the City of Sacramento. The improvements include the construction of a permanent tent facility for the CMT performances (the Music Circus) and renovation of the STC Theaters and facilities shared by CMT and STC.

Prior Board of Supervisors and City Council Actions

The Board of Supervisors and City Council have given first conceptual and then formal approval of the H Street Theaters project. In October 2000, the Board and Council gave conceptual approval to the improvements and financing plan. In January 2001, the Sacramento Regional Arts Facility Financing Authority (SRAFFA, a joint exercise of powers authority of the County and City of Sacramento) was formed; two County Board and three City Council Members will serve as the Board of Directors of SRAFFA.

In January 2002, the Board and Council took several actions to set the stage for the debt financing of the theater renovations:

1. Business terms relating to the bid and construction process were approved;

2. The City's and County's annual commitment of \$66,000 each jurisdiction per year was extended through 2020;
3. The City Treasurer and County Chief Financial Officer were authorized to proceed with the debt financing; and,
4. The SRAFFA was designated as the agent for the final construction contract.

Also in January 2001, the City Council approved a construction management contract with Kitchell CEM. Staff is now recommending that City Council extend the construction management contract and assign it to SRAFFA.

It should also be noted that all documents and related actions were approved by the appropriate governing boards of the California Musical Theater and the Sacramento Theater Company.

Financing Structure

Under the financing structure, SRAFFA will actually issue the debt, in the form of certificates of participation (COPs), funding the renovations and other project costs. The buyers of the COPs are entitled to receive annual principal and interest payments once the project site improvements are substantially complete and are ready for CMT and STC to hold performances. This financing structure is made explicit through of a series of agreements between and among the City, the County, SRAFFA, the theater organizations (CMT and STC), and a corporate trust institution. A flowchart (**Exhibit A-1**) illustrating the agreements is attached, along with a summary describing the various agreements (**Exhibit A-2**).

In order to further minimize financial risk to the City and County, staff has requested of and CMT has agreed to be responsible for making payments of project related revenues and other payments required by the various agreements for both CMT and STC. STC will enter into a sub-facility lease with CMT to include its project related revenues. The project related and other operating revenues generated by CMT at the project site will be deposited into a special bank account, a control agreement account (formerly known as "lockbox" accounts). These funds will be augmented with the City and County annual contributions to meet the required lease obligations to SRAFFA. On a semi-annual basis, funds will be paid to a corporate trust institution, which is in turn responsible for making principal and interest payments to the certificate holders. Operating revenues not needed for debt service will be released back to CMT upon submission of a monthly accounting of sources and amounts. A summary of the flow of funds is further discussed in the Financial Considerations section of this report.

Due to the unique nature of this financing, we plan to have the deal insured by a bond insurance firm. This will result in a lower interest rate offset by the bond insurance costs.

FINANCIAL CONSIDERATIONS:

Project Costs and Financing

The total project costs include both expenditures for planning and design that have already been made from project related revenues and from County and City contributions. The remaining project costs are being funded with project related revenues that have already been collected and with the proceeds from the sales of the certificates of participation. The two fund sources amount:

Balance of Project Related Revenues	\$ 1,236,000
Proceeds from Sale of COPs	<u>14,185,000</u>
Total	<u>\$ 15,421,000</u>

Both CMT and STC began collecting project related revenues with their year 2000 performance seasons. These funds, along with the prior year City and County contributions, have paid for design and project management costs incurred to date. After those expenditures have been made, there is a balance of approximately \$1.2 million that will augment the \$14.2 million COP issue.

Estimated project costs will be:

Construction Fund	\$ 11,956,108
CMT Property Note Repayment	542,638
Debt Service Reserve	1,042,545
Capitalized Interest (during construction)	1,121,014
Financing Costs	<u>1,118,695</u>
Total	<u>\$15,421,000</u>

The construction fund includes actual construction costs, a contingency, project management costs, fees, and permits. Part of the financing is prepaying a loan CMT has on its H Street site. The provisions of the debt financing require the Debt Service Reserve. Capitalized interest is the source of interest payments to certificate holders during the construction period. The remaining principal and interest payments may only be made when the overall premises are ready for use ("beneficial occupancy"). Financing costs include bond counsel and disclosure counsel fees, bond insurance, bond underwriter's costs and profit, fees, printing, and other expenditures associated with the issuance of the certificates.

Sources of Debt Service Payments

Based on the issuance of \$14.2 million in debt, for a term of 25 years, and at an average annual interest rate of 5.18 %, the average annual debt service will be approximately \$977,600. Of this annual amount \$132,000, or 13.5 percent, will come from the annual \$66,000 contributions from each jurisdiction. The remaining \$845,600 will come from CMT and STC.

There are three general categories of financing for the annual debt service payments and the accumulation of debt service reserves:

1. Project related revenues
2. CMT's other revenues
3. County and City contributions.

Project Related Revenues

Project related revenues are revenues generated by activities at the project site and are new revenues to CMT. These include:

1. Facility fees – this is a per ticket surcharge imposed by both CMT and STC. The CMT is, in effect, guaranteeing the STC facility fee in the amount of \$91,000 per year. The facility fees have been included in ticket prices for the past several years. This will generate between \$300,000 and \$528,000 per year depending on the number of performances at the facilities. The CMT plans to both add shows and increase the number of performances per show once the new, permanent tent is constructed. The CMT also plans to hold concerts in the new tent facility. This will increase facility fee revenue from the current level of \$300,000 per year up to \$528,000 per year by 2005-06.
2. Name-a-Seat – donors have made contributions in return for having a name plaque attached to a seat. This funding source is short-term. This funding source is expected to contribute \$333,000 for debt service through 2005-06.
3. Naming Rights – Wells Fargo is paying for naming rights to the new CMT tent, the Wells Fargo Pavilion. This funding source will generate \$127,500 per year for the project.

CMT Other Revenues

The CMT has pledged certain amounts of its on-going operating revenues to the project debt service. The CMT has been making loan payments on its portion of the project site. Buying out the loan will free up CMT operating revenues to apply to the annual debt service. In addition, CMT is engaged in a capital campaign to raise funds for project site improvements. A portion of the funds raised in this capital campaign is being dedicated to the debt service. Staff of the City Treasurer's Office and the County Executive's Office examined CMT financial statements and budgets to verify the availability of these designations of CMT operating revenue and capital.

The Control Account

To insure that the debt service on the certificates has the first call on project related revenues and any necessary contributions from CMT operating revenues, a control (or "lockbox") account is being established. The control account is a special bank account into which revenues generated at the project site and other revenues are deposited. This includes both project related revenues and operating revenues. When project revenues are sufficient to reach targets set to allow accumulation of debt service and reserves, then operating revenues are released. If the project related revenues are insufficient to meet the targets, then operating revenues are retained in the control account. Interest earnings on the funds in the control account will be used for debt service.

