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APPROVED  
BY THE CITY COUNCIL  
JUL 1 1997

OFFICE OF THE  
CITY CLERK  
CITY HALL  
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SACRAMENTO, CA  
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DEPARTMENT OF  
PUBLIC WORKS  
  
SPECIAL DISTRICTS  
DIVISION

CITY OF SACRAMENTO  
CALIFORNIA

June 19, 1997

City Council  
Sacramento, California

Honorable Members in Session:

**SUBJECT: WILLOWCREEK II ASSESSMENT DISTRICT #96-01, AUTHORIZE SALE OF BONDS AND AWARD OF CONTRACT**

**LOCATION AND DISTRICT:**

The Willowcreek Assessment District is located within the South Natomas Community Plan area in Council District #1 (please see attached Exhibit A). The district includes 43 parcels of undeveloped land just west of the Natomas Main Drainage Canal and south of Interstate 80.

**RECOMMENDATION:**

This report recommends that the City Council adopt the following:

1. Resolution Approving List of Unpaid Assessments.
2. Resolution Authorizing Issuance of Bonds, etc.
3. Resolution Amending the Capital Improvement Program and Establishing the Revenue and Expenditure Budget.
4. Resolution Authorizing Execution of Agreements.
5. Resolution Authorizing Execution of Contracts.

**CONTACT PERSON:**

Ronald Wicky, Special Districts Analyst, 264-5628  
Andy Hunt, Senior Engineer, 433-6620

**FOR COUNCIL MEETING OF:** July 1, 1997.

**SUMMARY:**

This report requests that the City Council adopt the attached resolutions. This action will officially determine the amount of assessments that remain unpaid, authorize the issuance of bonds, authorize execution of various agreements, and award the contract.

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**COMMITTEE/COMMISSION ACTION:**

None.

**BACKGROUND INFORMATION:**

On April 29, 1997, Council held a public hearing on the assessment district and levied assessments. Notices of assessment were mailed on May 8, 1997, to all property owners giving them an opportunity to pay their assessment in cash. The cash payment period ended on June 9, 1997. The City Treasurer has determined that the amount of assessments remaining unpaid is \$14,248,542.57 and requests authorization to issue bonds to represent the unpaid assessments.

Bids were received on March 19, 1997, and reported to Council on April 29, 1997. Staff recommends that the contract be awarded to John F. Otto, Inc., the low bidder at \$8,555,573. The following agreements needed for this project are recommended for execution by the City Manager.

- Consultant service agreements for construction management with Spink Engineering in the amount of \$175,700 and Psomas Associates in the amount of \$400,000.
- Contract agreement with PG&E for gas line relocation in the amount of \$573,224.
- Indemnity agreement with Willowcreek landowners in the amount to \$200,628.
- Reimbursement agreement with the County of Sacramento for construction of sewer main in the amount of \$625,019.

**FINANCIAL CONSIDERATIONS:**

The funds necessary for this project will be provided by the revenue that is forthcoming from the sale of bonds, money received during the cash collection period, and a contribution by the county and the City. The money will be distributed by establishing a revenue and expenditure budget of \$15,268,126 (\$14,655,449, the amount assessed to the property owners, plus \$847,164 received from the City and county, minus \$234,487 for the bond discount). A summary of the estimated project costs are as follows:

Construction Cost	\$ 8,555,573
Contingency	880,000
Subtotal	\$ 9,435,573
Utilities Relocation	573,224
Water Line Acquisition	250,940
Total Construction	\$10,259,737
Right-of-Way Acquisition	150,000
Environmental Document	125,240
Engineering	
Design	494,000

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Project Management	350,000
Staking and Inspection	<u>540,000</u>
Subtotal	\$11,918,977
Capitalized Interest	200,000
Bond Incidentals	487,597
Purchase of Existing Bonds	<u>1,342,562</u>
Subtotal	\$13,949,136
Contributions	
City Overwidth Pavement	(50,000)
County Sewer	(547,164)
City Drainage	<u>(250,000)</u>
Project Cost	\$13,101,972
Reserve Account	<u>1,318,990</u>
Total Expenditures	\$14,420,962
Bond Discount	<u>234,487</u>
Total Amount Assessed to Property	\$14,655,449

The above expenditures are detailed in the Amended Engineer's Report on file with the City Clerk.

#### **ENVIRONMENTAL CONSIDERATIONS:**

The Environmental Services Section has reviewed the staff report to establish the Willowcreek II Assessment District and has noted that this project was evaluated in the Natomas West Assessment District EIR. The action of the City Council in certifying that EIR included the approved project scope, as well as all necessary land acquisition. There are no changed circumstances that would require further environmental review.

#### **POLICY CONSIDERATIONS:**

The procedures under which this district is being formed are set forth in the California Streets and Highways Code, specifically Division 12 entitled, "Municipal Improvement Act of 1913" and Division 10 entitled, "Improvement Bond Act of 1915."

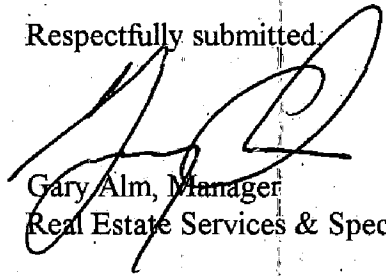
#### **MBE/WBE:**

This project included participation goals of 10.57% MBE and 9.5% WBE as required by Resolution 93-619 relating to MBE/WBE participation goals and policies adopted by the City Council on November 2, 1993. Award of the project is contingent upon the responsive low bidder either meeting these project MBE/WBE participation goals or making documented good faith efforts toward meeting the project goals. The low bidder, John F. Otto Construction, participation goals were 6.22% MBE and 5.31%

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June 19, 1997

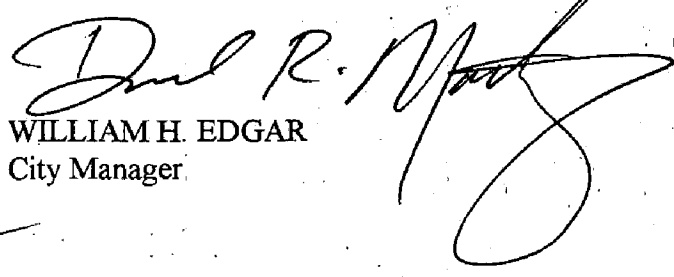
WBE. However, a documented Good Faith Effort was submitted by John F. Otto Construction and verified by utilities staff.

Respectfully submitted,



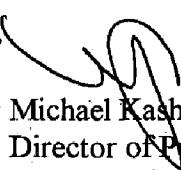
Gary Alm, Manager  
Real Estate Services & Special Districts

RECOMMENDATION APPROVED:



