

RESOLUTION NO. 2001-09

A RESOLUTION AUTHORIZING THE CITY OF ELK GROVE TO ENTER INTO A LEASE AND LEASEBACK AGREEMENT, AS LESSEE, WITH CALEASE PUBLIC FUNDING CORPORATION, AS LESSOR, WITH RESPECT TO THE ACQUISITION, CONSTRUCTION, FURNISHING AND EQUIPPING OF A NEW CITY HALL AND AN ESCROW AGREEMENT AMONG CALEASE PUBLIC FUNDING CORPORATION, THE LESSEE AND WELLS FARGO BANK, NATIONAL ASSOCIATION, AS ESCROW AGENT

WHEREAS, the City of Elk Grove, California (the "Lessee"), desires to obtain moneys to pay for the acquisition, construction, furnishing and equipping of a new city hall (the "Project"); and

WHEREAS, in order to facilitate the purchase and renovation of the Project and to pay the cost thereof, it is necessary and desirable for the Lessee to take the following actions:

1. Enter into a Lease and Leaseback Agreement (the "Lease"), with CaLease Public Funding Corporation (the "Corporation"), pursuant to which the Lessee will lease the Project to the Corporation and lease back the Project from the Corporation with an option to purchase the Corporation's interest therein;

2. Enter into an Escrow Agreement (the "Escrow Agreement"), with the Corporation and Wells Fargo Bank, National Association, as escrow agent, whereby funds will be deposited in an Acquisition Fund to pay costs of the Project;

(3) Enter into a Tax Compliance Agreement (the "Tax Compliance Agreement"), with the Corporation and Wells Fargo Bank, National Association;

NOW, THEREFORE, BE IT RESOLVED by the City Council of the City of Elk Grove, California, as follows:

Section 1. Approval of Lease, Escrow Agreement and Tax Compliance Agreement. The Lease, the Escrow Agreement and the Tax Compliance Agreement are hereby approved in substantially the forms submitted to and reviewed by the City Council on the date hereof, with such changes therein as shall be approved by the Mayor, the Mayor's execution thereof to be conclusive evidence of the approval thereof.

The Mayor is hereby authorized and directed to execute and deliver the Lease, the Escrow Agreement and the Tax Compliance Agreement on behalf of and as the act and deed of the Lessee.

Section 2. Reimbursement of Prior Expenditures. The Lessee has made or expects to make capital expenditures (the "Expenditures") in connection with the Project, and intends to reimburse itself for the Expenditures with the proceeds of the Lease to the extent permitted by the Internal Revenue Code.

Section 3. Bank Qualification. The Lessee hereby designates the Lease as a "qualified tax-exempt obligation" as defined in Section 265(b)(3)(B) of the Internal Revenue


Code. The aggregate face amount of all tax-exempt obligations (excluding private activity bonds other than qualified 501(c)(3) bonds) issued or to be issued by the Lessee and all subordinate entities thereof during the calendar year 2001 is not reasonably expected to exceed \$10,000,000. The Lessee hereby covenants that the Lessee and all subordinate entities thereof will not issue in excess of \$10,000,000 of qualified tax-exempt obligations (including the Lease but excluding private activity bonds other than qualified 501(c)(3) bonds) during the calendar year 2001 without first obtaining an opinion of nationally recognized counsel in the area of tax-exempt municipal obligations acceptable to the Corporation that the designation of the Lease as a "qualified tax-exempt obligation" will not be adversely affected.

Section 4. Further Authority. The Lessee shall, and the officials and agents of the Lessee are hereby authorized and directed to, take such action, expend such funds and execute such other documents, certificates and instruments as may be necessary or desirable to carry out and comply with the intent of this Resolution and to carry out, comply with and perform the duties of the Lessee with respect to the Lease, the Escrow Agreement, the Tax Compliance Agreement and the Project.

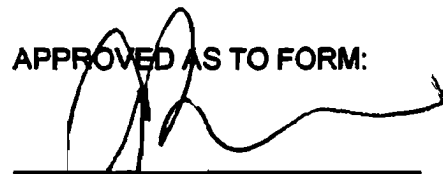
Section 5. Effective Date. This Resolution shall take effect and be in full force from and after its adoption by the City Council.

PASSED AND ADOPTED BY THE CITY COUNCIL OF THE CITY OF ELK GROVE, CALIFORNIA on this 21st day of February 2001.

ATTEST:


PEGGY JACKSON
City Clerk, City of Elk Grove


JAMES A. COOPER, Mayor of the
City of Elk Grove

APPROVED AS TO FORM:

ANTHONY B. MANZANETTI
City Attorney

AYES:	Councilmembers Briggs, Leary, Scherman, Soares, Cooper
NOES:	None
ABSENT:	None
ABSTAIN:	None