

RESOLUTION NO. \_\_\_\_\_

A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF COSTA MESA, CALIFORNIA, AUTHORIZING THE EXECUTION AND DELIVERY OF A LEASE FOR THE FINANCING AND ACQUISITION OF COMPUTER HARDWARE AND SOFTWARE FOR PHASE TWO OF THE POLICE DEPARTMENT COMPUTER SYSTEM REPLACEMENT PROJECT, AUTHORIZING CERTAIN ACTIONS IN CONNECTION THEREWITH

THE CITY COUNCIL OF THE CITY OF COSTA MESA DOES HEREBY RESOLVE AS FOLLOWS:

WHEREAS, the City of Costa (the "City") is a municipal corporation duly organized and existing under and pursuant to the Constitution and laws of the State of California; and

WHEREAS, the City desires to provide for financing in the approximate amount of \$3,000,000.00 for the acquisition of computer hardware/software for the Police Department, Phase II (the "Property"); and

WHEREAS, Municipal Finance Corporation (the "Corporation") has proposed a cost-effective lease purchase financing arrangement at a 3.80% interest rate.

NOW, THEREFORE, it is resolved by the City Council of the City of Costa Mesa as follows:

SECTION 1. Lease with Option to Purchase. The Mayor, City Manager or the Director of Finance (each, an "Authorized Officer") is hereby authorized to enter into a Lease with Option to Purchase (the "Lease") with the Corporation to finance the Property, subject to approval as to form by the City Attorney.

SECTION 2. Attestations. The Clerk or other appropriate City officer are hereby authorized and directed to attest the signature of the Authorized Officer, and to affix and attest the seal of the City, as may be required or appropriate in connection with the execution and delivery of the Lease.

SECTION 3. Other Actions. An Authorized Officer and other officers of the City are each hereby authorized and directed, jointly and severally, to take any and all actions and to execute and deliver any and all agreements, documents and certificates which they may deem necessary or advisable in order to carry out, give effect to and comply with the terms of this Resolution and the Lease. Such actions are hereby ratified, confirmed and approved.

SECTION 4. Qualified Tax-Exempt Obligations. The Lease is hereby designated as "qualified tax-exempt obligations" within the meaning of Section 265(b)(3) of the Internal Revenue Code of 1986, as amended (the "Code"). The City, together with all subordinate entities of the City, do not reasonably expect to issue during the calendar year in which the Lease is issued more than \$10,000,000 of obligations which it could designate as "qualified tax-exempt obligations" under Section 265(b) of the Code.

SECTION 5. Reimbursement of Prior Expenditures. The City declares its official intent to be reimbursed from the proceeds of the Lease approved hereby for a maximum principal amount of \$3,000,000.00 of expenditures occurring no earlier than sixty days prior to the adoption of this Resolution. All reimbursed expenditures will be capital expenditures as defined in Section 1.150-1(b) of the Federal Income Tax Regulations.

SECTION 6. Effect. This Resolution shall take effect immediately upon its passage.

PASSED AND ADOPTED this 6th day of December, 2005, by the following vote:

\_\_\_\_\_  
Mayor of the City of Costa Mesa

ATTEST:

APPROVED AS TO FORM:

\_\_\_\_\_  
Deputy City Clerk of the City of Costa Mesa

\_\_\_\_\_  
City Attorney

STATE OF CALIFORNIA )  
COUNTY OF ORANGE ) ss  
CITY OF COSTA MESA )

I, JULIE FOLCIK, Deputy City Clerk and ex-officio Clerk of the City Council of the City of Costa Mesa, hereby certify that the above and foregoing Resolution No. \_\_\_\_\_, was duly and regularly passed and adopted by the said City Council at a regular meeting thereof held on the 6th<sup>th</sup> day of December, 2005, by the following roll call vote:

AYES:

NOES:

ABSENT:

IN WITNESS WHEREOF, I have hereunto set my hand and affixed the Seal of the City of Costa Mesa this 7<sup>th</sup> day of December, 2005.

\_\_\_\_\_  
Deputy City Clerk and ex-officio Clerk of  
the City Council of the City of Costa Mesa