The control account will consist of four general sub-accounts:

1. Clearing account – All CMT revenues are deposited into this account until CMT submits a monthly reconciliation.
2. Project related revenue account – All project related revenues will be placed in this account after the submission of CMT's monthly reconciliation.
3. Operating revenue account – Any of the CMT operating revenues used for debt service will be deposited into this account after the submission of CMT's monthly reconciliation.
4. Investment account – When it is anticipated the funds in the project related revenue and operating revenue accounts will be held for a significant amount of time, those funds will be transferred to an investment account and invested over a longer period of time to maximize interest earnings.

The financial planning for the project includes monthly targets for funds held in the control account and available for debt service. All project related revenues and some operating revenues are included in these target levels. When project related revenues and the targeted operating revenues are insufficient to meet the monthly target, then additional operating revenues will be held in the control account and not released back to CMT. This arrangement allows for early identification of any problems and early addressing of those problems.

Financing Schedule

Staff anticipates that the financing will close towards the end of June 2002. The remaining events in the financing include:

Date	Task Description
5/10 - Fri.	SRAFFA meets to adopt City bid policies and procedures
5/22 - Wed.	Receipt of ratings and insurance bids
5/29 - Wed.	Construction bids due
5/29 - Wed.	Recommendation to award construction contract
6/03 - Mon.	Construction bid protest period ends
6/07 - Fri.	SRAFFA awards construction contract & approves financing
6/07 - Fri.	Execute Control Agreement
6/07 - Fri.	Mail Preliminary Official Statement
6/18 - Tue.	Pricing
6/26 - Wed.	Close

The City of Sacramento’s bid policies and procedures will be used by SRAFFA in the construction contract bid and award process. There appears to be a great deal of interest in this project from construction firms. The final size of the debt financing will be determined after SRAFFA receives bids and awards the contract. The close of the deal will occur approximately three weeks after SRAFFA awards the contract and approves the financing.

ENVIRONMENTAL CONSIDERATIONS:

An Environmental Impact Report (EIR) was prepared for the proposed project. The EIR was certified by City Council in January 2001. Following that action, two lawsuits were filed against the project. Both lawsuits have been resolved and the CEQA process is complete.

POLICY CONSIDERATIONS:

County and City Risk

Those members of the county and city staff working on this project collectively have a high level of confidence that the CMT revenues are sufficient to meet debt service payments associated with this project provided that event attendance remains constant or increases. We believe conservative estimates have been used for fiscal forecasting and have further strengthened our financial security with the use of the control agreement (“lockbox”). However, the City and the County are the ultimate


guarantors of the debt service payments to certificate holders; any shortfalls will be equally shared between the two agencies.

Construction of the improvements of the H Street Theaters Renovation Project will augment the very valuable community assets represented by CMT and STC. We believe the risk to the City and County is slight given historical success of CMT who is the guarantor to the City and County.


ESBD CONSIDERATIONS:

All purchases and contract requirements associated with the project improvements will fall under the City's Emerging/Small Business Development (ESBD) program requirements.

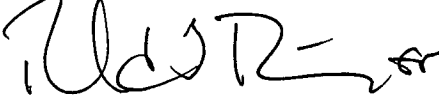
Respectfully Submitted,


Thomas P. Friery
City Treasurer


Respectfully Submitted,


Geoffrey B. Davey
County Chief Financial Officer

RECOMMENDATION APPROVED:

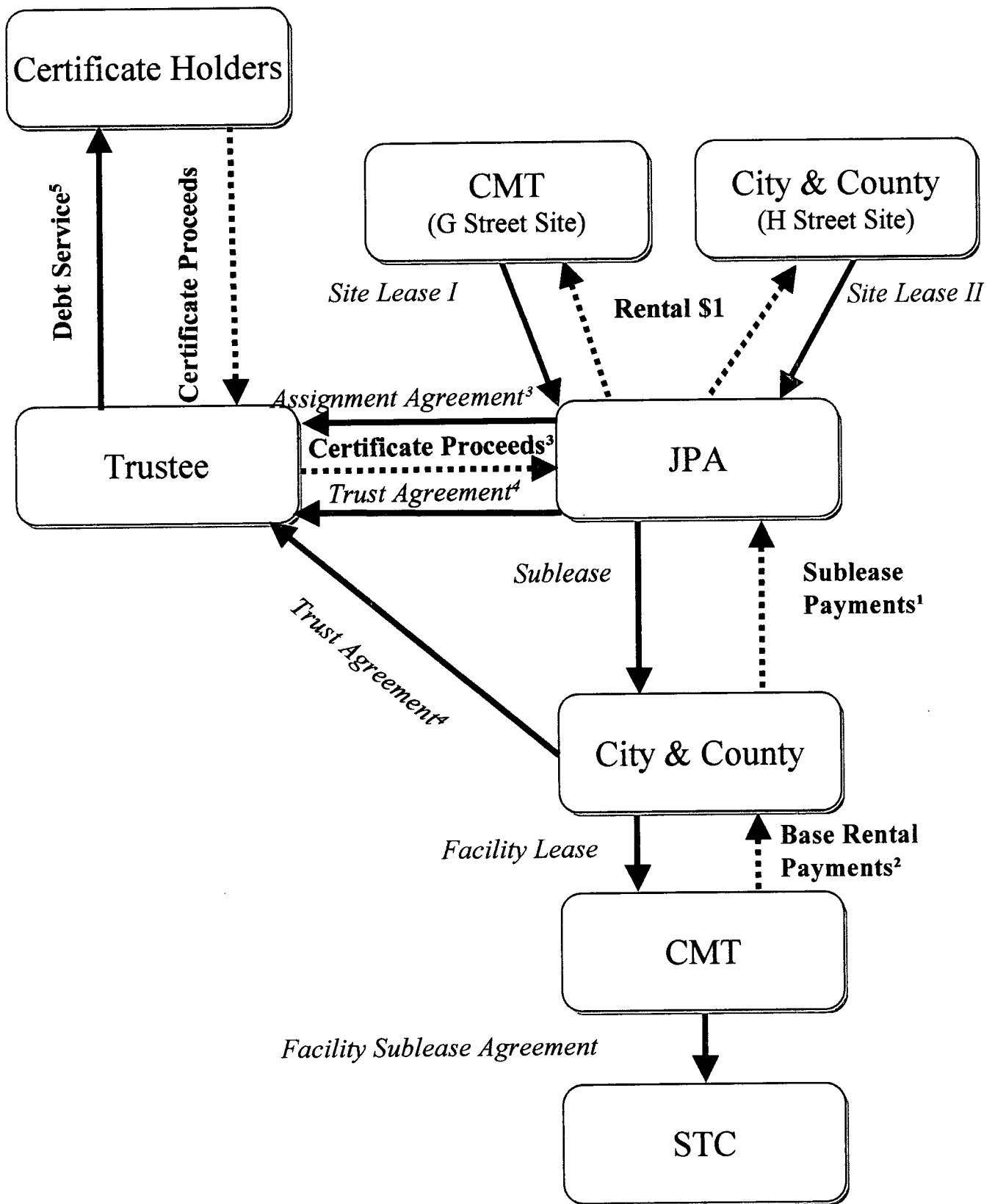

Robert P. Thomas
City Manager

RECOMMENDATION APPROVED:


