

(ID-86-4)
INDUSTRIAL DEVELOPMENT AUTHORITY OF
THE CITY OF SAN DIEGO
RESOLUTION NO. 12
ADOPTED ON OCTOBER 15, 1985

A RESOLUTION AUTHORIZING THE ISSUANCE AND SALE OF INDUSTRIAL DEVELOPMENT AUTHORITY OF THE CITY OF SAN DIEGO FLOATING/FIXED RATE DEMAND INDUSTRIAL DEVELOPMENT REVENUE BONDS (J. TODD FIGI PROJECT) SERIES 1985, IN A PRINCIPAL AMOUNT NOT TO EXCEED \$4,200,000, AND AUTHORIZING THE EXECUTION OF AND APPROVING RELATED DOCUMENTS, AGREEMENTS AND ACTIONS.

WHEREAS, the Industrial Development Authority of The City of San Diego (the "Authority") is authorized and empowered, by virtue of the California Industrial Development Financing Act, being Title 10 of the California Government Code (the "Act"), to adopt this resolution and to carry out its provisions; and

WHEREAS, the Authority, by its Resolution No. R-10, adopted September 9, 1985, indicated its intent to issue its industrial development bonds to provide financing for the costs of constructing a certain manufacturing facility by J. Todd Figi (the "Borrower") for the manufacturing of artwork and framed wall decor (the "Project"); and

WHEREAS, the Project constitutes "facilities" and the Borrower is a "company" within the meaning of the Act; and

WHEREAS, final approval of the terms of the sale of such bonds is now sought; and

WHEREAS, the Board of Directors of the Authority, the City Council of The City of San Diego and the California Industrial Development Financing Advisory Commission have made all necessary findings and determinations and given all necessary approvals as required by the Act preliminary to the adoption of this resolution; NOW, THEREFORE,

BE IT RESOLVED, by the Industrial Development Authority of The City of San Diego, as follows:

Section 1. The Authority hereby accepts the transfer of

\$4,200,000 of the private activity bond limit for 1985 of The City of San Diego, made pursuant to Resolution No. R-264071 of the City Council of The City of San Diego, adopted September 16, 1985, for the issuance of industrial development bonds by the Authority to finance the costs of the Project.

Section 2. Pursuant to the Act, industrial development bonds of the Authority, designated as the "Industrial Development Authority of The City of San Diego Floating/Fixed Rate Demand Industrial Development Revenue Bonds (J. Todd Figi Project) Series 1985" (the "Bonds"), in the aggregate principal amount not to exceed \$4,200,000, are authorized to be issued.

Section 3. The proper officers of the Authority are hereby authorized to sell the Bonds at any time within one hundred eighty (180) days after receipt of a certified copy of this resolution, at private sale, in such final principal amount, not to exceed \$4,200,000, at such price, not less than 95% of the par value thereof, and at such interest rate or rates, not to exceed the maximum rate from time to time allowed by law (presently 12%

per annum), as such officers, with the advice of Authority General Counsel and the consent of the Borrower, may determine, and upon such other terms and conditions as such officers, with the advice of Authority General Counsel and the approval of the Borrower, may determine.

Section 4. The proposed form of Loan Agreement between the Authority and the Borrower, as presented to this meeting and on file in the office of the Secretary as Document No. 14, is hereby approved. The Executive Director or Deputy Executive Director and the Secretary are hereby authorized, for and on behalf of and in the name of the Authority, to execute and deliver to the Borrower the Loan Agreement in substantially the form presented to this meeting, with such changes therein as the officers executing the same, with the advice of Authority General Counsel, may require or approve, such approval to be conclusively evidenced by the execution and delivery thereof.

Section 5. The proposed form of Indenture of Trust between the Authority and Security Pacific National Bank, as trustee, as presented to this meeting and on file in the office of the Secretary as Document No. 15, is hereby approved. The Executive Director or Deputy Executive Director and the Secretary are hereby authorized, for and on behalf of and in the name of the Authority, to execute and deliver to such bank, as trustee, the Indenture of Trust in substantially the form presented to this meeting, with such changes therein as the officers executing the same, with the advice of Authority General Counsel, may require or approve, such approval to be conclusively evidenced by the

execution and delivery thereof. The date, maturity dates, interest payment dates, denominations, forms, registration privileges, place or places of payment, terms of redemption and other terms of each of the Bonds shall be as provided in such Indenture of Trust, as finally executed.

Section 6. The proposed form of Remarketing Agreement among the Authority, the Borrower and BankAmerica Capital Markets Group, as Remarketing Agent, as presented to this meeting and on file in the office of the Secretary as Document No. 16, is hereby approved. The Executive Director or Deputy Executive Director and the Secretary are hereby authorized, for and on behalf of and in the name of the Authority, to execute and deliver to the Remarketing Agent the Remarketing Agreement in substantially the form presented to this meeting, with such changes therein as the officers executing the same, with the advice of Authority General Counsel, may require or approve, such approval to be conclusively evidenced by the execution and delivery thereof.

Section 7. The proposed form of Placement Agency Agreement among the Authority, the Borrower and BankAmerica Capital Markets Group, as Placement Agent, as presented to this meeting and on file in the office of the Secretary as Document No. 17, is hereby approved. The Executive Director or Deputy Executive Director and the Secretary are hereby authorized, for and on behalf of and in the name of the Authority, to execute and deliver to the Placement Agent the Placement Agency Agreement in substantially the form presented to this meeting, with such changes therein as the officers executing the same, with the advice of Authority

General Counsel, may require or approve, such approval to be conclusively evidenced by the execution and delivery thereof.

Section 8. The proposed form of Preliminary Private Placement Memorandum to be executed by the Authority and the Borrower, as presented to this meeting and on file in the office of the Secretary as Document No. 18, is hereby approved. The Executive Director or Deputy Executive Director and the Secretary are hereby authorized, for and on behalf of and in the name of the Authority, to execute and deliver to the Placement Agent the Final Private Placement Memorandum in substantially the form of the Preliminary Private Placement Memorandum presented to this meeting, with such changes therein as the officers executing the same, with the advice of Authority General Counsel, may require or approve, such approval to be conclusively evidenced by the execution and delivery thereof.

Section 9. The Executive Director or Deputy Executive Director and the Secretary are hereby authorized to execute the Bonds, for and on behalf of and in the name of the Authority and

under its seal, in an aggregate principal amount not to exceed \$4,200,000, in accordance with said Indenture of Trust and in the form set forth therein.

Section 10. In no event shall the bonds constitute a pledge of the full faith and credit of the Authority, the City, the State of California or any political subdivision of the State, and in no event shall the Authority or City be liable for any costs and expenses associated with the issue, sale and delivery of the Bonds.

Section 11. All actions heretofore taken by the officers and agents of the Authority with respect to the sale and issuance of the Bonds are hereby approved, confirmed and ratified, and the officers of the Authority and their authorized deputies and agents are hereby authorized, jointly and severally, to do any and all things and to execute and deliver any and all certificates and other documents which they or bond counsel may deem necessary or advisable in order to consummate the issuance, sale and delivery of the Bonds and otherwise to effectuate the purpose of this resolution, including, without limitation, a memorandum of assignment of deed of trust securing the Loan Agreement and certificates of acceptance of the rights and interests granted under said deed of trust and the Indenture of Trust.

Section 12. This resolution shall take effect immediately upon its passage.

APPROVED: John W. Witt, General Counsel

By

Harold O. Valderhaug

Deputy Counsel

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Or.Dept:IDA

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