

**RESOLUTION NO. 2017-102**

**A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF ELK GROVE  
AUTHORIZING THE REFINANCING OF A 2007 LEASE AGREEMENT, AND  
APPROVING RELATED DOCUMENTS AND ACTIONS**

**WHEREAS**, the City of Elk Grove (the "City") entered into a Facilities Lease, dated as of June 1, 2007 (the "2007 Lease") with the Elk Grove Finance Authority (the "Authority") in the original principal amount of \$18,585,000, in order to finance and refinance the cost of constructing and equipping certain public facilities (the "2007 Project"); and

**WHEREAS**, the City will realize savings if all or a portion of the 2007 Lease is refinanced; and

**WHEREAS**, in order to provide the funds needed to refinance the 2007 Lease, the City proposes to lease the City's Corporation Yard, located at 10250 Iron Rock Way in the City (the "Leased Property") to the Authority pursuant to the Site Lease, dated as of June 1, 2017, between the Authority and the City (the "Site Lease"), in order to allow the Authority to lease the Leased Property back to the City pursuant to a Lease Agreement, dated as of June 1, 2017, between the Authority and the City (the "Lease Agreement") in consideration of the payment by the City of semiannual lease payments under the Lease Agreement as the rental for the Leased Property (the "Lease Payments"), which the Authority will assign to a bank under an Assignment of Lease Agreement, dated as of June 1, 2017, between the Authority and the bank; and

**WHEREAS**, the City Council desires to approve all of said transactions in furtherance of the public purposes of the City, and wishes at this time to authorize all proceedings relating to the refinancing of the 2007 Lease.

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

**Section 1. Approval of Site Lease and Lease Agreement.** The City Council hereby approves the refinancing plan outlined above. To that end, the City Council hereby approves the Site Lease and Lease Agreement, both of which are between the City and the Authority, in substantially the form on file with the City Clerk, together with any changes therein or additions thereto deemed advisable by the City Manager. The City Manager or the Finance Director are each hereby authorized and directed for and in the name and on behalf of the City to execute, and the City Clerk is hereby authorized and directed to attest and affix the seal of the City to, the final form of the Site Lease and the Lease Agreement.

**Section 2. Material Terms of Lease Agreement.** The Lease Agreement shall be for a term that does not extend beyond 2027 (unless extended in the event of default), and the average annual Lease Payment payable by the City under the Lease Agreement shall not exceed \$890,000. The savings realized by the refinancing of the 2007 Lease shall at least equal 3% of the principal amount of the 2007 Lease being refunded.

**Section 3. Official Actions.** The Mayor, the City Manager, the Finance Director, the City Attorney, the City Clerk and all other officers of the City are each authorized and directed in the name and on behalf of the City to make any and all assignments, certificates, requisitions, agreements, notices, consents, instruments of conveyance, warrants and other documents, which they or any of them might deem necessary or appropriate in order to consummate any of the transactions contemplated by the agreements and documents approved pursuant to this Resolution, including specifically an escrow or investment and defeasance instructions to U.S. Bank, National Association, the trustee in connection with bonds supported by the 2007 Lease (the "Trustee"), whether in letter form or by contract, if needed, and a Costs of Issuance Custodian Agreement, between the Trustee, as Custodian, and the City. Whenever in this resolution any officer of the City is authorized to execute or countersign any document or take any action, such execution, countersigning or action may be taken on behalf of such officer by any person designated by such officer to act on his or her behalf in the case such officer is absent or unavailable.

**Section 4. Effective Date.** This Resolution shall take effect from and after the date of its passage and adoption.


**PASSED AND ADOPTED** by the City Council of the City of Elk Grove this 10<sup>th</sup> day of May 2017.

  
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STEVE LY, MAYOR of the  
CITY OF ELK GROVE

ATTEST:

  
\_\_\_\_\_  
JASON LINDGREN, CITY CLERK

APPROVED AS TO FORM:

  
\_\_\_\_\_  
JONATHAN P. HOBBS  
CITY ATTORNEY

**CERTIFICATION  
ELK GROVE CITY COUNCIL RESOLUTION NO. 2017-102**

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

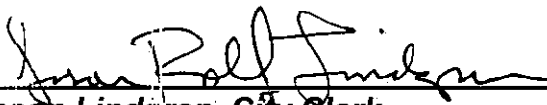
*I, Jason Lindgren, City Clerk of the City of Elk Grove, California, do hereby certify that the foregoing resolution was duly introduced, approved, and adopted by the City Council of the City of Elk Grove at a regular meeting of said Council held on May 10, 2017 by the following vote:*

**AYES:           COUNCILMEMBERS:       Ly, Detrick, Hume, Nguyen, Suen**

**NOES:           COUNCILMEMBERS:       None**

**ABSTAIN:       COUNCILMEMBERS:       None**

**ABSENT:        COUNCILMEMBERS:       None**

  
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**Jason Lindgren, City Clerk  
City of Elk Grove, California**