

RESOLUTION NUMBER R- 265639

ADOPTED ON MAY 5 1986

A RESOLUTION APPROVING PRELIMINARY OFFICIAL STATEMENT, PURCHASE AGREEMENT, ESCROW DEPOSIT AND TRUST AGREEMENT, ACQUISITION AGREEMENT, ESCROW VERIFICATION AGREEMENT AND AUTHORIZING AND DIRECTING CERTAIN ACTIONS WITH RESPECT THERETO

WHEREAS, the City of San Diego (the "City") and Imperial Municipal Services Group, Inc., a California corporation, ("Imperial") have heretofore entered into that certain Lease-Purchase Agreement (Western Division Police Station Project), dated as of March 1, 1983 (the "Western Division Lease"); and

WHEREAS, the City and Imperial have heretofore entered into that certain Lease-Purchase Agreement (Southeastern Division Police Station Project), dated as of April 1, 1984 (the "Southeastern Division Lease"); and

WHEREAS, the City and Rauscher Pierce Refsnes Leasing, Inc. (the "Corporation") have heretofore entered into that certain Lease Agreement (Police Administration and Technical Center), dated as of September 1, 1984 (the "Administration Center Lease"); and

WHEREAS, the City and the Corporation have heretofore entered into that certain Lease Agreement (San Diego Police Heavy Vehicle Maintenance Facility), dated as of February 1, 1985 (the "Maintenance Facility Lease"); and

WHEREAS, the City has determined that in order to reduce the aggregate amount of payments due under the Western Division Lease, the Southeastern Division Lease, the Administration Center Lease and the Maintenance Facility Lease (collectively referred to herein as the "Project Leases"), it is necessary to provide for the refinancing of the City's obligations under the Project Leases, and to that end, has determined that it is necessary and desirable to secure the payment of the lease payments due under the Project Leases by making the deposit provided for in Section 4.7 of the Administration Center Lease and Maintenance Facility Lease, as well as Section 4(h) of the Southeastern Division Lease and Western Division Lease, and to enter into that certain Lease Agreement (the "Lease Agreement"), dated as of June 1, 1986, by and between the City and the Corporation, pursuant to which the Corporation will lease to the City all of the sites and the projects which are being leased pursuant to the Project Leases; and

WHEREAS, as a financing mechanism, Certificates of Participation will be executed and delivered evidencing the proportionate interests of the owners thereof in lease payments (the "Lease Payments") to be made by the City to the Corporation under the Lease Agreement; and

WHEREAS, Bank of America National Trust and Savings Association ("Trustee") will be designated the Trustee to receive the Lease Payments and to pay the principal and interest components thereof to the owners of the Certificates of Participation; and

WHEREAS, in connection therewith, the City Council of the City has introduced Ordinance No. 0-16656, entitled "AN ORDINANCE PURSUANT TO SECTION 99 OF THE CITY CHARTER AUTHORIZING A LEASE AGREEMENT (POLICE CAPITAL IMPROVEMENTS PROJECT) WITH RAUSCHER PIERCE REFSNES LEASING, INC., A TRUST AGREEMENT WITH BANK OF AMERICA NATIONAL TRUST AND SAVINGS ASSOCIATION AND A FEE SCHEDULE FOR TRUST SERVICES RELATED TO THE ISSUANCE OF CERTIFICATES OF PARTICIPATION IN AN AGGREGATE PRINCIPAL AMOUNT NOT TO EXCEED \$70,000,000 FOR A TERM NOT EXCEEDING 25 YEARS" (the "Ordinance"); and

WHEREAS, pursuant to the Ordinance (when the same becomes effective), the City Manager and City Clerk will be authorized to execute a Lease Agreement and Trust Agreement in connection with the financing of the Project so long as: (i) the principal amount of the Lease Agreement does not exceed \$70,000,000; (ii) the term of the Lease Agreement does not exceed 25 years; (iii) the total Lease Payments to be paid by the City under the Lease Agreement in any fiscal year does not exceed the aggregate amount of Lease Payments due in any fiscal year under the Project Leases; and (iv) future value savings realized between the Project Leases and the Lease Agreement equal at least \$32,000,000; and

WHEREAS, pursuant to the City's authorization, PaineWebber, Incorporated and Metro Equities Corporation (the "Underwriters") have prepared and presented to this City an Official Statement containing information material to the offering and sale of the Certificates, as well as a Purchase Agreement pursuant to which the Underwriters offer to purchase the Certificates of Participation; and

WHEREAS, the Purchase Agreement and Preliminary Official Statement have been filed with this City, and the members of the City Council, with the aid of its staff and Rauscher Pierce Refsnes Leasing, Inc., as financial advisor to the City, have reviewed said Purchase Agreement and Preliminary Official Statement; NOW, THEREFORE,

BE IT RESOLVED, by the Council of The City of San Diego, as follows:

Section 1. The Purchase Agreement relating to the Certificates of Participation is hereby approved, and the City Manager is hereby authorized and directed to execute said Agreement, and the City Clerk is hereby authorized and directed to attest to the City Manager's signature; provided that said Purchase Agreement shall not be executed by the City Manager unless the Underwriters agree to purchase the Certificates for not less than ninety-eight and four-tenths percent (98.4%) of the face amount of such Certificates. The City Manager is hereby authorized to approve such modifications to the Purchase Agreement as will not, in the judgment of the City Manager, constitute substantive modifications thereof, such approval to be conclusively established by the City Manager's execution of said Purchase Agreement.

