

RESOLUTION NO _____

A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF COSTA MESA, CALIFORNIA, AUTHORIZING THE EXECUTION AND DELIVERY OF A LEASE AGREEMENT FOR CAPITAL IMPROVEMENTS FOR THE TEWINKLE PARK ATHLETIC FIELD COMPLEX AND AUTHORIZING AND DIRECTING CERTAIN ACTIONS IN CONNECTION THEREWITH

THE CITY COUNCIL OF THE CITY OF COSTA MESA DOES HEREBY RESOLVE

AS FOLLOWS:

WHEREAS, the City of Costa Mesa (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 \$3,450,000.00 for the acquisition and construction of certain real property improvements to a recreational facility (the "Project"); and

WHEREAS, Municipal Finance Corporation (the "Corporation") has proposed a cost-effective lease purchase financing arrangement at a 3.95% interest rate.

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

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

SECTION 2. Attestations. The City Clerk or other appropriate City officer is hereby authorized and directed to attest the signature of an Authorized Officer or of such other person or persons as may have been designated by an 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 Sublease/Option Agreement and the Site Lease.

SECTION 3. Other Actions. An Authorized Officer and other officers of the City are each hereby authorized and directed, jointly and severally, to do any and all things 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, the Sublease/Option Agreement and the Site Lease. Such actions are hereby ratified, confirmed and approved.

SECTION 4. Qualified Tax-Exempt Obligations. The Sublease/Option Agreement 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 Sublease/Option Agreement 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 \$3,450,000.00 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 6thth 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 7th day of December, 2005.

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