

RESOLUTION NO. 2003-230

**A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF ELK GROVE
AUTHORIZING THE EXECUTION AND DELIVERY OF A SUPPLEMENTAL FISCAL
AGENT AGREEMENT, A BOND PURCHASE AGREEMENT, AND A CONTINUING
DISCLOSURE CERTIFICATE; AUTHORIZING THE ISSUANCE OF BONDS;
APPROVING THE FORM OF THE OFFICIAL STATEMENT AND THE DISTRIBUTION
THEREOF, AND AUTHORIZING OTHER ACTIONS RELATED THERETO**

WHEREAS, the City Council on May 15, 2002, duly adopted its Resolution No. 2002-81 (the "Resolution of Formation") establishing East Franklin Community Facilities District No. 2002-1 (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 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 May 15, 2002, the qualified electors therein duly authorized the issuance of one hundred twenty-five million dollars (\$125,000,000) 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, on July 17, 2002, the City Council duly adopted its Resolution No. 2002-128 declaring that it would not issue more than \$75,000,000 aggregate principal amount of bonds (other than refunding bonds) for the District;

WHEREAS, pursuant to such authority and the terms of a Fiscal Agent Agreement dated October 1, 2002, between U.S. Bank National Association, as fiscal agent (the "Fiscal Agent"), and the City (said Fiscal Agent Agreement, as amended and supplemented from time to time, being referred to herein as the "Fiscal Agent Agreement"), the City has previously issued its East Franklin Community Facilities District No. 2002-1 Special Tax Bonds, Series 2002A (the "Series 2002A Bonds"), in the aggregate principal amount of \$45,000,000 (the Series 2002A Bonds and any additional series of bonds issued under the Fiscal Agent Agreement are referred to herein collectively as the "Bonds");

WHEREAS, the City Council has determined to authorize the issuance of an additional series of Bonds under the Fiscal Agent Agreement to be designated its East Franklin Community Facilities District No. 2002-1 Special Tax Bonds, Series 2003 (the "Series 2003 Bonds") pursuant hereto and to secure the 2003 Bonds in the manner provided herein;

WHEREAS, the conditions of the Fiscal Agent Agreement for the issuance of the Series 2003 Bonds secured on a parity with the previously issued Bonds will have been satisfied at the time of their issuance;

WHEREAS, the following documents and proposed agreements relating to the issuance, sale and delivery of the Series 2003 Bonds by the City, which are incorporated herein by reference, have been presented to the City Council for its review and approval:

1. The First Supplemental Fiscal Agent Agreement (the "First Supplemental Fiscal Agent Agreement") between the Fiscal Agent and the City, pursuant to which the City will issue the Series 2003 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 2003 Bonds to the Underwriter;
3. The Official Statement relating to the Series 2003 Bonds (the "Official Statement"); and
4. The Continuing Disclosure Certificate relating to the Series 2003 Bonds (the "Continuing Disclosure Certificate");

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 2003 Bonds and the execution and entering into of the Fiscal Agent Agreement 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 Director of Administrative Services (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 First Supplemental Fiscal Agent Agreement;
- (b) The Bond Purchase Agreement;
- (c) The Official Statement; and
- (d) The Continuing Disclosure Certificate;

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 2003 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 2003 Bonds in accordance with the terms of the First Supplemental Fiscal Agent Agreement as finally executed.

4. **Authorization of Sale.** The City Council hereby authorizes the sale of not to exceed \$10,000,000 principal amount of Series 2003 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 2003 Bonds by negotiation would result in an overall lower cost.

5. **Execution of Series 2003 Bonds.** The Mayor and the City Clerk are hereby authorized and directed to execute each of the Series 2003 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 2003 Bonds and authorizes and directs the Underwriter to deliver copies of the final Official Statement to all purchasers of the Series 2003 Bonds. The City Council hereby authorizes and directs the City Manager and the Director of Administrative Services, 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 Director of Administrative Services, to be final and complete as of its date, except for certain final pricing and related information that may be omitted pursuant to Rule 15c-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 2003 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.

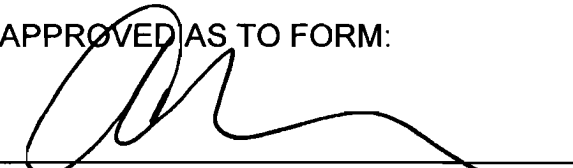
PASSED AND ADOPTED by the City Council of the City of Elk Grove on this 19th day of November 2003.


SOPHIA SCHERMAN, MAYOR of the
CITY OF ELK GROVE

ATTEST:


PEGGY E. JACKSON, CITY CLERK

APPROVED AS TO FORM:


ANTHONY B. MANZANETTI,
CITY ATTORNEY

**CERTIFICATION
ELK GROVE CITY COUNCIL RESOLUTION NO. 2003-230**

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 the 19th day of November 2003 by the following vote:

AYES 5: COUNCILMEMBERS: Scherman, Soares, Briggs, Cooper, Leary

NOES 0: COUNCILMEMBERS:

ABSTAIN 0: COUNCILMEMBERS:

ABSENT 0: COUNCILMEMBERS:



A handwritten signature in cursive script, appearing to read "Peggy E. Jackson", is written over a horizontal line.

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