RESOLUTION NO. 2007-174

A RESOLUTION OF THE COUNCIL OF THE CITY OF FRESNO, CALIFORNIA, AUTHORIZING THE ISSUANCE, SALE AND DELIVERY OF CITY OF FRESNO AIRPORT REVENUE BONDS, TAXABLE SERIES 2007 BONDS, AUTHORIZING THE EXECUTION AND DELIVERY OF A FIRST SUPPLEMENTAL INDENTURE, BOND PURCHASE CONTRACT, CONTINUING DISCLOSURE CERTIFICATE, FINANCIAL GUARANTY AGREEMENT, OFFICIAL STATEMENT AND RELATED DOCUMENTS, AND AUTHORIZING CERTAIN OTHER ACTIONS AND THE EXECUTION OF CERTAIN OTHER DOCUMENTS IN CONNECTION THEREWITH

WHEREAS, the Council (the "Council") of the City of Fresno, California (the "City"), acting under and pursuant to the powers reserved to the City under Sections 3, 5 and 7 of Article XI of the Constitution of the State of California and Section 1223 of the Charter of the City, has enacted the City of Fresno Municipal Improvements Revenue Bond Law, being Article 7 of Chapter 18 of the Municipal Code of the City, which incorporates, to the extent made applicable by such law, the Revenue Bond Law of 1941, being Chapter 6 of Division 2 of Title 5 of the California Government Code, as enacted and as thereafter amended; and

WHEREAS, the City has determined that it is desirable and furthers the interests of the City and its residents to construct a consolidated rental car facility and related improvements at Fresno Yosemite International Airport (the "Project"); and

WHEREAS, to finance construction of the Project, the City hereby determines that bonds in the principal amount not to exceed $25,000,000 are necessary to provide funds for such construction and that such bonds, not to exceed such principal amount, should be issued and entitled "City of Fresno Airport Revenue Bonds, Taxable Series 2007" (the "Bonds"); and

WHEREAS, there is on file with the City Clerk and presented to Council a proposed form of first supplemental indenture, providing for the security of the Bonds, by and between the City and The Bank of New York Trust Company, N.A. (as successor in interest to BNY Western Trust Company), as Trustee; and

WHEREAS, pursuant to the Municipal Improvements Revenue Bond Law, the City is authorized to sell the Bonds in the manner it determines, at public or private sale; and

WHEREAS, the City desires to sell the Bonds by negotiated sale to Citigroup Global Markets Inc. (the "Underwriter") pursuant to a bond purchase contract, the proposed form of which is on file with the City Clerk and presented to Council; and

WHEREAS, in connection with and related to the Bonds, the City proposes to deliver a Continuing Disclosure Certificate, the proposed form of which is on deposit with the City Clerk and presented to Council; and

Adopted 5-8-07
Approved 5/9/07
Effective 5/9/07

2007-174

WHEREAS, in connection with and related to the Bonds, the City proposes to execute a Financial Guaranty Agreement, the proposed form of which is on deposit with the City Clerk and presented to Council; and

WHEREAS, there is on file with the City Clerk and presented to Council a proposed form of official statement describing the Bonds and related matters; and

WHEREAS, it is now necessary and appropriate for the City to authorize the execution of and to approve the forms of the first supplemental indenture, bond purchase contract, continuing disclosure certificate, financial guaranty agreement and official statement, and to authorize the issuance and sale of the Bonds pursuant thereto; and

WHEREAS, the Council has been presented with the form of each document referred to above, and the Council has examined and approved each document and desires to authorize and direct the execution of such documents and the consummation of such financing; and

WHEREAS, all acts, conditions and things required by the Charter of the City, the Municipal Improvements Revenue Bond Law and the Constitution and laws of the State of California to exist, to have happened and to have been performed precedent to and in connection with the consummation of the financing authorized hereby do exist, have happened and have been performed in regular and due time, form and manner as required by law, and the City is now duly authorized and empowered, pursuant to each and every requirement of law, to authorize such financing and to authorize the execution of the first supplemental indenture, contract of purchase and the distribution of the official statement for the purposes, in the manner and upon the terms provided in this resolution; and

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

SECTION 1. The issuance of not to exceed $25,000,000 aggregate principal amount of City of Fresno Airport Revenue Bonds, Taxable Series 2007, is hereby authorized and approved. The Bonds may be issued in one or more series, and may include current interest bonds, capital appreciation bonds, or a combination thereof.

SECTION 2. The proposed form of first supplemental indenture, between the City and The Bank of New York Trust Company, N.A. (as successor in interest to BNY Western Trust Company), as Trustee, presented to Council and on file with the City Clerk, is hereby approved. The Mayor, City Manager or Controller, or any such officer's designee (collectively, the "Authorized Officers") are each hereby authorized and directed, jointly and severally, to execute and deliver a first supplemental indenture in substantially said form (the "First Supplemental Indenture"), with such changes therein as such officer may require or approve, subject to review by the City Attorney's Office, such approval to be conclusively evidenced by the execution and

delivery thereof. In the event an Authorized Officer determines at the time of sale of the Bonds that it is in the best interest of the City to obtain municipal bond insurance and/or a reserve fund surety, such changes may include, but are not limited to, changes necessary to conform to the requirements of the municipal bond insurer. The date, maturity date or dates (not to exceed July 1, 2037), interest rate or rates (not to exceed a true interest cost of six and three-fourths percent (6.75%) per annum), interest payment dates, denominations, forms, registration privileges, place or places and times of payment, terms of redemption and other terms of the Bonds and the municipal bond insurance provisions (if any) shall be as provided in the First Supplemental Indenture as executed and delivered.