Terry Schutten
County Executive

cc: California Musical Theater
Sacramento Theater Company
Orrick, Herrington & Sutcliffe, LLP
E.J.de la Rosa & Co., Inc.
Hawkins, Delafield & Wood
Arimax Financial Advisors, Inc.
BNY Western Trust Company
Wells Fargo

FINANCING STRUCTURE



Footnotes:

- 1. Sublease Payments. The City and the County each will be responsible for 50% of the Sublease Payments under the Sublease Agreement. Sublease Payments required under the Sublease Agreement will equal the debt service obligations on the Certificates of Participation (the "Certificates"). The City's and the County's obligations to pay Sublease Payments under the Sublease Agreement will be credited to the extent that CMT pays the Base Rental Payments required under the Facility Lease Agreement in amounts sufficient to pay the debt service obligations on the Certificates. To the extent that CMT's Base Rental Payments are insufficient to pay the required debt service obligation on the Certificates, the City and the County will pay any deficiency on a 50/50% basis.
- 2. Base Rental Payments. Base Rental Payments required under the Facility Lease Agreement will equal the debt service obligations on the Certificates. CMT also will be responsible for other rental payments as set forth in the Facility Lease Agreement.
- 3. Assignment Agreement. The Authority will assign all its rights under the Sublease Agreement, including but not limited to the right to receive the Sublease Payments from the City and the County, to the Trustee under the Assignment Agreement in consideration for the proceeds of the sale of the Certificates.

The Authority will use the proceeds of the Certificates to finance the Project.

- 4. Trust Agreement. The parties to the Trust Agreement are the Authority, the City, the County and the Trustee. The Trust Agreement sets forth the term of the Certificates, the nature and extent of the security, the various rights of the holders of the Certificates, rights duties and immunities of the Trustee and the rights and obligations of the Authority, the City and the County.
- 5. Debt Service. Debt service on the Certificates will equal the total amount of the Sublease Payments. The Certificate holders will receive debt service payments representing a proportionate undivided interest in the Sublease Payments.

DESCRIPTION OF FINANCING DOCUMENTS

Site Lease Agreements. Pursuant to the Site Lease Agreement I, the California Musical Theatre (“CMT”) leases the G Street Premises to the Sacramento Regional Arts Facilities Financing Authority (the “Authority”). Pursuant to the Site Lease Agreement II, the City of Sacramento (the “City”) and the County of Sacramento (the “County”) leases the H Street Premises to the Authority.

Sublease Agreement. Pursuant to the Sublease Agreement, the Authority leases the G Street Premises and the H Street Premises (the “Premises”) to the City and County. The City and County will be obligated to pay Sublease Payments and certain other additional payments to the Authority pursuant to the Sublease Agreement. The City and the County each will be responsible for 50% of the Sublease Payments and the other additional payments under the Sublease Agreement. Sublease Payments required under the Sublease Agreement will equal the debt service obligations on the Certificates of Participation (the “Certificates”) described below. The City’s and the County’s obligations to pay Sublease Payments under the Sublease Agreement will be credited to the extent that CMT pays the Base Rental Payments required under the Facility Lease Agreement in amounts sufficient to pay the debt service obligations on the Certificates. To the extent that CMT’s Base Rental Payments are insufficient to pay the required debt service obligation on the Certificates, the City and the County will pay any deficiency on a 50/50% basis. The City is not responsible for the County’s 50% payment obligation and the County is not responsible for the City’s 50% payment obligation under the Sublease Agreement. Pursuant to the Sublease Agreement the Authority agrees to design, construct and install the Project.

Facility Lease Agreement. Pursuant to the Facility Lease Agreement, the City and County lease the Premises to CMT. CMT will be required to pay Base Rental Payments and make certain additional payments pursuant to the Facility Lease Agreement. Base Rental Payments required under the Facility Lease Agreement will equal the debt service obligations on the Certificates. The Facility Lease Agreement includes covenants of CMT relating to the Certificates and the Project including covenants as to the insurance required to be maintained by CMT, covenants regarding the incurrence of additional debt of CMT, covenants regarding project related revenues and covenants as to the corporate existence of CMT.

Facility Sublease Agreement. CMT will lease the H Street Premises to the Sacramento Theatre Company (“STC”) pursuant to the Facility Sublease Agreement. The Facility Sublease Agreement sets forth the co-tenancy arrangements between CMT and STC for the H Street Premises. STC will be required to pay as rent to CMT the STC Facilities Fee, which is a surcharge that STC imposes as part of its ticket prices and that STC will continue to collect until December 31, 2009. STC was removed as a lessee under the Facility Lease Agreement because STC could not represent to the City and the County that it is solvent.

Assignment Agreement. The Authority will assign all its rights under the Sublease Agreement, including but not limited to the right to receive the Sublease Payments from the City and the County, to the Trustee under the Assignment Agreement in consideration for the proceeds of the sale of the Certificates.

The Authority will use the proceeds of the Certificates to finance the Project.

Trust Agreement. The Certificates represent the rights to receive Sublease Payments. Owners of the Certificates are owners of a fractional undivided interest in the rights to receive Sublease Payments. The parties to the Trust Agreement are the Authority, the City, the County and the Trustee. The Trust Agreement sets forth the term of the Certificates, the nature and extent of the security, the various rights of the holders of the Certificates, rights duties and immunities of the Trustee and the rights and obligations of the Authority, the City and the County.

Deed of Trust. As security for the Base Rental Payments CMT is required to pay under the Facility Lease Agreement CMT will provide a deed of trust on the G Street Premises in favor of the City and the County.

