

RESOLUTION NO. FA2017-002

**A RESOLUTION OF
THE BOARD OF DIRECTORS OF THE ELK GROVE FINANCE AUTHORITY
AUTHORIZING THE REFINANCING OF 2007 LEASE REVENUE BONDS AND
APPROVING RELATED DOCUMENTS AND ACTIONS**

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

WHEREAS, the Board of Directors 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 Bonds.

NOW, THEREFORE, IT IS HEREBY RESOLVED by the Board of Directors of the Elk Grove Finance Authority as follows:

Section 1. Approval of Site Lease and Lease Agreement. The Board of Directors hereby approves the refinancing plan outlined above. To that end, the Board of Directors 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 Secretary, together with any changes therein or additions thereto deemed advisable by the Administrator or Treasurer/Controller (each an "Authorized Officer"). Each Authorized Officer is hereby authorized and directed for and in the name and on behalf of the Authority to execute, and the Secretary is hereby authorized and directed to attest and affix the seal of the Authority 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 Bonds shall at least equal 3% of the principal amount of the 2007 Bonds being refunded.

Section 3. Approval of Assignment Agreement. The Board of Directors hereby approves the Assignment Agreement, between the Authority and a bank to be selected and approved by an Authorized Officer, in substantially the form on file with the Secretary, together with any changes therein or additions thereto deemed advisable by an Authorized Officer. Each Authorized Officer is hereby authorized and directed for and in the name and on behalf of the Authority to execute, and the Secretary is hereby authorized and directed to attest and affix the seal of the Authority to, the final form of the Assignment Agreement

Section 4. Official Actions. The Chair, the Administrator, the Treasurer/Controller, the Secretary, and all other officers of the Authority are each authorized and directed in the name and on behalf of the Authority 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 escrow and investment instructions to U.S. Bank National Association, the trustee for the 2007 Bonds, whether in letter form or by contract, if needed. Whenever in this resolution any officer of the Authority 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 5. Effective Date. This Resolution shall take effect from and after the date of its passage and adoption.

PASSED AND ADOPTED by the Board of Directors of the Elk Grove Finance Authority this 10th day of May 2017.




STEVE LY, PRESIDENT of the
ELK GROVE FINANCE AUTHORITY

ATTEST:



JASON LINDGREN, SECRETARY

APPROVED AS TO FORM:



JONATHAN P. HOBBS,
GENERAL LEGAL COUNSEL

CERTIFICATION
ELK GROVE FINANCE AUTHORITY RESOLUTION NO. FA2017-02

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

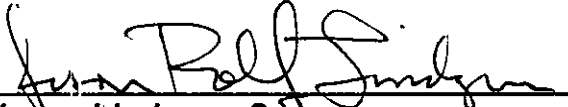
I, Jason Lindgren, Secretary of the Finance Authority of the City of Elk Grove, California, do hereby certify that the foregoing resolution was duly introduced, approved, and adopted by the Board of Directors of the Elk Grove Finance Authority at a regular meeting of the Elk Grove Finance Authority held on May 10, 2017 by the following vote:

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

NOES : **BOARDMEMBERS:** *None*

ABSTAIN : **BOARDMEMBERS:** *None*

ABSENT: **BOARDMEMBERS:** *None*



Jason Lindgren, Secretary
Elk Grove Finance Authority