

RESOLUTION NO. 2007-131

**A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF ELK GROVE
AUTHORIZING THE EXECUTION AND DELIVERY OF
A FISCAL AGENT AGREEMENT, A BOND PURCHASE AGREEMENT,
A CONTINUING DISCLOSURE AGREEMENT, AN ACQUISITION AGREEMENT,
AND AN AGREEMENT REGARDING PROPERTIES DESIGNATED AS DEVELOPED;
AUTHORIZING THE ISSUANCE OF BONDS; APPROVING THE FORM OF THE
OFFICIAL STATEMENT AND THE DISTRIBUTION THEREOF, AND
AUTHORIZING OTHER ACTIONS RELATED TO
COMMUNITY FACILITIES DISTRICT 2005-1 (LAGUNA RIDGE)**

WHEREAS, the City Council on March 8, 2006, duly adopted its Resolution No. 2006-62 (the "Resolution of Formation") establishing Community Facilities District No. 2005-1 (Laguna Ridge) (the "District") pursuant to the Mello-Roos Community Facilities Act of 1982 (Chapter 2.5, Part 1, Division 2, Title 5 (commencing with Section 53311) of the California Government Code) (the "Act"), for the purpose of providing for the financing certain public services and the financing of the construction and acquisition of certain public capital facilities (the "Facilities") described in Exhibit A to the Resolution of Formation;

WHEREAS, at an election held in the District on March 8, 2006, the qualified electors therein duly authorized the issuance of two hundred twenty-five million dollars (\$225,000,000) principal amount of special tax bonds pursuant to the terms of the Act, for the purpose of financing the acquisition and construction of the Facilities;

WHEREAS, the qualified electors of the District at such election additionally authorized the levy and collection of a special tax under the Act to be used for the purpose, among others, of paying the interest on and the principal of and redemption premiums, if any, on such special tax bonds;

WHEREAS, the City Council has determined to authorize the issuance of a portion of such special tax bonds (the "Series 2007 Bonds") pursuant hereto and to secure the 2007 Bonds in the manner provided herein;

WHEREAS, the following documents and proposed agreements relating to the issuance, sale and delivery of the Series 2007 Bonds by the City and the application of the proceeds thereof, which are incorporated herein by reference, have been presented to the City Council for its review and approval:

1. The Fiscal Agent Agreement (the "Fiscal Agent Agreement") between U.S. Bank National Association, as fiscal agent, and the City, pursuant to which the City will issue the Series 2007 Bonds;
2. The Bond Purchase Agreement (the "Bond Purchase Agreement") by and between the City and U.S. Bancorp Piper Jaffray, Inc. (the "Underwriter"), whereby the City will sell the Series 2007 Bonds to the Underwriter;

3. The Official Statement relating to the Series 2007 Bonds (the "Official Statement");
4. The Continuing Disclosure Agreement between the City and U.S. Bank National Association, as dissemination agent, relating to the Series 2007 Bonds (the "Continuing Disclosure Agreement") (the form of which is attached as Appendix F to the draft Official Statement);
5. The Agreement for Acquisition of Privately Constructed Facilities (the "Acquisition Agreement") between the City and the developers that are expected to construct a portion of the Facilities; and
6. The Agreement Regarding Properties Designated as Developed (the "Designation Agreement") between the City and certain developers that own property within the District;

WHEREAS, all acts, conditions, and things required by law to exist, to have happened and to have been performed precedent to and in connection with the issuing of the Series 2007 Bonds and the execution and entering into of the Fiscal Agent Agreement (including specifically the value-to-lien ratio required by Government Code section 53345.8) do exist, have happened, and have been performed in regular and due time, form and manner as required by law;

NOW, THEREFORE, BE IT RESOLVED by the City Council of the City of Elk Grove that:

1. **Recitals.** The foregoing recitals are true and correct and the City Council so finds and determines.