Control Agreement. As security for the Base Rental Payments CMT is required to pay under the Facility Lease Agreement, CMT has agreed to enter into the Control Agreement. The Control Agreement requires CMT to deposit any and all revenues it receives from any source (except Broadway Series Shows) with the Custodian under the Control Agreement. The Control Agreement sets forth what moneys and under what circumstances moneys will be retained by the Trustee to pay the Base Rental Payments under the Facility Lease Agreement (and therefore the Sublease Payments and therefore the Certificates) as security for repayment of the Certificates and what moneys will be returned to CMT.

Official Statement. The Official Statement is a marketing document used by the underwriter to sell the Certificates. The Official Statement describes the terms of the Certificates, as well as provides information about the Project, the City, the County and risks associated with a purchase of the Certificates.

Certificate Purchase Contract. The Certificate Purchase Contract sets forth the terms upon which the underwriter (the purchaser) of the Certificates will purchase the Certificates. The Certificate Purchase Contract contains representations and warranties of the City, the County, the Authority, CMT and the Underwriter. The Certificate Purchase Contract sets forth certain requirements that the underwriter requires to be satisfied in order for the transaction to close.

Continuing Disclosure Certificates. The Continuing Disclosure Certificates require the City and the County to provide, or cause to be provided, to certain nationally recognized municipal securities information repository and any public or private repository or entity designated by the State of California as a state repository in accordance with Securities Exchange Commission Rule 15c2-12(b)(5), certain annual financial information and operating data, including audited financial statements. In addition, the City and the County agree to provide, or cause to be provided, to each of such repositories notice of certain "Listed Events" as described in the Continuing Disclosure Certificates.

RESOLUTION NO.

ADOPTED BY THE SACRAMENTO CITY COUNCIL

ON DATE OF _____

RESOLUTION OF THE CITY COUNCIL OF THE CITY OF SACRAMENTO APPROVING THE DELIVERY OF SACRAMENTO REGIONAL ARTS FACILITIES FINANCING AUTHORITY SERIES 2002 CERTIFICATES OF PARTICIPATION, APPROVING THE FORM OF AND AUTHORIZING THE EXECUTION AND DELIVERY OF A SITE LEASE AGREEMENT II, A SUBLEASE AGREEMENT, A FACILITY LEASE AGREEMENT, A TRUST AGREEMENT, A CONTROL AGREEMENT, A CONTINUING DISCLOSURE CERTIFICATE, A PURCHASE CONTRACT (INCLUDING A CITY LETTER OF REPRESENTATIONS), AN AMENDMENT AND SUPPLEMENT TO FUNDING AGREEMENT, A MEMORANDUM OF UNDERSTANDING AND AN OFFICIAL STATEMENT, AUTHORIZING THE DISTRIBUTION OF AN OFFICIAL STATEMENT AND AUTHORIZING THE EXECUTION AND DELIVERY OF AND APPROVING OTHER RELATED DOCUMENTS AND CERTAIN OTHER ACTIONS IN CONNECTION THEREWITH

WHEREAS, the City of Sacramento (the "City") and the County of Sacramento (the "County") have entered into a joint exercise of powers agreement creating the Sacramento Regional Arts Facilities Financing Authority (the "Authority"); and

WHEREAS, the City and the County, as members of the Authority, have determined that the financing and refinancing of the acquisition, construction, improvement, renovation and equipping of certain theatre facilities (the "Project") located at 1419 H Street, Sacramento, California (the "H Street Site") and 1422 G Street, Sacramento, California, (the "G Street Site" and together with the H Street Site, the "Sites") will result in significant public benefits (as described below); and

WHEREAS, the Authority will assist in financing and refinancing the Project through the delivery of those certain Sacramento Regional Arts Facilities Financing Authority, Series 2002 Certificates of Participation (the "Certificates") pursuant to that certain trust agreement, dated as of June 1, 2002 (the "Trust Agreement"), by and among the Authority, the City, the County and BNY Western Trust Company (the "Trustee"); and

WHEREAS, the California Musical Theatre, a nonprofit public benefit corporation organized and existing under the laws of the State of California ("CMT"), intends to lease the G Street Premises (which consists of the G Street Site and the portion of the Project located or to be located at the G Street Site) to the Authority pursuant to that certain site lease agreement, dated as

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WHEREAS, the City and the County, as tenants-in-common, intend to lease the H Street Premises (which consists of the H Street Site and the portion of the Project located or to be located at the H Street Site) to the Authority pursuant to that certain site lease agreement, dated as of June 1, 2002 (the "Site Lease Agreement II," and together with this Site Lease Agreement I, the "Site Lease Agreements"), by and among the City, the County and the Authority; and

WHEREAS, the Authority intends to lease the G Street Premises and the H Street Premises (together, the "Premises") to the City and the County, as tenants-in-common, pursuant to that certain sublease agreement, dated as of June 1, 2002 (the "Sublease Agreement"), by and among the City, the County and the Authority; and

WHEREAS, the City and the County, as tenants-in-common, intend to lease the Premises to CMT pursuant to that certain facility lease agreement, dated as of June 1, 2002 (the "Facility Lease Agreement"), by and among the City, the County and CMT; and

WHEREAS, under the Facility Lease Agreement, CMT will be obligated to make, among other payments, Base Rental Payments (as defined in the Facility Lease Agreement) in an amount equal to debt service with respect to the Certificates; and

WHEREAS, under the Sublease Agreement, the City and the County will be obligated to make, among other payments, Sublease Payments (as defined in the Sublease Agreement) in amounts equal to debt service with respect to the Certificates; and

WHEREAS, the obligations of the City and the County to pay the Sublease Payments under the Sublease Agreement will be credited to the extent that the Trustee receives Base Rental Payments from CMT under the Facility Lease Agreement and deposits such amounts in the Interest Fund and the Principal Fund under the Trust Agreement, and to the extent that Base Rental Payments received under the Facility Lease Agreement are insufficient to pay debt service with respect to the Certificates, the City and the County will pay any deficiency in the proportion of fifty percent (50%) each; and

WHEREAS, to evidence the parties' intent that CMT and STC should continue to occupy the H Street Premises upon termination of the Facility Lease Agreement, the City, the County, CMT and STC will enter into that certain memorandum of understanding (the "Memorandum of Understanding"); and

WHEREAS, in connection with the financing, that certain funding agreement, dated as of May 1, 1997, by and among the City, the County, CMT and the Sacramento Theatre Company, a nonprofit public benefit corporation organized and existing under the laws of the State of California, is required to be amended; and

WHEREAS, in connection with the delivery of the Certificates, the City will also be required to enter into: (1) a certain control agreement, dated as of June 1, 2002 (the "Control Agreement"), by and among Wells Fargo Bank, N.A., as custodian, CMT, the City, the County and the Trustee; and (2) a certain continuing disclosure agreement, dated the date of delivery of the

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Certificates (the "Continuing Disclosure Certificate") by and between the City and the Trustee; and to approve a certain certificate purchase contract, dated as of the date of the sale of the Certificates (the "Purchase Contract"), by and between E.J. De La Rosa & Co., Inc (the "Underwriter") and the Authority and approved by the City, the County and CMT including a city letter of representations (the "City Letter of Representations") which is set forth as an exhibit to the Purchase Contract; and

WHEREAS, final approval of the terms of the issuance and sale of the Certificates is now sought; and

WHEREAS, all acts, conditions and things required by the Constitution and laws of the State of California and the Charter of the City to exist, to have happened and to have been performed precedent to and in connection with the consummation of the transactions 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 transactions 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. Declaration of the Council. The City Council of the City of Sacramento (the "Council") finds and determines that the foregoing recitals are true and correct and hereby specifically finds and declares that the actions authorized hereby constitute and are with respect to public affairs of the City.