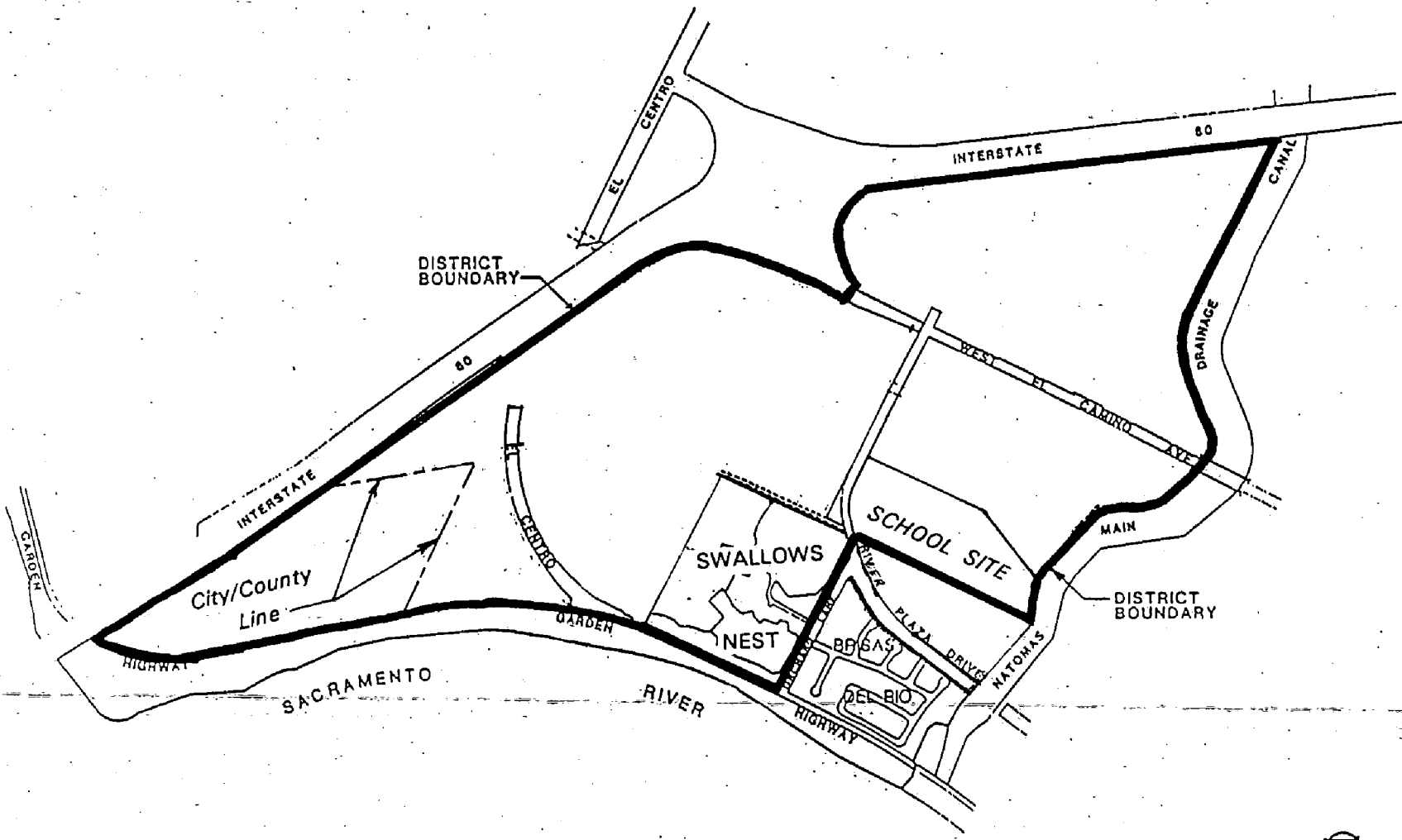
WILLIAM H. EDGAR  
City Manager

Approved:



Michael Kashiwagi  
Director of Public Works

BA:



**PROPOSED BOUNDARY**  
**WILLOWCREEK II ASSESSMENT DISTRICT NO.96-01**

## WILLOWCREEK II ASSESSMENT DISTRICT #96-01

May 18, 1996	Swallows Nest Community Meeting
July 18, 1996	General Landowner Community Meeting
August 13, 1996	County Adopts Resolution Granting Jurisdiction to City of Sacramento
August 20, 1996	Council Adopted Resolution of Intention and Set Hearing Dates
August 1996	Record Boundary Map with County Recorder
September 12, 1996	Swallows Nest Community Meeting
September 25, 1996	Received Bids
October- December 1996	Reevaluated Project Design and Engineer's Estimate
January 30, 1997	Revised Construction Plans Signed and Approved
February 18, 1997	City Council Approves Revised Engineer's Report
February 1997	Mail, Publish Notice of Hearing and Voter Ballots
March 19, 1997	Receive Bids
March 24, 1997	Swallows Nest Community Meeting
April 15, 1997	City Council Public Meeting (No Action Requested)
April 29, 1997	City Council -- Public Hearing Report Results of Property Owner Vote
April 1997	Record Assessment Diagram and Notice of Assessment with County
May 6, 1997	City Council - District Formation Action (4/5 Vote Required for Approval) - Fee District Approval
July 1, 1997	Council Considers Resolution Authorizing Sale of Bonds, Appropriation of Funds - Award of Contract
July 22, 1997	City Council -- Fee District Amendment
July 9, 1997	Bond Closing
July 1997	City Receives Proceeds from Bonds
July 1997	Contractor Notice to Proceed
July 1998	Estimated Completion Date for Improvements

[R-7]  
APPROVED  
BY THE CITY COUNCIL

JUL 1 1997

OFFICE OF THE  
CITY CLERK

# RESOLUTION NO. 97-393

ADOPTED BY THE SACRAMENTO CITY COUNCIL

ON DATE OF \_\_\_\_\_

A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF  
SACRAMENTO APPROVING LIST OF UNPAID ASSESSMENTS  
IN WILLOWCREEK II ASSESSMENT DISTRICT NO. 96-01

WHEREAS, the City Council (the "Council") of the City of Sacramento (the "City"), on August 20, 1996, duly adopted its Resolution of Intention No. 96-462, as amended on February 18, 1997 (the "Resolution of Intention"), relating to the acquisition and construction of certain public improvements in and for an assessment district in the City designated "Willowcreek II Assessment District No. 96-01," as described therein, pursuant to the provisions of the Municipal Improvement Act of 1913, which said Resolution of Intention provided that serial bonds, term bonds or both, to represent unpaid assessments and to bear interest at the rate of not to exceed twelve per cent (12%) per annum, would be issued in the manner provided by the Improvement Bond Act of 1915, and that said bonds would mature a maximum of twenty-four (24) years from the 2nd day of September next succeeding twelve (12) months from their date, reference being hereby made to said Resolution of Intention for further particulars; and

WHEREAS, an assessment and diagram were thereafter duly made and filed with the Council, and after a duly noticed public meeting and a duly noticed public hearing which were duly held, said assessment was amended and confirmed, levied and approved by Resolution No. 97-217 adopted by the Council on May 6, 1997; and

WHEREAS, said assessment and diagram were duly recorded in the office of the City Engineer and Superintendent of Streets of the City and the Engineer of Work for said assessment district, and said diagram was duly recorded in the office of the County Recorder of the County of Sacramento, and a notice of assessment was duly recorded in the office of the County Recorder of the County of Sacramento, all in the time, form and manner required by law; and

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DATE ADOPTED: \_\_\_\_\_

WHEREAS, said assessment was in the total amount of fourteen million six hundred fifty-five thousand four hundred forty-nine dollars and forty-eight cents (\$14,655,449.48) and was apportioned upon the several subdivisions of land in said assessment district in proportion to the estimated benefits to be received by such subdivisions, respectively, from the acquisition and construction of said public improvements as shown in said assessment; and

WHEREAS, notice of recording said assessment was thereafter duly given to all persons owning property in said assessment district; and

WHEREAS, the City Treasurer of the City has determined that the aggregate amount of unpaid assessments in said assessment district is fourteen million two hundred forty-eight thousand five hundred forty-two dollars and fifty-seven cents (\$14,248,542.57); and

WHEREAS, the City Treasurer of the City thereafter made and filed with the City Engineer and Superintendent of Streets of the City and the Engineer of Work for said assessment district and the City Clerk of the City and the Director of Finance of the County of Sacramento a complete list of all unpaid assessments upon said assessment, showing unpaid assessments in the aggregate amount of fourteen million two hundred forty-eight thousand five hundred forty-two dollars and fifty-seven cents (\$14,248,542.57);

NOW, THEREFORE, BE IT RESOLVED by the City Council of the City of Sacramento, as follows:

Section 1. The foregoing recitals are true and correct and the Council hereby so finds and determines.

Section 2. The Council hereby finds and determines that the total aggregate amount of unpaid assessments in said assessment district is fourteen million two hundred forty-eight thousand five hundred forty-two dollars and fifty-seven cents (\$14,248,542.57).

Section 3. The Council has reviewed all proceedings heretofore taken relative to the foregoing and has found, as a result of such review, and does hereby find and determine that all acts, conditions and things required by law to exist, happen and be performed precedent to and in the issuance of improvement bonds do exist, have happened, and have been performed in due time, form and manner as required by law and the City is now authorized pursuant to each and every requirement of law to

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authorize the issuance of said bonds for the acquisition and construction of said public improvements in and for said assessment district.

Section 4. This resolution shall take effect immediately upon its adoption.

PASSED AND ADOPTED by the City Council of the City of Sacramento this 1st day of July, 1997, by the following vote:

AYES:

NOES:

ABSENT:

APPROVED:

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Mayor of the City of Sacramento

ATTEST:

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City Clerk of the City of Sacramento

[SEAL]

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DATE ADOPTED: \_\_\_\_\_

CLERK'S CERTIFICATE

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

The foregoing resolution is a full, true and correct copy of a resolution duly adopted at a regular meeting of the City Council of said City duly and regularly held at the regular meeting place thereof on the 1st day of July, 1997, of which meeting all of the members of said City Council had due notice and at which a majority thereof were present; and that at said meeting said resolution was adopted by the following vote:

AYES:

NOES:

ABSENT:

An agenda for said meeting was posted at least seventy-two (72) hours before said meeting at the City Council Chambers, Sacramento City Hall, 915 I Street, Sacramento, California 95814, a location freely accessible to members of the public, and a brief description of said resolution appeared on said agenda.

I have carefully compared the foregoing with the original minutes of said meeting on file and of record in my office, and the foregoing is a full, true and correct copy of the original resolution adopted at said meeting and entered in said minutes.

Said resolution has not been amended, modified or rescinded since the date of its adoption and the same is now in full force and effect.

Dated: \_\_\_\_\_, 1997.

