RESOLUTION NO. 2008-191

RESOLUTION OF THE COUNCIL OF THE CITY OF FRESNO APPROVING THE ISSUANCE BY THE FRESNO JOINT POWERS FINANCING AUTHORITY OF LEASE REVENUE BONDS; AUTHORIZING THE EXECUTION AND DELIVERY OF A SECOND AMENDMENT TO MASTER FACILITIES LEASE, A SECOND AMENDMENT TO MASTER FACILITIES SUBLEASE, A BOND PURCHASE CONTRACT, AN OFFICIAL STATEMENT AND A CONTINUING DISCLOSURE CERTIFICATE; AND AUTHORIZING EXECUTION OF DOCUMENTS AND THE TAKING OF ALL NECESSARY ACTIONS RELATING TO THE FINANCING

WHEREAS, the City of Fresno (the "City") is a municipal corporation and charter city duly organized and existing under a freeholders' charter pursuant to which the City has the right and power to make and enforce all laws and regulations in respect to municipal affairs and certain other matters in accordance with and as more particularly provided in Sections 3, 5 and 7 of Article XI of the Constitution of the State of California and Section 200 of the Charter of the City; and

WHEREAS, the City and the Redevelopment Agency of the City of Fresno (the "Agency") have executed a Joint Exercise of Powers Agreement, dated October 25, 1988, as amended (the "Joint Powers Agreement"), between the City and the Agency that creates and establishes the Fresno Joint Powers Financing Authority (the "Authority"); and

WHEREAS, pursuant to Article 4 of Chapter 5 of Division 7 of Title 1 of the Government Code of the State of California (the "Marks-Roos Local Bond Pooling Act of 1985") and the Joint Powers Agreement, the Authority is authorized to issue bonds for financing and refinancing public capital improvements, working capital, liability and other insurance needs or projects whenever there are significant public benefits; and

WHEREAS, the City desires to approve the Authority's issuance of not to exceed $27,000,000 aggregate principal amount of its Fresno Joint Powers Financing Authority Lease Revenue Bonds (Master Lease Projects), Series 2008E and Series 2008F (Federally Taxable) (collectively, the "Bonds") to finance and refinance various capital improvements within the City, including but not limited to improvements to the Convention Center (the "Projects"); and

WHEREAS, such refinancing will include the refunding of a portion of the Authority's Lease Revenue Bonds (Convention Center Improvement Projects), Series 2006A;

WHEREAS, in order to finance and refinance the Projects, the City desires to lease to the Authority certain real property described in Exhibit A hereto (the "Facilities") pursuant to the terms of that certain Second Amendment to Master Facilities Lease (the "Second Amendment to Facilities Lease"), by and between the City and the Authority, and the City desires to lease back from the Authority the Facilities, pursuant to the terms of that certain Second Amendment to Master Facilities Sublease (the "Second Amendment to Facilities Sublease"), by and between the Authority and the City; and

Adopted 7/29/08
Approved 8/11/08
Effective 8/11/08

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WHEREAS, the City has determined that the issuance of the Bonds by the Authority and the execution and delivery of the Second Amendment to Facilities Lease and Second Amendment to Facilities Sublease will result in significant public benefits to the citizens of the City of Fresno, and that the City will benefit from demonstrable savings in the cost of financing the Projects as a result of the assistance of the Authority.

NOW THEREFORE, the Council of the City of Fresno hereby finds, determines, declares and resolves as follows:

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

Section 2. The City Council hereby approves the issuance by the Authority of the Bonds in an aggregate principal amount not to exceed $27,000,000. The interest rate on the Bonds shall not exceed a true interest cost of eight percent (8%) per annum. The Bonds may be issued in one or more series, and may be taxable or a combination of taxable and tax-exempt series.

Section 3. The proposed form of Second Amendment to Facilities Lease, by and between the City and the Authority, on file with the City Clerk, and delivered to Council, is hereby approved. The Mayor, City Manager, or Controller, jointly and severally, or any such officer's designee, are each hereby authorized and directed, on behalf of the City, to execute and deliver the Second Amendment to Facilities Lease in substantially said form, 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, however, that the term of the Second Amendment to Facilities Lease shall end no later than April 1, 2028, plus an extension period of not to exceed ten (10) years.

Section 4. The proposed form of Second Amendment to Facilities Sublease, by and between the Authority and City, on file with the City Clerk, and delivered to Council, is hereby approved. The Mayor, City Manager, or Controller, jointly and severally, or any such officer's designee, are each hereby authorized and directed, on behalf of the City, to execute and deliver the Second Amendment to Facilities Sublease in substantially said form, 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, however, that the term of the Second Amendment to Facilities Sublease shall end no later than April 1, 2028, plus an extension period of not to exceed ten (10) years.