SECTION 2. Additional Findings. The City hereby finds that the significant public benefits of financing the Project include, but are not limited to, the following:

- (a) The maintenance and promotion of economic development and employment within the City and the region.
- (b) The promotion of the general welfare, sense of community and quality of life within the City and the region.
- (c) The Project will aid in drawing new audiences to the theater facilities, contributing to the revitalization of the City.
- (d) The maintenance and generation of increased tax revenues to the City.
- (e) The provision of recreational and entertainment attractions and activities to the people in the City and the region.
- (f) The provision of the newly constructed and renovated theatre facilities in order to assure the presence of theatrical art and performances in the Sacramento region.

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- (g) The promotion of governmental regional activity by cooperation between the City of Sacramento and the County of Sacramento in providing financing for the Project.

SECTION 3. Site Lease Agreement II. The form of the Site Lease Agreement II presented to this meeting and on file with the City Clerk of the City (the "City Clerk") is hereby approved. The Mayor, the City Manager or the City Treasurer or his or her designee (each, an "Authorized Officer") is hereby authorized and directed, for and in the name and on behalf of the City, to execute and deliver said Site Lease Agreement II in substantially said form, with such changes therein as such officer may require or approve, such approval to be conclusively evidenced by the execution and delivery thereof.

SECTION 4. Sublease Agreement. The form of the Sublease Agreement presented to this meeting and on file with the City Clerk is hereby approved. Any Authorized Officer is hereby authorized and directed, for and in the name and on behalf of the City, to execute and deliver said Sublease Agreement in substantially said form, with such changes therein as such officer may require or approve, such approval to be conclusively evidenced by the execution and delivery thereof; provided, that the maximum City Sublease Payments payable thereunder in any year ending August 31 shall not exceed \$600,000.

SECTION 5. Facility Lease Agreement. The form of the Facility Lease Agreement presented to this meeting and on file with the City Clerk is hereby approved. Any Authorized Officer is hereby authorized and directed, for and in the name and on behalf of the City, to execute and deliver said Facility Lease Agreement in substantially said form, with such changes therein as such officer may require or approve, such approval to be conclusively evidenced by the execution and delivery thereof.

SECTION 6. Trust Agreement. The form of the Trust Agreement presented to this meeting and on file with the City Clerk is hereby approved. Any Authorized Officer is hereby authorized and directed, for and in the name and on behalf of the City, to execute and deliver said Trust Agreement in substantially said form, with such changes therein as such officer may require or approve, such approval to be conclusively evidenced by the execution and delivery thereof. The dated date, maturity date or dates, interest rate or rates, interest payment dates, denominations, forms, registration privileges, manner of execution, place or places of payment, terms of prepayment and other terms of the Certificates shall be as provided in the Trust Agreement, as finally executed.

SECTION 7. Control Agreement. The form of Control Agreement presented to this meeting and on file with the City Clerk is hereby approved. Any Authorized Officer is hereby authorized and directed, for and in the name and on behalf of the City, to execute and deliver said Control Agreement in substantially said form, with such changes therein as such officer may require or approve, such approval to be conclusively evidenced by the execution and delivery thereof.

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RESOLUTION NO.: _____

DATE ADOPTED: _____

SECTION 8. Continuing Disclosure Certificate. The form of the Continuing Disclosure Certificate presented to this meeting and on file with the City Clerk is hereby approved. Any Authorized Officer is hereby authorized and directed, for and in the name and on behalf of the City, to execute and deliver said Continuing Disclosure Certificate in substantially said form, with such changes therein as such officer may require or approve, such approval to be conclusively evidenced by the execution and delivery thereof.

SECTION 9. Authorization of the Certificates; Purchase Contract and City Letter of Representations. The City hereby authorizes and approves the delivery by the Authority of the Certificates for the purpose of assisting in financing and refinancing the Project. In connection with the purchase of the Certificates by the Underwriter, from the Authority, any Authorized Officer is hereby authorized and directed, for and in the name and on behalf of the City, to approve the Purchase Contract (if and as necessary to accomplish the financing contemplated by this resolution) and execute and deliver a City Letter of Representations in substantially the form attached to the form of the Purchase Contract presented to this meeting and on file with the City Clerk, with such changes therein as such officer may require or approve, such approval to be conclusively evidenced by the execution and delivery thereof.

SECTION 10. Official Statement. The form of the preliminary official statement relating to the Certificates (the "Preliminary Official Statement") in substantially the form presented to this meeting and on file with the City Clerk is hereby approved. Any Authorized Officer is hereby authorized to certify that the information relating to the City contained in such Preliminary Official Statement, with such changes therein as such officer shall approve, is as of its date "deemed final" for purposes of Rule 15c2-12 of the Securities and Exchange Commission. Any Authorized Officer is hereby authorized and directed to execute for and in the name and on behalf of the City, a final Official Statement with such changes therein and additions thereto to reflect the terms of the sale of the Certificates, as such officer should require or approve, such approval to be conclusively evidenced by the execution and delivery thereof. The Underwriter of the Certificates is hereby authorized to distribute copies of the Preliminary Official Statement to persons who may be interested in the purchase of the Certificates, and to deliver copies of any final Official Statement to all actual purchasers of the Certificates, in each case with such changes as may be approved as aforesaid.

SECTION 11. Amendment and Supplement to Funding Agreement. The form of the Amendment and Supplement to Funding Agreement presented to this meeting and on file with the City Clerk is hereby approved. Any Authorized Officer is hereby authorized and directed, for and in the name and on behalf of the City, to execute and deliver said Amendment and Supplement to Funding Agreement in substantially said form, with such changes therein as such officer may require or approve, such approval to be conclusively evidenced by the execution and delivery thereof.