\_\_\_\_\_  
City Clerk of the City of  
Sacramento

[SEAL]

**FOR CITY CLERK USE ONLY**

RESOLUTION NO.: \_\_\_\_\_

DATE ADOPTED: \_\_\_\_\_

AMENDED

**RESOLUTION NO. 97-394**

ADOPTED BY THE SACRAMENTO CITY COUNCIL

ON DATE OF \_\_\_\_\_

A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF SACRAMENTO PROVIDING FOR THE ISSUANCE OF \$14,248,542.57 PRINCIPAL AMOUNT OF CITY OF SACRAMENTO LIMITED OBLIGATION IMPROVEMENT BONDS, WILLOWCREEK II ASSESSMENT DISTRICT NO. 96-01; PRESCRIBING THE DENOMINATIONS, DATE AND FORM OF SAID BONDS AND AUTHORIZING THE PROCEDURE TO DETERMINE THE MATURITIES, RATES OF INTEREST AND TERM REDEMPTION PROVISIONS OF SAID BONDS; AUTHORIZING THE EXECUTION OF SAID BONDS; APPOINTING A TRANSFER AGENT, REGISTRAR AND PAYING AGENT FOR SAID BONDS; PROVIDING FOR THE COLLECTION OF ASSESSMENTS TO PAY THE INTEREST ON AND PRINCIPAL OF SAID BONDS; PROVIDING FOR A RESERVE FUND FOR SAID BONDS; APPROVING THE OFFICIAL STATEMENT FOR SAID BONDS; APPROVING THE BOND PURCHASE AGREEMENT FOR SAID BONDS; AND PROVIDING FOR CONTINUING DISCLOSURE RELATING TO SAID BONDS

WHEREAS, the City Council (the "Council") of the City of Sacramento (the "City"), on August 20, 1996, duly adopted its Resolution of Intention No. 96-462, as amended on February 18, 1997 (the "Resolution of Intention"); relating to the acquisition and construction of certain public improvements in and for an assessment district in the City designated "Willowcreek II Assessment District No. 96-01," as described therein, pursuant to the provisions of the Municipal Improvement Act of 1913; and

WHEREAS, an assessment and diagram were thereafter duly made and filed with the Council, and after a duly noticed public meeting and a duly noticed public hearing which were duly held, said assessment was amended and confirmed, levied and approved by Resolution No. 97-217 adopted by the Council on May 6, 1997; and

WHEREAS, said assessment and diagram were duly recorded in the office of the City Engineer and Superintendent of Streets of the City and the Engineer of Work for said assessment district, and said diagram was duly recorded in the office of the

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County Recorder of the County of Sacramento, and a notice of assessment was duly recorded in the office of the County Recorder of the County of Sacramento, all in the time, form and manner required by law; and

WHEREAS, said assessment was in the total amount of fourteen million six hundred fifty-five thousand four hundred forty-nine dollars and forty-eight cents (\$14,655,449.48) and was apportioned upon the several subdivisions of land in said assessment district in proportion to the estimated benefits to be received by such subdivisions, respectively, from the acquisition and construction of said public improvements as shown in said assessment; and

WHEREAS, notice of recording said assessment was thereafter duly given to all persons owning property in said assessment district; and

WHEREAS, the City Treasurer of the City has determined that the aggregate amount of unpaid assessments in said assessment district is fourteen million two hundred forty-eight thousand five hundred forty-two dollars and fifty-seven cents (\$14,248,542.57); and

WHEREAS, the City Treasurer of the City thereafter made and filed with the City Engineer and Superintendent of Streets of the City and the Engineer of Work for said assessment district and the City Clerk of the City and the Director of Finance of the County of Sacramento a complete list of all unpaid assessments upon said assessment, and the Council found and determined by a resolution adopted on July 1, 1997, that said assessments so listed as unpaid in said assessment district in said list of unpaid assessments are unpaid and that the aggregate amount thereof is fourteen million two hundred forty-eight thousand five hundred forty-two dollars and fifty-seven cents (\$14,248,542.57); and

WHEREAS, said Resolution of Intention provided that serial bonds, term bonds or both, to represent unpaid assessments and to bear interest at a maximum rate of not to exceed the maximum rate permitted by law, would be issued in the manner provided by the Improvement Bond Act of 1915 (the "Act"), and that said bonds would mature a maximum of twenty-four (24) years from the 2nd day of September next succeeding twelve (12) months from their date, reference being hereby made to said Resolution of Intention for further particulars; and

WHEREAS, a preliminary official statement (the "Official Statement") has been prepared in connection with the

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proposed issuance and sale of said bonds, which Official Statement has been reviewed by the Council and is now on file with the City Clerk of the City; and

WHEREAS, the firm of Stone & Youngberg LLC (the "Underwriter") has submitted an offer to purchase the said bonds, pursuant to a Bond Purchase Agreement (the "Bond Purchase Agreement"), a copy of which agreement is now on file with the City Clerk of the City;

NOW, THEREFORE, BE IT RESOLVED by the City Council of the City of Sacramento, as follows:

Section 1. The foregoing recitals are true and correct and the Council hereby so finds and determines.

Section 2. The Council has reviewed all proceedings heretofore taken relative to the foregoing and has found, as a result of such review, and does hereby find and determine that all acts, conditions and things required by law to exist, happen and be performed precedent to and in the issuance of improvement bonds as hereinafter provided do exist, have happened and have been performed in due time, form and manner as required by law, and the City is now authorized pursuant to each and every requirement of law to issue improvement bonds in the manner and form as in this resolution provided.

Section 3. Bonds in the aggregate principal amount of fourteen million two hundred forty-eight thousand five hundred forty-two dollars and fifty-seven cents (\$14,248,542.57) shall be issued upon the security of said unpaid assessments in accordance with the provisions of the Act and pursuant to the provisions of said Resolution of Intention and the proceedings taken thereunder, which bonds shall be designated the "City of Sacramento Limited Obligation Improvement Bonds, Willowcreek II Assessment District No. 96-01" (the "Bonds"). The Bonds shall be issued as fully registered bonds, shall be of the denomination of five thousand dollars (\$5,000) or any integral multiple of five thousand dollars (\$5,000) (not exceeding the principal amount of Bonds maturing at any one time), except for the first numbered Bond, which shall be of the denomination of three thousand five hundred forty-two dollars and fifty-seven cents (\$3,542.57), shall be dated the date of delivery thereof, and shall mature (no later than September 2, 2022) in the principal amounts on September 2 in the years, and shall bear interest at the rates per annum, as set forth in the Bond Purchase Agreement, which shall provide that the annual payments of the interest on the Bonds plus principal of or minimum sinking fund account payments

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for the Bonds shall vary one from the other by not more than five thousand dollars (\$5,000).

Minimum sinking fund account payments funded from the collection of assessments as provided herein are hereby established for the mandatory redemption and payment of the Bonds designated in the Bond Purchase Agreement as term bonds (the "Term Bonds"), which payments shall become due during the years ending on the dates and in the amounts as set forth in the Bond Purchase Agreement (except that if any Term Bonds have been optionally redeemed pursuant hereto, the amounts of the minimum sinking fund account payments allocable to such Term Bonds shall be reduced proportionately in integral multiples of five thousand dollars (\$5,000) by the principal amount of all such Term Bonds so optionally redeemed).

All such minimum sinking fund account payments funded from the collection of assessments as provided herein shall be deposited in the Redemption Fund referred to in Section 10 of this resolution (the "Redemption Fund"), and all money in the Redemption Fund allocable to the Term Bonds shall be used and withdrawn by the City at any time for the purchase of the Term Bonds at public or private sale as and when and at such prices (including brokerage and other charges) as it may in its discretion determine, but not to exceed the principal amount of such Term Bonds. All money in the Redemption Fund on September 2 of each year allocable to the Term Bonds shall be used and withdrawn by the City on such September 2 for the mandatory redemption or payment of the Term Bonds; and the City hereby agrees and covenants with the registered owners of the Term Bonds to call and redeem in accordance with this resolution or pay the Term Bonds from sinking fund account payments funded from the collection of assessments as provided herein that are deposited in the Redemption Fund pursuant to this paragraph whenever on September 2 of any year there is money in the Redemption Fund available for such purpose.

The Bonds shall bear interest at the rates as set forth in the Bond Purchase Agreement from the interest payment date next preceding the date of authentication and registration thereof, unless such date of authentication and registration is on a day during the period from the fifteenth (15th) day of the calendar month next preceding an interest payment date to such interest payment date, both days inclusive, in which event they shall bear interest from such interest payment date, or unless such date of authentication and registration is on a day before the fifteenth (15th) day of the calendar month next preceding the first interest payment date, in which event they shall bear interest from their date. Such interest shall be payable on

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March 2, 1998, and thereafter semiannually on March 2 and September 2 of each year until and at the respective maturity dates of the Bonds.

Section 4. Both the interest on and principal of and redemption premiums, if any, on the Bonds shall be payable in lawful money of the United States of America at the corporate trust office of First Trust of California, National Association, the Transfer Agent, Registrar and Paying Agent (the "Paying Agent") of the City appointed pursuant to Section 8 of this resolution, in Los Angeles, California, or at such other place as designated by the Paying Agent. Payment of the interest on the Bonds due on or before the maturity or prior redemption thereof shall be made by check mailed by first class mail on each interest payment date to the registered owners of the Bonds as their names appear at the close of business on the fifteenth (15th) day of the calendar month next preceding each interest payment date on the registration books maintained by the Paying Agent as hereinafter set forth (except that in the case of a registered owner of one million dollars (\$1,000,000) or more in principal amount of Bonds then outstanding, payment shall be made at such owner's option by wire transfer of immediately available funds according to written instructions provided by such owner to the Paying Agent by the fifteenth (15th) day of the month before such interest payment date), and payment of the principal of and redemption premiums, if any, on the Bonds shall be made only upon surrender thereof by the registered owners thereof on their maturity dates or on redemption prior to maturity at the office of the Paying Agent.