SECTION 3. The proposed form of bond purchase contract, between the City and the Underwriter, presented to Council and on file with the City Clerk, is hereby approved. The Authorized Officers are each, jointly and severally, hereby authorized and directed to execute and deliver to the Underwriter said bond purchase contract in substantially said form (the "Bond Purchase Contract"), with such changes therein as such officer may require or approve, subject to review by the City Attorney's Office, such approval to be conclusively evidenced by the execution and delivery thereof; provided that the terms of the Bonds shall be subject to the limitations set forth in Section 2 hereof, and the Underwriter's discount (exclusive of original issue discount) shall not exceed two percent (2%) of the aggregate principal amount of the Bonds.

SECTION 4. The proposed form of continuing disclosure certificate, presented to the City Council and on file with the City Clerk, is hereby approved. The Authorized Officers are each, jointly and severally, authorized and directed, to execute and delivery on behalf of the City, and for the benefit of Bondholders, the continuing disclosure certificate in substantially said form (the "Continuing Disclosure Certificate"), with such changes therein as such officer may require or approve, subject to review by the City Attorney's Office, such approval to be conclusively evidenced by the execution and delivery thereof.

SECTION 5. The proposed form of financial guaranty agreement, presented to the City Council and on file with the City Clerk, is hereby approved. The Authorized Officers are each, jointly and severally, authorized and directed, to execute and delivery on behalf of the City, the financial guaranty agreement in substantially said form (the "Financial Guaranty Agreement"), with such changes therein as such officer may require or approve, subject to review by the City Attorney's Office, such approval to be conclusively evidenced by the execution and delivery thereof.

SECTION 6. The proposed form of official statement relating to the Bonds, presented to Council and on file with the City Clerk, is hereby approved. The Authorized Officers are each hereby authorized and directed, to execute said official statement, in substantially said form (the "Official Statement"), with such changes therein as such officer may require or approve, such approval to be conclusively evidenced by the execution thereof. The Underwriter is hereby authorized to distribute such Official Statement in preliminary form to the potential purchasers of the Bonds and is hereby

authorized and directed to deliver such Official Statement in final form to all purchasers of the Bonds. The Authorized Officers are each authorized to certify to the Underwriter that the preliminary form of the Official Statement is 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 information as permitted by said Rule) and the Authorized Officers are each hereby authorized to execute a Continuing Disclosure Certificate containing such covenants of the City as shall be necessary to comply with the requirements of Rule 15c2-12.

SECTION 7. The officers and employees 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 and certificates which they may deem necessary or advisable in order to consummate the issuance, sale and delivery of the Bonds and otherwise to carry out, give effect to and comply with the terms and intent of this resolution, the Bonds and the First Supplemental Indenture, Bond Purchase Contract, Continuing Disclosure Certificate, Financial Guaranty Agreement and Official Statement, including, but not limited to, entering into investment agreements and such other documents and certificates as may be necessary or desirable to obtain municipal bond insurance and/or a reserve fund surety and to satisfy Rule 15c2-12.

SECTION 8. Capitalized terms used herein which are not otherwise defined shall have the meanings set forth in the First Supplemental Indenture.

SECTION 9. This resolution shall take effect upon its final adoption.

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Council Resolution
Authorizing Airport Revenue Bonds, Series 2007

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STATE OF CALIFORNIA)
COUNTY OF FRESNO) ss.
CITY OF FRESNO)

I, REBECCA E. KLISCH, City Clerk of the City of Fresno, certify that the foregoing resolution was adopted by the Council of the City of Fresno, at a regular meeting held on the 8th day of May, 2007.

AYES: Calhoun, Dages, Duncan, Sterling, Westerlund, Xiong, Perea

NOES: None

ABSENT: None

ABSTAIN: None

Mayor Approval: May 9, 2007

Mayor Approval/No Return: N/A, 2007

Mayor Veto: N/A, 2007

Council Override Vote: N/A, 2007

REBECCA E. KLISCH
City Clerk

By: Rebecca E. Klisch
~~Deputy~~

APPROVED AS TO FORM
CITY ATTORNEY'S OFFICE

By: Sr. Deputy

May 9, 2007

Council Adoption: 5/08/07
Mayor Approval:
Mayor Veto:
Override Request:

TO: MAYOR ALAN AUTRY

FROM: REBECCA E. KLISCH, CMC RK
City Clerk

SUBJECT: TRANSMITTAL OF COUNCIL ACTION FOR APPROVAL OR VETO

At the Council meeting of 5/08/07, Council adopted the attached Resolution No. 2007-174 , entitled **Auth issuance, sale & delivery of Airport Revenue bonds**, Item No. **9:30 A.M. B**, by the following vote:

Ayes	:	Calhoun, Dages, Duncan, Sterling, Westerlund, Xiong, Perea
Noes	:	None
Absent	:	None
Abstain	:	None

Please indicate either your formal approval or veto by completing the following sections and executing and dating your action. Please file the completed memo with the Clerk's office on or before May 21, 2007. In computing the ten day period required by Charter, the first day has been excluded and the tenth day has been included unless the 10th day is a Saturday, Sunday, or holiday, in which case it has also been excluded. Failure to file this memo with the Clerk's office within the required time limit shall constitute approval of the ordinance, resolution or action, and it shall take effect without the Mayor's signed approval.

Thank you.

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APPROVED.

VETOED for the following reasons: (Written objections are required by Charter; attach additional sheets if necessary.)

_____

_____

Alan Autry, Mayor

Date: 5/9/07

COUNCIL OVERRIDE ACTION:

Date: _____

Ayes	:	
Noes	:	
Absent	:	
Abstain	:	