SECTION 12. Memorandum of Understanding. The form of the Memorandum of Understanding presented to this meeting and on file with the City Clerk is hereby approved. Any Authorized Officer is hereby authorized and directed, for and in the name and on behalf of the City, to execute and deliver said Memorandum of Understanding in substantially said form, with

FOR CITY CLERK USE ONLY

RESOLUTION NO.: _____

DATE ADOPTED: _____

such changes therein as such officer may require or approve, such approval to be conclusively evidenced by the execution and delivery thereof.

SECTION 13. Attestations. The City Clerk (or her designee) is hereby authorized and directed to attest the signature of any Authorized Officer or such other City officers or their designees, as may be required or appropriate in connection with the execution and delivery or approval of the Site Lease Agreement II, the Sublease Agreement, the Facility Lease Agreement, the Trust Agreement, the Control Agreement, the Continuing Disclosure Certificate, the Purchase Contract, the City Letter of Representations, the Official Statement in preliminary and final form, the Amendment and Supplement to Funding Agreement, the Memorandum of Understanding or related documents.

SECTION 14. Other Actions. The Mayor, the City Manager, the City Treasurer, the City Clerk, and the other officers of the City and their designees are hereby authorized and directed jointly and severally to do any and all things and to execute and deliver any and all documents (including, without limitation, any and all documents and certificates to be executed in connection with securing credit support and/or a debt service reserve fund surety, if any, for the Certificates) and otherwise to carry out, give effect to and comply with the terms and intent of this Resolution and the financing transaction approved hereby. Such actions heretofore taken by such officers are hereby ratified, confirmed and approved.

SECTION 15. Future Consents or Amendments. Each Authorized Officer is hereby authorized, subject to the concurrence of the City Attorney, to (a) consent or agree to any matter which requires the consent or agreement of the City under any of the documents authorized to be executed and delivered pursuant to this Resolution or (b) execute and deliver any future amendments to the documents authorized to be executed and delivered pursuant to this Resolution, provided such amendments are (1) made pursuant to the terms of such documents, (2) are consistent with such documents and (3) do not require consent of the Holders of the Certificates.

SECTION 16. Effective Date. This Resolution shall take effect from and after its date of passage and adoption.

FOR CITY CLERK USE ONLY

RESOLUTION NO.: _____

DATE ADOPTED: _____

The undersigned, City Clerk of the City of Sacramento, hereby certifies that the foregoing is a full, true and correct copy of the resolution of the City Council of said City duly made at a meeting thereof held on the date specified below, and that said resolution has not been amended, modified or revoked by said City Council.

APPROVED:

Mayor

(SEAL)

ATTEST:

City Clerk

FOR CITY CLERK USE ONLY

RESOLUTION NO.: _____

DATE ADOPTED: _____

RESOLUTION NO.

ADOPTED BY THE SACRAMENTO CITY COUNCIL

ON DATE OF _____

RESOLUTION TO AUTHORIZE THE ASSIGNMENT OF A CONSTRUCTION MANAGEMENT AGREEMENT TO THE SACRAMENTO REGIONAL ARTS FACILITY FINANCING AUTHORITY

WHEREAS, City and Kitchell CEM (Consultant) entered into City Agreement No. 2001-023 (Agreement), on February 1, 2001, and

WHEREAS, in the course of the H Street Theatre Project it has become necessary to assign City's right, title, and interest in the Agreement to the Sacramento Regional Arts Facility Financing Authority.

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

The form of the Agreement of Assignment of the Agreement presented to this meeting and on file with the City Clerk is hereby approved. The City Manager or designee is hereby authorized to execute and deliver said Agreement of Assignment of the Agreement in substantially said form with such changes as the City Attorney may require or approve.

APPROVED:

Mayor

ATTEST:

City Clerk

FOR CITY CLERK USE ONLY

RESOLUTION NO.: _____

DATE ADOPTED: _____

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APPROVED

MAY 7 2002

OFFICE OF THE
CITY CLERK

RESOLUTION NO. 2002-278

ADOPTED BY THE SACRAMENTO CITY COUNCIL

ON DATE OF _____

RESOLUTION OF THE CITY COUNCIL OF THE CITY OF SACRAMENTO APPROVING THE DELIVERY OF SACRAMENTO REGIONAL ARTS FACILITIES FINANCING AUTHORITY SERIES 2002 CERTIFICATES OF PARTICIPATION, APPROVING THE FORM OF AND AUTHORIZING THE EXECUTION AND DELIVERY OF A SITE LEASE AGREEMENT II, A SUBLEASE AGREEMENT, A FACILITY LEASE AGREEMENT, A TRUST AGREEMENT, A CONTROL AGREEMENT, A CONTINUING DISCLOSURE CERTIFICATE, A PURCHASE CONTRACT (INCLUDING A CITY LETTER OF REPRESENTATIONS), AN AMENDMENT AND SUPPLEMENT TO FUNDING AGREEMENT, A MEMORANDUM OF UNDERSTANDING AND AN OFFICIAL STATEMENT, AUTHORIZING THE DISTRIBUTION OF AN OFFICIAL STATEMENT AND AUTHORIZING THE EXECUTION AND DELIVERY OF AND APPROVING OTHER RELATED DOCUMENTS AND CERTAIN OTHER ACTIONS IN CONNECTION THEREWITH

WHEREAS, the City of Sacramento (the "City") and the County of Sacramento (the "County") have entered into a joint exercise of powers agreement creating the Sacramento Regional Arts Facilities Financing Authority (the "Authority"); and

WHEREAS, the City and the County, as members of the Authority, have determined that the financing and refinancing of the acquisition, construction, improvement, renovation and equipping of certain theatre facilities (the "Project") located at 1419 H Street, Sacramento, California (the "H Street Site") and 1422 G Street, Sacramento, California, (the "G Street Site" and together with the H Street Site, the "Sites") will result in significant public benefits (as described below); and

WHEREAS, the Authority will assist in financing and refinancing the Project through the delivery of those certain Sacramento Regional Arts Facilities Financing Authority, Series 2002 Certificates of Participation (the "Certificates") pursuant to that certain trust agreement, dated as of June 1, 2002 (the "Trust Agreement"), by and among the Authority, the City, the County and BNY Western Trust Company (the "Trustee"); and

WHEREAS, the California Musical Theatre, a nonprofit public benefit corporation organized and existing under the laws of the State of California ("CMT"), intends to lease the G Street Premises (which consists of the G Street Site and the portion of the Project located or to be located at the G Street Site) to the Authority pursuant to that certain site lease agreement, dated as