Any Bond may be redeemed in whole or in part in integral multiples of five thousand dollars (\$5,000) on the second day of March or September in any year, at the option of the City, upon payment of the one hundred three per cent (103%) of the principal amount thereof and interest accrued thereon to the date of redemption; provided, that the City shall proceed pursuant to Part 11.1 of the Act in determining those Bonds to be redeemed and the manner of the redemption thereof, and shall give notice of redemption of any Bond as provided in the Act.

The Term Bonds are subject to mandatory redemption by the City prior to their maturity date, solely from minimum sinking fund account payments deposited in the Redemption Fund as provided in Section 3 of this resolution, by giving notice of the redemption of such Bonds in the manner provided in the Act for giving notice of the redemption of any Bond or any part thereof.

The Council declares and determines that it does not and will not obligate itself to advance funds from the City

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treasury to cure any deficiency which may occur at any time in the Redemption Fund created in Section 10 of this resolution.

Section 5. (a) Notwithstanding Section 3 of this resolution, the Bonds (except for the first numbered Bond in the denomination of \$3,542.57) shall be initially issued and registered in the name of "Cede & Co.," as nominee of The Depository Trust Company, New York, New York, and shall be initially issued as one Bond for each of the maturities in the principal amounts set forth in the Bond Purchase Agreement. The Depository Trust Company, New York, New York, is hereby appointed depository for the Bonds and registered ownership of the Bonds, or any portion thereof, may not thereafter be transferred except:

(i) To any successor of Cede & Co., as nominee of The Depository Trust Company, or its nominee, or to any substitute depository designated pursuant to clause (ii) of this section (a "substitute depository"); provided, that any successor of Cede & Co., as nominee of The Depository Trust Company or substitute depository, shall be qualified under any applicable laws to provide the services proposed to be provided by it;

(ii) To any substitute depository not objected to by the City, upon (1) the resignation of The Depository Trust Company or its successor (or any substitute depository or its successor) from its functions as depository, or (2) a determination by the City to substitute another depository for The Depository Trust Company (or its successor) because The Depository Trust Company or its successor (or any substitute depository or its successor) is no longer able to carry out its functions as depository; provided, that any such substitute depository shall be qualified under any applicable laws to provide the services proposed to be provided by it; or

(iii) To any person as provided below, upon (1) the resignation of The Depository Trust Company or its successor (or substitute depository or its successor) from its functions as depository, or (2) a determination by the City to remove The Depository Trust Company or its successor (or any substitute depository or its successor) from its functions as depository.

(b) In the case of any transfer pursuant to clause (i) or clause (ii) of subsection (a) hereof, upon receipt of such outstanding Bonds by the Paying Agent, together with a written request of the City to the Paying Agent, a new Bond for each maturity shall be executed and delivered in the aggregate

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principal amount of such Bonds then outstanding, registered in the name of such successor or such substitute depository, or their nominees, as the case may be, all as specified in such written request of the City. In the case of any transfer pursuant to clause (iii) of subsection (a) hereof, upon receipt of such outstanding Bonds by the Paying Agent together with a written request of the City to the Paying Agent, new Bonds shall be executed and delivered in such denominations and numbered in such manner as determined by the Paying Agent and registered in the names of such persons as are requested in such written request of the City, subject to the limitations of Section 3 of this resolution, and thereafter, such Bonds shall be transferred pursuant to Section 3 of the resolution; provided, that the Paying Agent shall not be required to deliver such new Bonds on a date prior to sixty (60) days after receipt of such written request of the City.

(c) The City and the Paying Agent shall be entitled to treat the person in whose name any such Bond is registered as the owner thereof for all purposes hereof and any applicable laws, notwithstanding any notice to the contrary received by the City or the Paying Agent; and the City and the Paying Agent shall have no responsibility for transmitting payments to, communication with, notifying, or otherwise dealing with any beneficial owners of such Bonds; and neither the City nor the Paying Agent shall have any responsibility or obligation, legal or otherwise, to the beneficial owners or to any other party, including The Depository Trust Company or its successor (or any substitute depository or its successor), except to The Depository Trust Company or its successor (or any substitute depository or its successor) as a Holder of any such Bonds.

(d) So long as any outstanding Bonds are registered in the name of Cede & Co. or its registered assigns, the City and the Paying Agent shall cooperate with Cede & Co., as sole registered owner, or its registered assigns, in effecting payment of the interest on and principal of and redemption premiums, if any, on such Bonds by arranging for payment in such manner that funds for such payments are properly identified and are made immediately available on the date they are due.

Section 6. The Bonds shall be substantially in the form and substance herein set forth, the blanks in said form to be filled in with appropriate words and figures, namely:

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DATE ADOPTED: \_\_\_\_\_

[FORM OF BOND]

UNITED STATES OF AMERICA  
STATE OF CALIFORNIA  
COUNTY OF SACRAMENTO

CITY OF SACRAMENTO  
LIMITED OBLIGATION IMPROVEMENT BOND  
WILLOWCREEK II ASSESSMENT DISTRICT NO. 96-01

REGISTERED

REGISTERED

No. \_\_\_\_\_

\$ \_\_\_\_\_

Interest Rate

Maturity Date

Dated as of

CUSIP

\_\_\_\_\_ %

September 2, \_\_\_\_\_

\_\_\_\_\_, 1997

\_\_\_\_\_

REGISTERED OWNER:

PRINCIPAL AMOUNT:

DOLLARS

Under and by virtue of the Improvement Bond Act of 1915, Division 10 (commencing with Section 8500) of the Streets and Highways Code of the State of California (the "Act"), the City of Sacramento (the "City") will, out of the redemption fund for the payment of the bonds issued upon the unpaid portion of assessments made for the acquisition and construction of certain public improvements more fully described in proceedings taken pursuant to Resolution of Intention No. 96-462 adopted by the City Council of the City on August 20, 1996, as amended, pay to the registered owner set forth above on the maturity date set forth above (subject to the right of prior redemption hereinafter reserved) the principal sum set forth above in lawful money of the United States of America, and in like manner will pay interest from the interest payment date next preceding the date of authentication and registration of this bond (unless such date of authentication and registration is on a day during the period from the fifteenth (15th) day of the calendar month next preceding an interest payment date to such interest payment date, both days inclusive, in which event it shall bear interest from such interest payment date, or unless such date of authentication and registration is on a day before the fifteenth (15th) day of

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the calendar month next preceding the first interest payment date, in which event it shall bear interest from the dated date set forth above) until payment of such principal sum shall have been discharged, at the interest rate per annum set forth above, payable semiannually on March 2 and September 2 in each year commencing on March 2, 1998; provided, that the City Council of the City has declared and determined that it does not and will not obligate itself to advance funds from the City treasury to cure any deficiency which may occur at any time in said redemption fund. Both the principal hereof and redemption premium hereon are payable only upon surrender of this bond on its maturity date or on redemption prior to maturity at the corporate trust office of First Trust of California, National Association, the Transfer Agent, Registrar and Paying Agent of the City for the Bonds (the "Paying Agent"), in Los Angeles, California, or at such other place as designated by the Paying Agent, and the interest hereon is payable by check mailed by first class mail on each interest payment date to the registered owner hereof as the owner's name appears at the close of business on the fifteenth (15th) day of the calendar month next preceding each interest payment date on the registration books maintained by the Paying Agent (except that in the case of a registered owner of one million dollars (\$1,000,000) or more in principal amount of bonds then outstanding, payment shall be made at such owner's option by wire transfer of immediately available funds according to written instructions provided by such owner to the Paying Agent by the fifteenth (15th) day of the month before such interest payment date).

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 under the Act and Resolution No. \_\_\_\_\_ adopted by the City Council of the City on July 1, 1997, providing for its issuance (the "Resolution of Issuance") for the purpose of providing means for paying for the acquisition of those certain public 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 the acquisition of said public improvements, and, including principal and interest, is payable exclusively out of said fund.

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 the same. If it is not presented at maturity, interest hereon will run until maturity.

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This bond, or any portion of it in the minimum authorized denomination of the bonds 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, at the option of the City, by giving at least thirty (30) days' notice by registered or first class mail to the registered owner hereof at the owner's address as it appears on the registration books maintained by the Paying Agent, upon payment of one hundred three per cent (103%) of the principal amount thereof and interest accrued thereon to the date of redemption.

The bonds maturing on September 2, 2017, are subject to mandatory redemption by the City prior to their maturity date in part on any September 2 on or after September 2, 2012, to and including September 2, 2017, solely from minimum sinking fund account payments deposited in the redemption fund provided in the Resolution of Issuance, by giving at least thirty (30) days' notice by registered or first class mail to the registered owner of any such bond at the owner's address as it appears on the registration books maintained by the Paying Agent, at the principal amount thereof together with accrued interest thereon to the date of redemption, as provided in the Act.