Section 5. The proposed form of Bond Purchase Contract, by and among E.J. De La Rosa & Co., Inc., the Authority and the City (the "Bond Purchase Contract"), on file with the City Clerk, and delivered to Council, is hereby approved. The Mayor, City Manager or Controller, jointly and severally, or any such officer's designee, are each hereby authorized and directed, on behalf of the City, to execute and deliver the Bond Purchase Contract in substantially said form, 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, however, the underwriting discount (not including original issue discount) shall not exceed 0.70% of the aggregate principal amount of the Bonds.

Section 6. The proposed form of Continuing Disclosure Certificate relating to the Bonds (the "Continuing Disclosure Certificate"), on file with the City Clerk, and delivered to Council, is hereby approved. The Mayor, City Manager, or Controller, jointly and severally, or any such officer's designee, are each hereby authorized and directed, to execute on behalf of the City and deliver for the benefit of Bondholders, the Continuing Disclosure Certificate in substantially said form, 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 7. The proposed form of Official Statement relating to the Bonds (the "Official Statement"), on file with the City Clerk, and delivered to Council, is hereby approved. The Mayor, City Manager, or Controller, jointly and severally, or any such officer's designee are each hereby authorized and directed, on behalf of the City, to execute and deliver an Official Statement in substantially said form, with such changes therein as such officer may require or approve, subject to review of the City Attorney's Office and Disclosure Counsel, such approval to be conclusively evidenced by the execution and delivery thereof. The original purchaser of the Bonds is hereby directed to distribute copies of the Official Statement to all actual purchasers of the Bonds. Distribution of a preliminary Official Statement relating to the Bonds is hereby approved and the Mayor, City Manager, or Controller, jointly and severally, or any such officer's designee are each hereby authorized and directed, to execute a certificate confirming that the preliminary Official Statement has been "deemed final" by the City for purposes of Securities and Exchange Commission Rule 15c2-12.

Section 8. In the event the Controller of the City determines it is not in the best financial interest of the City to purchase bond insurance, the City hereby approves issuance by the Authority of Bonds on a stand-alone basis, with the Facilities Lease and Facilities Sublease relating to Selland Arena exclusively and with such documents being substantially in the form of the Master Facilities Lease and Master Facilities Sublease as amended and approved in Sections 3 and 4 of this Resolution.

Section 9. The officers and City Council members 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 deem necessary or advisable to consummate the execution and delivery of the documents mentioned herein and otherwise to carry out, give effect to and comply with the terms and intent of this Resolution, the Second Amendment to Facilities Lease, the Second Amendment to Facilities Sublease, the Bond Purchase Contract, the Continuing Disclosure Certificate, the Official Statement and the transactions contemplated by each such document. Such actions heretofore taken by such officers are hereby ratified, confirmed and approved.

Section 10. This Resolution shall take effect upon its adoption.

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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 29th day of July, 2008.

AYES : Dages, Duncan, Perea, Xiong
NOES : None
ABSENT : Calhoun, Caprioglio, Sterling
ABSTAIN : None

Mayor Approval: August 11, 2008

Mayor Approval/No Return: N/A, 2008

Mayor Veto: N/A, 2008

Council Override Vote: N/A, 2008

REBECCA E. KLISCH

City Clerk

By: Rebecca E Klisch
~~Deputy~~

APPROVED AS TO FORM

CITY ATTORNEY'S OFFICE

By: 7-24-08
Assistant/Senior/Deputy Coyle

RRC:sn [45874sn/rrc/RESO] 7/24/08

EXHIBIT A

The Facilities consist of the following:

Selland Arena

July 30, 2008

Council Adoption: 7/29/08
Mayor Approval:
Mayor Veto:
Override Request:

RECEIVED
2008 AUG 11 PM 1:30
CITY CLERK, FRESNO CA

TO: MAYOR ALAN AUTRY

FROM: REBECCA E. KLISCH, CMC
City Clerk

SUBJECT: TRANSMITTAL OF COUNCIL ACTION FOR APPROVAL OR VETO

At the Council meeting of 7/29/08, Council adopted the attached Resolution No. 2008- entitled **Appv issuance of Jt. Powers Fin Auth lease revenue bonds, not to exceed aggregate $27 million**, Item No. **10:15 A.M. - D**, by the following vote:

Ayes	:	Dages, Duncan, Perea, Xiong
Noes	:	None
Absent	:	Calhoun, Caprioglio, Sterling
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 August 11, 2008. 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: 8/11/08

COUNCIL OVERRIDE ACTION:

Date:

Ayes	:	
Noes	:	
Absent	:	
Abstain	:	