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WHEREAS, the City and the County, as tenants-in-common, intend to lease the H Street Premises (which consists of the H Street Site and the portion of the Project located or to be located at the H Street Site) to the Authority pursuant to that certain site lease agreement, dated as of June 1, 2002 (the "Site Lease Agreement II," and together with this Site Lease Agreement I, the "Site Lease Agreements"), by and among the City, the County and the Authority; and

WHEREAS, the Authority intends to lease the G Street Premises and the H Street Premises (together, the "Premises") to the City and the County, as tenants-in-common, pursuant to that certain sublease agreement, dated as of June 1, 2002 (the "Sublease Agreement"), by and among the City, the County and the Authority; and

WHEREAS, the City and the County, as tenants-in-common, intend to lease the Premises to CMT pursuant to that certain facility lease agreement, dated as of June 1, 2002 (the "Facility Lease Agreement"), by and among the City, the County and CMT; and

WHEREAS, under the Facility Lease Agreement, CMT will be obligated to make, among other payments, Base Rental Payments (as defined in the Facility Lease Agreement) in an amount equal to debt service with respect to the Certificates; and

WHEREAS, under the Sublease Agreement, the City and the County will be obligated to make, among other payments, Sublease Payments (as defined in the Sublease Agreement) in amounts equal to debt service with respect to the Certificates; and

WHEREAS, the obligations of the City and the County to pay the Sublease Payments under the Sublease Agreement will be credited to the extent that the Trustee receives Base Rental Payments from CMT under the Facility Lease Agreement and deposits such amounts in the Interest Fund and the Principal Fund under the Trust Agreement, and to the extent that Base Rental Payments received under the Facility Lease Agreement are insufficient to pay debt service with respect to the Certificates, the City and the County will pay any deficiency in the proportion of fifty percent (50%) each; and

WHEREAS, to evidence the parties' intent that CMT and STC should continue to occupy the H Street Premises upon termination of the Facility Lease Agreement, the City, the County, CMT and STC will enter into that certain memorandum of understanding (the "Memorandum of Understanding"); and

WHEREAS, in connection with the financing, that certain funding agreement, dated as of May 1, 1997, by and among the City, the County, CMT and the Sacramento Theatre Company, a nonprofit public benefit corporation organized and existing under the laws of the State of California, is required to be amended; and

WHEREAS, in connection with the delivery of the Certificates, the City will also be required to enter into: (1) a certain control agreement, dated as of June 1, 2002 (the "Control Agreement"), by and among Wells Fargo Bank, N.A., as custodian, CMT, the City, the County and the Trustee; and (2) a certain continuing disclosure agreement, dated the date of delivery of the

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RESOLUTION NO.: _____

DATE ADOPTED: _____

Certificates (the "Continuing Disclosure Certificate") by and between the City and the Trustee; and to approve a certain certificate purchase contract, dated as of the date of the sale of the Certificates (the "Purchase Contract"), by and between E.J. De La Rosa & Co., Inc (the "Underwriter") and the Authority and approved by the City, the County and CMT including a city letter of representations (the "City Letter of Representations") which is set forth as an exhibit to the Purchase Contract; and

WHEREAS, final approval of the terms of the issuance and sale of the Certificates is now sought; and

WHEREAS, all acts, conditions and things required by the Constitution and laws of the State of California and the Charter of the City to exist, to have happened and to have been performed precedent to and in connection with the consummation of the transactions 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 transactions 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. Declaration of the Council. The City Council of the City of Sacramento (the "Council") finds and determines that the foregoing recitals are true and correct and hereby specifically finds and declares that the actions authorized hereby constitute and are with respect to public affairs of the City.

SECTION 2. Additional Findings. The City hereby finds that the significant public benefits of financing the Project include, but are not limited to, the following:

- (a) The maintenance and promotion of economic development and employment within the City and the region.
- (b) The promotion of the general welfare, sense of community and quality of life within the City and the region.
- (c) The Project will aid in drawing new audiences to the theater facilities, contributing to the revitalization of the City.
- (d) The maintenance and generation of increased tax revenues to the City.
- (e) The provision of recreational and entertainment attractions and activities to the people in the City and the region.
- (f) The provision of the newly constructed and renovated theatre facilities in order to assure the presence of theatrical art and performances in the Sacramento region.

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RESOLUTION NO.: _____

DATE ADOPTED: _____

- (g) The promotion of governmental regional activity by cooperation between the City of Sacramento and the County of Sacramento in providing financing for the Project.

SECTION 3. Site Lease Agreement II. The form of the Site Lease Agreement II presented to this meeting and on file with the City Clerk of the City (the "City Clerk") is hereby approved. The Mayor, the City Manager or the City Treasurer or his or her designee (each, an "Authorized Officer") is hereby authorized and directed, for and in the name and on behalf of the City, to execute and deliver said Site Lease Agreement II in substantially said form, with such changes therein as such officer may require or approve, such approval to be conclusively evidenced by the execution and delivery thereof.

SECTION 4. Sublease Agreement. The form of the Sublease Agreement presented to this meeting and on file with the City Clerk is hereby approved. Any Authorized Officer is hereby authorized and directed, for and in the name and on behalf of the City, to execute and deliver said Sublease Agreement in substantially said form, with such changes therein as such officer may require or approve, such approval to be conclusively evidenced by the execution and delivery thereof; provided, that the maximum City Sublease Payments payable thereunder in any year ending August 31 shall not exceed \$600,000.

SECTION 5. Facility Lease Agreement. The form of the Facility Lease Agreement presented to this meeting and on file with the City Clerk is hereby approved. Any Authorized Officer is hereby authorized and directed, for and in the name and on behalf of the City, to execute and deliver said Facility Lease Agreement in substantially said form, with such changes therein as such officer may require or approve, such approval to be conclusively evidenced by the execution and delivery thereof.

SECTION 6. Trust Agreement. The form of the Trust Agreement presented to this meeting and on file with the City Clerk is hereby approved. Any Authorized Officer is hereby authorized and directed, for and in the name and on behalf of the City, to execute and deliver said Trust Agreement in substantially said form, with such changes therein as such officer may require or approve, such approval to be conclusively evidenced by the execution and delivery thereof. The dated date, maturity date or dates, interest rate or rates, interest payment dates, denominations, forms, registration privileges, manner of execution, place or places of payment, terms of prepayment and other terms of the Certificates shall be as provided in the Trust Agreement, as finally executed.

SECTION 7. Control Agreement. The form of Control Agreement presented to this meeting and on file with the City Clerk is hereby approved. Any Authorized Officer is hereby authorized and directed, for and in the name and on behalf of the City, to execute and deliver said Control Agreement in substantially said form, with such changes therein as such officer may require or approve, such approval to be conclusively evidenced by the execution and delivery thereof.