The bonds maturing on September 2, 2022, are subject to mandatory redemption by the City prior to their maturity date in part on any September 2 on or after September 2, 2018, to and including September 2, 2022, solely from minimum sinking fund account payments deposited in the redemption fund provided in the Resolution of Issuance, by giving at least thirty (30) days' notice by registered or first class mail to the registered owner of any such bond at the owner's address as it appears on the registration books maintained by the Paying Agent, at the principal amount thereof together with accrued interest thereon to the date of redemption, as provided in the Act.

This bond is transferable by the registered owner hereof, in person or by the owner's attorney duly authorized in writing, at the above-mentioned office of the Paying Agent, subject to the terms and conditions provided in the Resolution of Issuance, including the payment of certain charges, if any, upon surrender of this bond for cancellation accompanied by delivery of a duly executed written instrument of transfer in a form satisfactory to the Paying Agent, and thereupon a new bond or bonds of authorized denominations and of the same maturity date aggregating the principal amount of this bond 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

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or a trust, and the City and the Paying Agent may treat the owner hereof as the absolute owner for all purposes, and the City and the Paying Agent shall not be affected by any notice to the contrary.

This bond shall not be entitled to any benefits under the Act or the Resolution of Issuance or become valid or obligatory for any purpose until the certificate of authentication and registration hereon endorsed shall have been signed and dated by the Paying Agent.

IN WITNESS WHEREOF, the City of Sacramento has caused this bond to be signed by the manual or facsimile signature of the City Treasurer of the City and by the manual or facsimile signature of the City Clerk of the City, and has caused its corporate seal to be affixed or printed in facsimile hereon, all on the \_\_\_\_ day of \_\_\_\_\_, 1997.

CITY OF SACRAMENTO

\_\_\_\_\_  
City Treasurer

[SEAL]

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

[FORM OF CERTIFICATE OF AUTHENTICATION AND REGISTRATION]

This is one of the bonds described in the within-mentioned Resolution of Issuance which has been authenticated and registered as of the \_\_\_\_ day of \_\_\_\_\_, 1997.

FIRST TRUST OF CALIFORNIA,  
NATIONAL ASSOCIATION, as Transfer  
Agent, Registrar and Paying Agent

By \_\_\_\_\_  
Authorized Signatory

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[FORM OF ASSIGNMENT]

For value received the undersigned do(es) hereby sell, assign and transfer unto \_\_\_\_\_ the \_\_\_\_\_ within bond and do(es) hereby irrevocably constitute and appoint \_\_\_\_\_ attorney to transfer the same on the register of the Paying Agent, with full power of substitution in the premises.

Date: \_\_\_\_\_.

SIGNATURE GUARANTEED:  
  
\_\_\_\_\_

NOTE: The signature(s) to this Assignment must correspond with the name(s) as written on the face of the within bond in every particular, without alteration or enlargement or any change whatsoever, and the signature(s) must be guaranteed by an eligible guarantor institution.

Social Security Number, Taxpayer Identification Number or other identifying number of Assignee: \_\_\_\_\_

Section 7. The Bonds shall be executed by the City Treasurer of the City and by the City Clerk of the City by the use of their manual or printed facsimile signatures, and the seal of the City shall be affixed thereto by the City Clerk of the City, which seal may be printed by facsimile thereon. Such signing and sealing as herein provided shall be a sufficient and binding execution of the Bonds by the City, and in case either of such officers whose signatures appears on the Bonds shall cease to be such officer before the delivery of the Bonds to the purchaser, such signature shall nevertheless be valid and sufficient for all purposes the same as though such officer had remained in office until the delivery of the Bonds; provided, that only such of the Bonds as shall bear thereon a certificate of authentication and registration in the form hereinabove set

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forth, executed and dated by the Paying Agent, shall be entitled to any benefits hereunder or be valid or obligatory for any purpose, and such certificate shall be conclusive evidence that the Bonds so authenticated have been duly authorized, executed, issued and delivered hereunder and are entitled to the benefits hereof.

Section 8. First Trust of California, National Association at its corporate trust office in Los Angeles, California, or at such other designated place, is hereby appointed Transfer Agent, Registrar and Paying Agent of the City for the purpose of paying the interest on and principal of and redemption premiums, if any, on the Bonds and for the purpose of performing the other obligations imposed on it in this resolution. The Paying Agent may at any time resign, which resignation shall become effective upon the appointment of a successor Paying Agent (which successor Paying Agent may be the City). Upon receiving notice of such resignation, the City shall promptly appoint a successor Paying Agent, except that if no successor Paying Agent shall have been appointed by the City within thirty (30) days of receiving such notice, the resigning Paying Agent may petition any court of competent jurisdiction for the appointment of a successor Paying Agent. The City may at any time in its sole discretion remove the Paying Agent initially appointed and any successor thereto and may appoint a successor or successors thereto by an instrument in writing. The Paying Agent is hereby authorized to pay interest on the Bonds due on or before the maturity or prior redemption thereof to the registered owners thereof as their names appear at the close of business on the fifteenth (15th) day of the calendar month next preceding each interest payment date on the registration books required to be kept by it pursuant to this section as the registered owners thereof, such interest to be paid by check mailed by first class mail on each payment date to such registered owners at their addresses appearing on such books or at such other addresses as they may have filed with it for that purpose (except that in the case of a registered owner of one million dollars (\$1,000,000) or more in principal amount of bonds then outstanding, payment shall be made at such owner's option by wire transfer of immediately available funds according to written instructions provided by such owner to the Paying Agent by the fifteenth (15th) day of the month before such interest payment date), and to pay to such registered owners the principal of and redemption premiums, if any, on the Bonds upon presentation and surrender of the Bonds to it at maturity or on redemption prior to maturity.

The Paying Agent will keep at its corporate trust office in Los Angeles, California, or at such other place as designated by the Paying Agent, sufficient books for the

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registration, transfer and exchange of the Bonds, which books shall at all times during normal business hours with reasonable advance notice be open to inspection by the City. Upon presentation for such purpose, the Paying Agent shall, under such reasonable regulations as it may prescribe, register or transfer or exchange the Bonds on such books as hereinafter provided.

Any Bond may be transferred or exchanged on such books by the registered owner thereof, in person or by his duly authorized attorney, upon payment of any tax or other governmental charge required to be paid with respect to such transfer or exchange, upon surrender of such Bond for cancellation accompanied by delivery of a duly executed written instrument of transfer or exchange in a form approved by the Paying Agent. Whenever any Bond or Bonds shall be surrendered for transfer or exchange, the City shall execute and the Paying Agent shall authenticate and deliver a new Bond or Bonds of authorized denominations of the same maturity date aggregating the same principal amount of the Bond or Bonds so surrendered. The City and the Paying Agent may deem and treat the registered owner of any Bond as the absolute owner of such Bond for the purpose of receiving payment thereof and for all other purposes, whether such Bond shall be overdue or not, and neither the City nor the Paying Agent shall be affected by any notice or knowledge to the contrary; and payment of the interest on and principal of and redemption premium, if any, on such Bond shall be made only to such registered owner as above provided, which payment shall be valid and effectual to satisfy and discharge the liability on such Bond to the extent of the sum or sums so paid.

The City shall from time to time, upon request of the Paying Agent and subject to any agreement between the City and the Paying Agent then in force, pay the Paying Agent compensation for its services, reimburse the Paying Agent for all its advances and expenditures, including but not limited to advances to and fees and expenses of independent accountants, counsel and engineers or other experts employed by it in the exercise and performance of its rights and obligations hereunder, and indemnify and save the Paying Agent harmless against liabilities not arising from its own negligence or willful misconduct which it may incur in the exercise and performance of its rights and obligations hereunder; provided, that the Paying Agent shall not have any lien for such compensation or reimbursement against any money held by it for any purposes hereof, although it may take whatever legal actions are lawfully available to it directly against the City.

The statements, agreements, conditions, covenants and terms contained herein and in the Bonds shall be taken as

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statements, agreements, conditions, covenants and terms of the City, and the Paying Agent (i) does not assume any responsibility for the correctness of the same or for the observance or performance by the City of the same, and (ii) does not make any representation as to the sufficiency or validity hereof or of the Bonds, and (iii) shall not incur any responsibility in respect hereof other than in connection with the rights and obligations assigned to or imposed upon it herein or in the Bonds.