Section 2. The Escrow Deposit and Trust Agreement, dated as of June 1, 1986, by and between the City of San Diego and Bank of America National Trust and Savings Association, is hereby approved, and the City Manager is hereby authorized and directed to execute said agreement and the City Clerk is hereby directed to attest the City Manager's signature.

Section 3. The Acquisition Agreement relating to public improvements by and between the City of San Diego and Rauscher Pierce Refsnes Leasing, Inc., is hereby approved, and the City Manager is hereby authorized and directed to execute said agreement and the City Clerk is hereby directed to attest the City Manager's signature.

Section 4. The proposed form of the Escrow Verification Agreement by and between the City of San Diego and Ernst & Whinney is hereby approved, and the City Manager is hereby authorized and directed to execute the Acquisition Agreement in substantially said form with such changes as are approved by the City Manager and the City Attorney, and the City Clerk is hereby directed to attest the City Manager's signature.

Section 5. An amendment to that certain letter agreement between the City and Jones Hall Hill & White, on file with the City Clerk as Document No. RR-265522, which raises the flat fee by \$7,500 (due to the refinancing of two Lease Purchase Agreements in addition to the two Lease Agreements covered by said letter agreement) is hereby approved, so long as such increase is payable solely from the proceeds of the Certificates, and the Deputy City Attorney is authorized to execute an amended letter agreement to that effect.

Section 6. The proposed form of Amendment to the Financial Advisory Services Agreement by and between Rauscher Pierce Leasing, Inc. and the City of San Diego is hereby approved, and the City Manager is hereby authorized to execute the Amendment to the Financial Advisory Service Agreement in substantially said

form with such changes as are approved by the City Manager and the City Attorney, and the City Clerk is hereby directed to attest the City Manager's signature.

Section 7. The Mayor, City Manager, City Clerk and other officials of the City are hereby authorized and directed to execute such other agreements (including any site leases relating to the sites on which the Projects are located necessary to effectuate the financing), documents and certificates as may be necessary to effect the purposes of this resolution and the lease financing herein authorized.

Section 8. To the best of the City Council's knowledge, information and belief, the Preliminary Official Statement contains no untrue statement of a material fact with respect to the City or omits to state a material fact with respect to the City required to be stated where necessary to make a statement not misleading in the light of the circumstances under which it was made.

Section 9. The Preliminary Official Statement is approved for distribution in the offering and sale of Certificates of Participation evidencing proportionate interests of the holders thereof in Lease Payments to be made by the City under the Lease Agreement and any distribution of the Preliminary Official Statement by the Underwriters prior to the date hereof is ratified and approved.

Section 10. The City Manager is authorized to approve corrections and additions to the Preliminary Official Statement by supplement or amendment thereto, or otherwise as appropriate,

provided that any such corrections or additions shall be necessary to cause the information contained therein to conform with facts material to the Certificates, or to the proceedings of the City or such corrections or additions are in form rather than in substance.

Section 11. The City Manager is authorized and directed to cause the Preliminary Official Statement to be brought into the form of a Final Official Statement and to execute said Final Official Statement, dated as of the date of the sale of the Certificates. The City Manager is further authorized and directed to execute a statement that the facts contained in the Final Official Statement, and any supplement or amendment thereto (which shall be deemed an original part thereof for the purpose of such statement) were, at the time of sale of the Certificates, true and correct in all material respects and that the Final Official Statement did not, on the date of sale of the Certificates, and does not, as of the date of delivery of the Certificates, contain any untrue statement of a material fact with respect to the City or omit to state material facts with respect to the City required to be stated where necessary to make a statement not misleading in light of the circumstances under which it was made. The City Manager shall take such further actions prior to the signing of the statement as are deemed necessary or appropriate to verify the accuracy of the statement.

APPROVED: John W. Witt, City Attorney

By   
Harold O. Valderhaug  
Deputy City Attorney

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4/30/86  
05/01/86 REV.1  
Or.Dept:Fin.Mgmt  
R-86-2121  
Form=r.none

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Passed and adopted by the Council of The City of San Diego on MAY 5 1986,  
by the following vote:

Councilmen	Yeas	Nays	Not Present	Ineligible	
Abbe Wolfsheimer	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	
Bill Cleator	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	
Gloria McColl	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	
William Jones	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	
Ed Struiksma	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	
Mike Gotch	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	
Judy McCarty	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	
Uvaldo Martinez	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	
Mayor	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	VACANT

AUTHENTICATED BY:

ED STRUIKSMA  
Deputy Mayor of The City of San Diego, California.

CHARLES G. ABDELNOUR  
City Clerk of The City of San Diego, California.

(Seal)

By Ellen Bovard, Deputy.

Office of the City Clerk, San Diego, California	
Resolution Number <u>R-265639</u>	Adopted <u>MAY 5 1986</u>

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