FOR CITY CLERK USE ONLY

RESOLUTION NO.: _____

DATE ADOPTED: _____

SECTION 8. Continuing Disclosure Certificate. The form of the Continuing Disclosure Certificate presented to this meeting and on file with the City Clerk is hereby approved. Any Authorized Officer is hereby authorized and directed, for and in the name and on behalf of the City, to execute and deliver said Continuing Disclosure Certificate in substantially said form, with such changes therein as such officer may require or approve, such approval to be conclusively evidenced by the execution and delivery thereof.

SECTION 9. Authorization of the Certificates; Purchase Contract and City Letter of Representations. The City hereby authorizes and approves the delivery by the Authority of the Certificates for the purpose of assisting in financing and refinancing the Project. In connection with the purchase of the Certificates by the Underwriter, from the Authority, any Authorized Officer is hereby authorized and directed, for and in the name and on behalf of the City, to approve the Purchase Contract (if and as necessary to accomplish the financing contemplated by this resolution) and execute and deliver a City Letter of Representations in substantially the form attached to the form of the Purchase Contract presented to this meeting and on file with the City Clerk, with such changes therein as such officer may require or approve, such approval to be conclusively evidenced by the execution and delivery thereof.

SECTION 10. Official Statement. The form of the preliminary official statement relating to the Certificates (the "Preliminary Official Statement") in substantially the form presented to this meeting and on file with the City Clerk is hereby approved. Any Authorized Officer is hereby authorized to certify that the information relating to the City contained in such Preliminary Official Statement, with such changes therein as such officer shall approve, is as of its date "deemed final" for purposes of Rule 15c2-12 of the Securities and Exchange Commission. Any Authorized Officer is hereby authorized and directed to execute for and in the name and on behalf of the City, a final Official Statement with such changes therein and additions thereto to reflect the terms of the sale of the Certificates, as such officer should require or approve, such approval to be conclusively evidenced by the execution and delivery thereof. The Underwriter of the Certificates is hereby authorized to distribute copies of the Preliminary Official Statement to persons who may be interested in the purchase of the Certificates, and to deliver copies of any final Official Statement to all actual purchasers of the Certificates, in each case with such changes as may be approved as aforesaid.

SECTION 11. Amendment and Supplement to Funding Agreement. The form of the Amendment and Supplement to Funding Agreement presented to this meeting and on file with the City Clerk is hereby approved. Any Authorized Officer is hereby authorized and directed, for and in the name and on behalf of the City, to execute and deliver said Amendment and Supplement to Funding Agreement in substantially said form, with such changes therein as such officer may require or approve, such approval to be conclusively evidenced by the execution and delivery thereof.

SECTION 12. Memorandum of Understanding. The form of the Memorandum of Understanding presented to this meeting and on file with the City Clerk is hereby approved. Any Authorized Officer is hereby authorized and directed, for and in the name and on behalf of the City, to execute and deliver said Memorandum of Understanding in substantially said form, with

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RESOLUTION NO.: _____

DATE ADOPTED: _____

such changes therein as such officer may require or approve, such approval to be conclusively evidenced by the execution and delivery thereof.

SECTION 13. Attestations. The City Clerk (or her designee) is hereby authorized and directed to attest the signature of any Authorized Officer or such other City officers or their designees, as may be required or appropriate in connection with the execution and delivery or approval of the Site Lease Agreement II, the Sublease Agreement, the Facility Lease Agreement, the Trust Agreement, the Control Agreement, the Continuing Disclosure Certificate, the Purchase Contract, the City Letter of Representations, the Official Statement in preliminary and final form, the Amendment and Supplement to Funding Agreement, the Memorandum of Understanding or related documents.

SECTION 14. Other Actions. The Mayor, the City Manager, the City Treasurer, the City Clerk, and the other officers of the City and their designees are hereby authorized and directed jointly and severally to do any and all things and to execute and deliver any and all documents (including, without limitation, any and all documents and certificates to be executed in connection with securing credit support and/or a debt service reserve fund surety, if any, for the Certificates) and otherwise to carry out, give effect to and comply with the terms and intent of this Resolution and the financing transaction approved hereby. Such actions heretofore taken by such officers are hereby ratified, confirmed and approved.

SECTION 15. Future Consents or Amendments. Each Authorized Officer is hereby authorized, subject to the concurrence of the City Attorney, to (a) consent or agree to any matter which requires the consent or agreement of the City under any of the documents authorized to be executed and delivered pursuant to this Resolution or (b) execute and deliver any future amendments to the documents authorized to be executed and delivered pursuant to this Resolution, provided such amendments are (1) made pursuant to the terms of such documents, (2) are consistent with such documents and (3) do not require consent of the Holders of the Certificates.

SECTION 16. Effective Date. This Resolution shall take effect from and after its date of passage and adoption.

FOR CITY CLERK USE ONLY

RESOLUTION NO.: _____

DATE ADOPTED: _____

The undersigned, City Clerk of the City of Sacramento, hereby certifies that the foregoing is a full, true and correct copy of the resolution of the City Council of said City duly made at a meeting thereof held on the date specified below, and that said resolution has not been amended, modified or revoked by said City Council.

APPROVED:

Mayor

(SEAL)

ATTEST:

City Clerk

FOR CITY CLERK USE ONLY

RESOLUTION NO.: _____

DATE ADOPTED: _____

APPROVE
MAY 7 2002
OFFICE OF THE
CITY CLERK

RESOLUTION NO. 2002-259

ADOPTED BY THE SACRAMENTO CITY COUNCIL

ON DATE OF _____

**RESOLUTION TO AUTHORIZE THE ASSIGNMENT OF A CONSTRUCTION
MANAGEMENT AGREEMENT TO THE SACRAMENTO REGIONAL ARTS FACILITY
FINANCING AUTHORITY**

WHEREAS, City and Kitchell CEM (Consultant) entered into City Agreement No. 2001-023 (Agreement), on February 1, 2001, and

WHEREAS, in the course of the H Street Theatre Project it has become necessary to assign City's right, title, and interest in the Agreement to the Sacramento Regional Arts Facility Financing Authority.

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

The form of the Agreement of Assignment of the Agreement presented to this meeting and on file with the City Clerk is hereby approved. The City Manager or designee is hereby authorized to execute and deliver said Agreement of Assignment of the Agreement in substantially said form with such changes as the City Attorney may require or approve.

APPROVED:

Mayor

ATTEST:

City Clerk

FOR CITY CLERK USE ONLY

RESOLUTION NO.: _____

DATE ADOPTED: _____