Section 9. Said unpaid assessments in the aggregate amount of fourteen million two hundred forty-eight thousand five hundred forty-two dollars and fifty-seven cents (\$14,248,542.57), as shown on said list hereinabove referred to and as determined by the Council, together with interest thereon computed at the rate specified in the Bonds (which interest shall begin to run from the date of the Bonds), shall, in accordance with and consistent with the Act, remain and constitute a trust fund for the redemption and payment of the principal of the Bonds and for the interest due thereon, and said assessments and each installment thereof and the interest and penalties thereon shall constitute a lien against the lots and parcels of land on which they are made, until the same be paid. The Director of Finance of the County of Sacramento shall annually make a record in his office showing the several installments of principal and interest on said assessments which are to be collected for the forthcoming year during the term of the Bonds; and an annual installment of said unpaid assessments shall be payable and shall be collected in each year corresponding in amount to the amount of Bonds unpaid and maturing or becoming subject to mandatory redemption in such year, which amount shall be sufficient to pay the Bonds as the same become due or as the same become subject to mandatory redemption in such year, and an annual installment of interest on said unpaid assessments shall be payable and shall be collected in each year corresponding in amount to the amount of interest which will accrue on the Bonds outstanding for such year, which amount shall be sufficient to pay the interest thereon that shall become due on the Bonds in the next succeeding March and September. In addition, the Director of Finance of the County of Sacramento shall annually enter in the assessment roll on which taxes will next become due, opposite each lot or parcel of land affected, in the manner and subject to the limitations set forth in Sections 8682 and 8682.1 and 10204(f) of the Streets and Highways Code, each lot's or parcel's pro rata share of the estimated annual costs of collection of such installments and the estimated annual costs in connection with the registration of the Bonds, and all sums so collected shall belong to the City and shall be used to pay the expenses and compensation of the City incurred in the collection of such assessments and the registration of the Bonds. All such assessments coming due in

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any year, together with the annual interest on the unpaid principal of such assessment, shall be payable in the same manner and at the same time and in the same installments as the general taxes of the County of Sacramento on real property are payable, and said assessment installments and said annual interest on said unpaid assessments shall be payable and become delinquent on the same dates and in the same proportionate amounts and, except for the penalties provided below, shall bear the same proportionate penalties and interest after delinquency as do general taxes on real property in the County of Sacramento.

Additionally, a penalty of two per cent (2%) per month of the total amount of any delinquent assessment installment shall be added to such delinquent assessment installment after the close of business on the delinquency date, and an additional penalty of two per cent (2%) of the amount of such delinquency shall be added thereto at the beginning of business on the tenth (10th) day of each succeeding month until such delinquent assessment installment and all penalties are fully paid, which penalties shall be in lieu of all other penalties assessed by other provisions of law, and all such penalties collected shall be collected with and as a part of such delinquent assessment installments and all penalties collected shall be deposited into the Redemption Fund provided in Section 10 of this resolution.

The Council hereby agrees and covenants with the registered owners of the Bonds that annually, on or before October 1 of each year, it will review the public records of the County of Sacramento relating to the collection of the assessments on the tax roll of the County of Sacramento in the prior fiscal year, and if the City determines on the basis of such review that the amount so collected is less than ninety-five per cent (95%) of the total amount of the assessments due in such fiscal year and if the amount of money in the Reserve Fund is less than the Reserve Requirement, it will within sixty (60) days thereafter institute foreclosure proceedings as authorized by the Act in order to enforce the lien of the delinquent installments of the assessments against each separate lot or parcel of land in said assessment district, and will diligently prosecute and pursue such foreclosure proceedings to judgment and sale.

The Council hereby further agrees and covenants with the registered owners of the Bonds that it will not issue any additional indebtedness of said assessment district payable from and secured by assessments against the property within said assessment district.

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Section 10. There is hereby created and established a fund to be known as the "City of Sacramento Limited Obligation Improvement Bonds, Willowcreek II Assessment District No. 96-01 Redemption Fund," which fund shall be kept by the City and shall constitute a trust fund for the benefit of the registered owners of the Bonds. At the time of the issuance of the Bonds, the City shall deposit in said fund from the proceeds of sale of the Bonds an amount equal to \$194,447.02, and all sums received by the City which are received from the collection of unpaid assessments, and of the interest and penalties thereon, shall upon receipt be deposited in said fund. All sums to become due for the payment of the principal of the Bonds (whether at maturity or on prior redemption) and the interest thereon shall be withdrawn from said fund and transferred to the Paying Agent so as to be received by the Paying Agent for use for the payment of the principal of the Bonds (whether at maturity or on prior redemption) and the interest on the Bonds on each such principal or interest payment date, and the Bonds and the interest thereon shall not be paid out of any other funds; and the Council hereby agrees and covenants that it will timely make or cause to be made such withdrawals and transfers in compliance with the requirements of this sentence. The Paying Agent shall not be required to invest any funds transferred to it under this section, nor shall it be liable to the City for payment of interest on any funds so held. All money in said fund shall be invested in any lawful investments of City money maturing not later than the date on which such money is estimated to be required for disbursement hereunder. All interest earned on such investments shall be credited to said fund, except as otherwise required by Section 13 of this resolution. Any surplus remaining in said fund after payment of all Bonds and the interest thereon shall be applied as directed by the City.

Section 11. There is hereby created and established a fund to be known as the "City of Sacramento Limited Obligation Improvement Bonds, Willowcreek II Assessment District No. 96-01 Improvement Fund," which fund shall be kept by the City. All proceeds of the sale of the Bonds shall be placed by the City to the credit of said fund (except for the interest deposited into the Redemption Fund as provided in Section 10 of this resolution and except for the deposit required to be made in the Reserve Fund as provided in Section 12 of this resolution) and shall be kept separate and distinct from all other City funds. All money in said fund shall be invested in any lawful investments of City money maturing not later than the date on which such money is estimated to be required for disbursement hereunder. All interest earned on such investments shall be credited to said fund, except as otherwise required by Section 12 of this

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resolution. The money in said fund shall be applied exclusively for the purpose of paying the cost of the acquisition of said public improvements for which said assessment district was formed, including payment of the incidental expenses in connection with the acquisition of said public improvements and including providing for the refunding on September 2, 1997, of all outstanding City of Sacramento Willowcreek Assessment District No. 94-03 Limited Obligation Improvement Bonds; provided, that after completion of the acquisition of said public improvements and the payment of all claims from said fund, any surplus money remaining in said fund (as determined by the Council), or such portion thereof as is allowed by law, shall be used as a credit on the assessment in accordance with the provisions of Section 10427.1 of the Streets and Highways Code. The Council hereby agrees and covenants with the registered owners of the Bonds that it will proceed in good faith to complete the acquisition of said public improvements for which said assessment district was formed in a timely manner pursuant to the Municipal Improvement Act of 1913, reserving the right to make changes and modifications as permitted by such act.

Section 12. There is hereby created and established a separate fund to be known as the "City of Sacramento Limited Obligation Improvement Bonds, Willowcreek II Assessment District No. 96-01 Reserve Fund," which fund shall be kept by the City and shall constitute a trust fund for the benefit of the registered owners of the Bonds. At the time of the issuance of the Bonds, the City shall deposit from the proceeds of the sale of the Bonds in said fund a sum of money equal to the lesser of the maximum annual debt service on the Bonds or nine per cent (9.0%) of the original principal amount of the Bonds, and all income resulting from the investment of money initially deposited in the Reserve Fund and all money thereafter deposited therein shall remain in the Reserve Fund until the amount contained therein is equal to the lesser of the maximum annual debt service on the Bonds or ten per cent (10.0%) of the original principal amount of the Bonds (the "Reserve Requirement"), and all money in said fund shall be paid and transferred in the following amounts and at the following times and under the following circumstances:

(a) Whenever there are insufficient funds in the Redemption Fund to meet the next maturing installment of interest on or principal of the Bonds, an amount necessary to satisfy such deficiency shall be transferred by the City from the Reserve Fund to the Redemption Fund, and the City agrees and covenants that if such insufficiency was caused by delinquent payment of installments of assessments, then an amount equal to the amount so transferred shall be reimbursed and deposited by the City in the Reserve Fund

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from the proceeds of redemption or sale of the parcel in respect of which payment of installments of assessments was delinquent.

(b) In the event any unpaid assessments are paid in cash prior to their final due date, the City shall transfer from the Reserve Fund to the Redemption Fund an amount equal to the ratio of the total amount initially provided for in the Reserve Fund to the total amount originally assessed in the proceedings for the Bonds multiplied by the reduction in said assessments, and the amount of the Reserve Requirement shall be reduced by the amount of any such transfer.

(c) Whenever the balance in the Reserve Fund is sufficient to retire all the remaining outstanding Bonds, the City shall transfer the balance in the Reserve Fund to the Redemption Fund and the City shall cease the collection of the unpaid assessments. In such case, the City shall credit such balance against the unpaid assessments in the manner set forth in the Act, with the amount apportioned to each unpaid assessment credited against the last unpaid assessment installment; and if the amount apportioned to each parcel exceeds the amount of said last installment, then such excess shall be credited against the next preceding unpaid assessment installment or installments until exhausted. In the event that the balance in the Reserve Fund at the time of such transfer exceeds the amount required to retire all outstanding Bonds, then such excess shall be returned by the Paying Agent to the City and shall be apportioned by the City to each parcel upon which an individual assessment remained unpaid at the time the balance in the Reserve Fund was sufficient to retire all outstanding Bonds, and such payments shall be made by the City in cash to the respective owners of the parcels, except that if the excess attributable to any individual assessment is fifty dollars (\$50.00) or less, such excess shall be transferred to the General Fund of the City.