2. **Authorization of Officers to Execute and Deliver Documents.** The City Council hereby authorizes the Mayor, the City Manager, and the Finance Director (the "Designated Officers"), and each of them individually, for and in the name of the and on behalf of the City, to approve, execute, and deliver the following agreements and documents:

- (a) The Fiscal Agent Agreement;
- (b) The Bond Purchase Agreement;
- (c) The Official Statement;
- (d) The Continuing Disclosure Agreement;
- (e) The Acquisition Agreement; and
- (f) The Designation Agreement;

in substantially the form presented to the City Council at this meeting, which agreements and documents are hereby approved, with such changes, insertions, revisions, corrections, or amendments as shall be approved by the officer or officers executing the agreement or document for the City Council. The execution of the foregoing by a Designated Officer or Officers shall constitute conclusive evidence of such officer's or officers' and the City Council's approval of any such changes, insertions, revisions, corrections, or amendments to the respective forms of agreements and documents presented to the City Council at this meeting. The date, respective principal amounts of each maturity, the interest rates, interest payment dates, denominations, forms, registration privileges, place or places of payment, terms of redemption, and other terms of the Series 2007 Bonds, shall be as provided in the Fiscal Agent Agreement as finally executed.

3. **Authorization to Issue Bonds.** The City Council hereby authorizes the issuance of the Series 2007 Bonds in accordance with the terms of the Fiscal Agent Agreement as finally executed.

4. **Authorization of Sale.** The City Council hereby authorizes the sale of not to exceed \$77,000,000 principal amount of Series 2007 Bonds to the Underwriter pursuant to the Bond Purchase Agreement. The Designated Officers are hereby authorized and directed to negotiate with the Underwriter the final terms of the sale and its timing. The City Council hereby determines that the sale of the Series 2007 Bonds by negotiation would result in an overall lower cost.

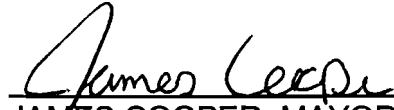
5. **Execution of Series 2007 Bonds.** The Mayor and the City Clerk are hereby authorized and directed to execute each of the Series 2007 Bonds on behalf of the City.

6. **Distribution of Official Statement.** The City Council hereby authorizes the Underwriter to distribute copies of the Official Statement in preliminary form to persons who may be interested in the purchase of the Series 2007 Bonds and authorizes and directs the Underwriter to deliver copies of the final Official Statement to all purchasers of the Series 2007 Bonds. The City Council hereby authorizes and directs the City Manager and the Finance Director, or either of them, to deliver to the Underwriter a certificate to the effect that the City Council deems the preliminary Official Statement, in the form approved by the City Manager or the Finance Director, to be final and complete as of its date, except for certain final pricing and related information that may be omitted pursuant to Rule 15c2-12 of the Securities and Exchange Commission.

7. **General Authorization.** The City Council hereby authorizes and directs the Designated Officers, and each of them, for and in the name of and on behalf of the City, to do any and all things and to execute and deliver any and all documents that they may deem necessary or advisable in order to complete the sale, issuance, and delivery of the Series 2007 Bonds and otherwise to carry out, give effect to, and comply with the terms and intent of this resolution. All actions heretofore taken by such officers and agents that are in conformity with the purposes and intent of this resolution are hereby ratified, confirmed and approved in all respects.

8. **Effective Date.** This resolution shall take effect immediately upon its passage.

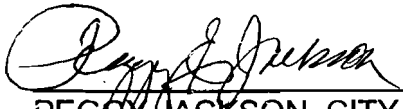
PASSED AND ADOPTED by the City Council of the City of Elk Grove on this 13th day of June 2007.




JAMES COOPER, MAYOR of the
CITY OF ELK GROVE

ATTEST:

APPROVED AS TO FORM:



PEGGY JACKSON, CITY CLERK



JONATHAN P. HOBBS,
INTERIM CITY ATTORNEY

**CERTIFICATION
ELK GROVE CITY COUNCIL RESOLUTION NO. 2007-131**

STATE OF CALIFORNIA)
COUNTY OF SACRAMENTO) ss
CITY OF ELK GROVE)

I, Peggy E. Jackson, City Clerk of the City of Elk Grove, California, do hereby certify that the foregoing resolution was duly introduced, approved, and adopted by the City Council of the City of Elk Grove at a regular meeting of said Council held on June 13, 2007 by the following vote:

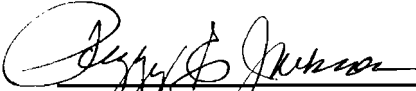
AYES : **COUNCILMEMBERS:** *Cooper, Scherman, Davis, Leary, Hume*

NOES: **COUNCILMEMBERS:** None

ABSTAIN : **COUNCILMEMBERS:** None

ABSENT: **COUNCILMEMBERS:** None





**Peggy E. Jackson, City Clerk
City of Elk Grove, California**