All money in the Reserve Fund provided in this section shall be invested in lawful investments of City funds maturing not later than five (5) years from the date of purchase. All interest earned on such investments shall be credited to said fund, so long as the amount in said fund does not exceed an amount equal to the Reserve Requirement, but if at any time the amount of money in the Reserve Fund shall accumulate to an amount which exceeds the Reserve Requirement, such excess shall be credited by the City upon the unpaid assessments in the manner

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set forth in the Act; except in either case as otherwise required by Section 13 of this resolution.

Section 13. (a) The City will not directly or indirectly use or make any use of the proceeds of the Bonds or any other funds of the City or take or omit to take any action that would cause the Bonds to be "arbitrage bonds" subject to federal income taxation by reason of Section 148 of the Internal Revenue Code of 1986 (the "Code") or "private activity bonds" subject to federal income taxation by reason of Section 141(a) of the Code or obligations subject to federal income taxation because they are "federally guaranteed" as provided in Section 149(b) of the Code; and to that end the City, with respect to the proceeds of the Bonds and such other funds, will comply with all requirements of such sections of the Code and all regulations of the United States Department of the Treasury issued thereunder to the extent that such requirements are, at the time, applicable and in effect. In the event that at any time the City is of the opinion that for purposes of this section it is necessary to restrict or limit the yield on the investment of any money held by the Paying Agent hereunder or otherwise the City shall so instruct the Paying Agent in writing, and the Paying Agent shall take such action as may be necessary in accordance with such instructions.

(b) Without limiting the generality of the foregoing, the City will pay from time to time all amounts required to be rebated to the United States of America pursuant to Section 148(f) of the Code and any regulations of the United States Department of the Treasury issued thereunder as may be applicable to the Bonds from time to time, which obligation shall survive payment in full or defeasance of the Bonds, and to that end, there is hereby established in a fund to be known as the "City of Sacramento Limited Obligation Improvement Bonds, Willowcreek II Assessment District No. 96-01 Rebate Fund," which fund shall be kept by the City. The City will comply with the provisions of the Tax Certificate delivered at the time of issuance of the Bonds with respect to making deposits in the Rebate Fund, and the money held in the Rebate Fund is pledged to provide payments to the United States of America as provided herein and in such Tax Certificate and no other person shall have claim to such money except as provided in such Tax Certificate.

(c) Notwithstanding any other provision of this resolution to the contrary, upon the City's failure to observe, or refusal to comply with, the covenants contained in this section, no one other than the registered owners or former registered owners of the Bonds shall be entitled to exercise any

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right or remedy under this resolution on the basis of the City's failure to observe, or refusal to comply with, such covenants.

(d) Notwithstanding any other provision of this section to the contrary, if the City shall obtain an opinion of nationally recognized bond counsel that any specified action required under this section is no longer required or that some further or different action is required to maintain the exclusion from gross income for federal income tax purposes of interest on the Bonds, the City may conclusively rely upon such opinion in complying with the requirements of this section, and the covenants hereunder shall be deemed to be modified to that extent.

(e) The covenants in this section shall survive the payment of the Bonds.

Section 14. The Official Statement in preliminary form relating to the Bonds, in the form submitted to this meeting and on file with the City Clerk of the City, is hereby approved, and the City Treasurer of the City is hereby authorized and directed, for and in the name and on behalf of the City, to certify that the Official Statement in preliminary form has been deemed final as of its date, within the meaning of Rule 15c2-12 promulgated under the Securities Exchange Act of 1934 (except for the omission of certain final pricing, rating and related information as permitted by said rule) when he is satisfied with it; and Underwriter is hereby authorized to distribute copies of the Official Statement in preliminary form to persons who may be interested in the purchase of the Bonds.

After the sale of the Bonds, the City Treasurer of the City is hereby authorized and directed, for and in the name and on behalf of the City, to complete the Official Statement and prepare it in final form (the "Final Official Statement") and to execute and deliver the Final Official Statement in substantially said form, such approval to be conclusively evidenced by the execution and delivery thereof, and the Underwriter is hereby authorized to distribute copies of the Final Official Statement to all actual purchasers of the Bonds.

Section 15. The Bond Purchase Agreement is hereby approved for execution by the City in substantially the form presented to this meeting and on file with the City Clerk of the City, and the City Treasurer of the City is hereby authorized and directed, for and in the name and on behalf of the City, to execute and deliver to the Underwriter the Bond Purchase Agreement in substantially said form providing for the sale of the Bonds to the Underwriter, with such changes in the Bond

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Purchase Agreement as such officer may require or approve, such approval to be conclusively evidenced by the execution and delivery thereof; provided, that the net interest cost of the Bonds shall not exceed \_\_\_\_\_ per cent (\_\_\_\_%) per annum and the underwriter's discount on the Bonds shall not exceed one and six-tenths per cent (1.60%) of the principal amount thereof.

Section 16. The City Clerk of the City is directed to cause a sufficient number of blank Bonds of suitable quality to be typed, lithographed, printed or engraved and to cause the blank spaces thereof to be filled in to comply with the provisions hereof and to procure their execution by the proper officers, and to deliver them when so executed to the Paying Agent, who shall authenticate them, whereupon they shall be delivered on the written request of the City to the Underwriter on receipt of the purchase price by the City. The City Treasurer of the City and the City Clerk of the City are further authorized to execute and deliver to the Underwriter a signature and no-litigation certificate in the form customarily required by purchasers of municipal bonds, certifying to the genuineness and due execution of the Bonds and to all facts within their knowledge relative to any litigation which may or might affect said assessment district or the City, said officers or the Bonds, and the City Treasurer of the City is further authorized to execute and deliver to the Underwriter a receipt in the form customarily required by purchasers of municipal bonds, evidencing the payment of the purchase price of the Bonds, which receipt shall be conclusive evidence that said purchase price has been paid and has been received by the City. Any subsequent registered owner of the Bonds is hereby authorized to and shall be justified in relying upon any such signature and no-litigation certificate and any such receipt with respect to the Bonds executed, sold and delivered pursuant to the authority of this resolution. The Paying Agent shall keep a register in its office showing the series, number, date, amount, rate of interest and last known registered owner of each Bond.

Section 17. The City hereby agrees and covenants that it will comply with and carry out all of the provisions of that certain Continuing Disclosure Certificate (the "Continuing Disclosure Certificate") executed by the City and dated the date of issuance and delivery of the Bonds, as originally executed and as it may be amended from time to time in accordance with the terms thereof, and notwithstanding any other provision hereof, failure of the City to comply with the Continuing Disclosure Certificate shall not be considered an event of default hereunder; provided, that any registered owner of the Bonds may take such actions as may be necessary and appropriate, including

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seeking mandate or specific performance by court order, to cause the City to comply with its obligations under this section.

Section 18. The City Clerk of the City is hereby authorized and directed to file a certified copy of this resolution with the Director of Finance of the County of Sacramento.

Section 19. The officers of the City are hereby authorized and directed, jointly and severally, to do any and all things and to execute and deliver any and all documents, or to make any necessary modifications thereto, which are acceptable to the City Treasurer of the City and Bond Counsel and which they deem necessary or advisable in order to consummate the issuance, sale and delivery of the Bonds, and the City hereby agrees and covenants with the registered owners of the Bonds that it will adopt, make, execute and deliver any and all such further resolutions, instruments and assurances as may be reasonably necessary or proper to carry out the intention or to facilitate the performance of this resolution and for the better assuring and confirming unto the registered owners of the Bonds of the rights and benefits provided hereby.

Section 20. This resolution shall take effect immediately upon its adoption.

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FOR CITY CLERK USE ONLY

RESOLUTION NO. \_\_\_\_\_

DATE ADOPTED: \_\_\_\_\_

PASSED AND ADOPTED by the City Council of the City of Sacramento this 1st day of July, 1997, by the following vote:

AYES:

NOES:

ABSENT:

APPROVED:

---

Mayor of the City of Sacramento

ATTEST:

---

City Clerk of the City of Sacramento

[SEAL]

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FOR CITY CLERK USE ONLY

RESOLUTION NO.: \_\_\_\_\_

DATE ADOPTED: \_\_\_\_\_

CLERK'S CERTIFICATE

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

The foregoing resolution is a full, true and correct copy of a resolution duly adopted at a regular meeting of the City Council of said City duly and regularly held at the regular meeting place thereof on the 1st day of July, 1997, of which meeting all of the members of said City Council had due notice and at which a majority thereof were present; and that at said meeting said resolution was adopted by the following vote:

AYES:

NOES:

ABSENT:

An agenda for said meeting was posted at least seventy-two (72) hours before said meeting at the Sacramento City Hall, 915 I Street, Sacramento, California 95814, a location freely accessible to members of the public, and a brief description of said resolution appeared on said agenda.

I have carefully compared the foregoing with the original minutes of said meeting on file and of record in my office, and the foregoing is a full, true and correct copy of the original resolution adopted at said meeting and entered in said minutes.

Said resolution has not been amended, modified or rescinded since the date of its adoption and the same is now in full force and effect.

Dated: \_\_\_\_\_, 1997.

---

City Clerk of the City of  
Sacramento

[SEAL]

APPROVED  
BY THE CITY COUNCIL

JUL 1 1997

OFFICE OF THE  
CITY CLERK

**RESOLUTION NO. 97-395**

ADOPTED BY THE SACRAMENTO CITY COUNCIL

ON DATE OF \_\_\_\_\_

**RESOLUTION AMENDING THE CITY CAPITAL IMPROVEMENT  
PROGRAM BY ESTABLISHING WILLOWCREEK II ASSESSMENT  
DISTRICT #96-01 REVENUE AND EXPENDITURE BUDGET  
IN THE AMOUNT OF \$15,268,126.36**

**BE IT RESOLVED BY THE COUNCIL OF THE CITY OF SACRAMENTO:**

1. The City Capital Improvement Program is hereby amended by establishing the project entitled "Willowcreek II Assessment District #96-01 (41AD)."
2. The following appropriation increase will be supported by revenue that is forthcoming from the sale of bonds to be issued on all unpaid assessments, money received during the cash collection period, and a cash contribution by the Natomas Unified School District. The Assessment District Revenue Budget is established as follows:

\$ 547,164.07	674-ASD-41AD-3598 From County
300,000.00	674-ASD-41AD-From City's Other Funds
<u>\$14,420,962.29</u>	674-ASD-41AD-3714 From A.D. Bonds & Cash Payments
\$15,268,126.36	

\$14,655,449.48 the total assessment to property owners, plus \$847,164.07 contribution, minus \$234,487.19 for the bond discount.

The City Capital Improvement Program Budget is hereby amended by appropriating \$15,268,126.36 to the newly established project as follows:

RESOLUTION NO.

DATE ADOPTED

**FOR CITY CLERK USE ONLY**

RESOLUTION NO. \_\_\_\_\_

DATE ADOPTED \_\_\_\_\_

\$8,555,572.88	674-ASD-41AD-4820	Construction Cost
314,300.00	674-ASD-41AD-4880	Engineering
4,500.00	674-ASD-41AD-4213	Bond Printing
25,000.00	674-ASD-41AD-4321	Bond Administration
52,655.45	674-ASD-41AD-4287	S.D.I.R.S.
160,777.25	674-ASD-41AD-4802	Bond Counsel
10,000.00	674-ASD-41AD-4258	Official Statement
1,318,990.45	674-ASD-41AD-4842	Reserve Account
55,000.00	674-ASD-41AD-4330	Special Districts
892,500.30	674-ASD-41AD-4414	Contingency
115,095.00	674-ASD-41AD-4813	Right-of-Way
136,800.00	674-ASD-41AD-4802	Property Owner Reimbursement
25,000.00	674-ASD-41AD-4812	Attorney Fees
30,000.00	674-ASD-41AD-4880	Real Estate
2,905.00	674-ASD-41AD-4812	Closing Cost/Escrow
400,000.00	674-ASD-41AD-4802	Psomas Associates
669,700.00	674-ASD-41AD-4802	Spink Engineering
824,164.00	674-ASD-41AD-4820	PG&E/Water Acquisition
3,663.86	674-ASD-41AD-4820	CDAC
63,940.00	674-ASD-41AD-4803	EIR
45,000.00	674-ASD-41AD-4813	Settlement Agreement
20,000.00	674-ASD-41AD-4802	Bond Disclosure Counsel
1,342,562.17	674-ASD-41AD-4510	Purchase of Existing Bonds

These appropriations will provide sufficient funds to pay all incidental expenses associated with said Assessment District.

- Director of Finance is hereby authorized and directed to expend the total sum of \$15,268,126.36 as follows: \$8,555,572.88 to be paid to the contractor to construct improvements; \$573,224.00 to PG&E for gas line relocation; \$250,940 for a water line acquisition; \$1,342,562.17 for the purchase of existing bonds; and \$4,545,827.31 to pay for engineering and other incidental expenses.

\_\_\_\_\_  
MAYOR

ATTEST:

\_\_\_\_\_  
CITY CLERK

\_\_\_\_\_  
FOR CITY CLERK USE ONLY

RESOLUTION NO.: \_\_\_\_\_

DATE ADOPTED: \_\_\_\_\_

1.22

APPROVED  
BY THE CITY COUNCIL

JUL 1 1997

OFFICE OF THE  
CITY CLERK

**RESOLUTION NO. 97-396**

ADOPTED BY THE SACRAMENTO CITY COUNCIL

ON DATE OF \_\_\_\_\_

**RESOLUTION AUTHORIZING THE CITY MANAGER  
TO EXECUTE AGREEMENTS RELATIVE TO THE  
WILLOWCREEK ASSESSMENT DISTRICT**

**BE IT RESOLVED BY THE COUNCIL OF THE CITY OF SACRAMENTO THAT:**

1. The City Manager is hereby authorized and directed to execute the agreement on file with the City Clerk between the City of Sacramento and Willowcreek landowners to indemnify PG&E in the amount of \$200,628.
2. The City Manager is hereby authorized and directed to execute the flat sum contract on file with the City Clerk between the City of Sacramento and PG&E in the amount of \$573,224.
3. The City Manager is hereby authorized and directed to execute the cooperative agreement on file with the City Clerk by and between the County Sanitation District #1 and the City in the amount of \$625,019.
4. The City Manager is hereby authorized to execute such other documents, or amendment(s) to the above agreements, as are necessary to carry out the purposes and intent of this Resolution.

\_\_\_\_\_  
MAYOR

ATTEST:

\_\_\_\_\_  
CITY CLERK

**FOR CITY CLERK USE ONLY**

RESOLUTION NO. \_\_\_\_\_

DATE ADOPTED: \_\_\_\_\_

# RESOLUTION NO.

ADOPTED BY THE SACRAMENTO CITY COUNCIL

ON DATE OF \_\_\_\_\_

## RESOLUTION AUTHORIZING THE CITY MANAGER TO EXECUTE AGREEMENTS RELATIVE TO THE WILLOWCREEK ASSESSMENT DISTRICT

Be it resolved by the Council of the City of Sacramento that:

1. The City Manager is hereby authorized and directed to execute the agreement on file with the City Clerk between the City of Sacramento and Willowcreek landowners to indemnify PG&E in the amount of \$200,628.
2. The City Manager is hereby authorized and directed to execute the flat sum contract on file with the City Clerk between the City of Sacramento and PG&E in the amount of \$573,224.
3. The City Manager is hereby authorized and directed to execute the cooperative agreement on file with the City Clerk by and between the County Sanitation District #1 and the City in the amount of \$625,019.

\_\_\_\_\_  
MAYOR

ATTEST:

\_\_\_\_\_  
CITY CLERK

FOR CITY CLERK USE ONLY

RESOLUTION NO.: \_\_\_\_\_

DATE ADOPTED: \_\_\_\_\_

**RESOLUTION NO. 91-397**

**APPROVED  
BY THE CITY COUNCIL**

**JUL 1 1997**

**OFFICE OF THE  
CITY CLERK**

ADOPTED BY THE SACRAMENTO CITY COUNCIL

ON DATE OF \_\_\_\_\_

**RESOLUTION AUTHORIZING THE CITY MANAGER TO EXECUTE A CONTRACT WITH JOHN F. OTTO FOR AN AMOUNT NOT TO EXCEED \$8,555,573 FOR THE WILLOWCREEK II AD PROJECT AND AUTHORIZING THE CITY MANAGER AND CITY CLERK TO EXECUTE A CONSULTANT SERVICES AGREEMENT WITH THE SPINK CORPORATION FOR AN AMOUNT NOT TO EXCEED \$175,200 AND WITH PSOMAS ASSOCIATES FOR AN AMOUNT NOT TO EXCEED \$400,000**

**RESOLUTION NO.**

Be it resolved by the Council of the City of Sacramento that:

ADOPTED BY THE SACRAMENTO CITY COUNCIL

1. The City Manager is hereby authorized and directed to execute a construction contract on file with the City Clerk with John F. Otto for an amount not to exceed \$8,555,573 for the Willowcreek II AD project.
2. The City Manager is hereby authorized and directed to execute a consultant services agreement on file with the City Clerk with The Spink Corporation for design oversight during construction for Willowcreek II AD for an amount not to exceed \$175,700.
3. The City Manager is hereby authorized and directed to execute a consultant services agreement on file with the City Clerk with Psomas Associates for construction management for Willowcreek II AD for an amount not to exceed \$400,000.

**RESOLUTION NO.**

\_\_\_\_\_  
MAYOR

ATTEST:

\_\_\_\_\_  
CITY CLERK

**FOR CITY CLERK USE ONLY**

RESOLUTION NO.: \_\_\_\_\_

DATE ADOPTED: \_\_\_\_\_