

**RESOLUTION NO. 93-173****RESOLUTION APPROVING, AUTHORIZING AND DIRECTING EXECUTION OF CERTAIN LEASE FINANCING DOCUMENTS, APPROVING THE FORM AND AUTHORIZING DISTRIBUTION OF A PRELIMINARY OFFICIAL STATEMENT, AN OFFICIAL NOTICE OF SALE AND AN OFFICIAL BID FORM IN CONNECTION WITH THE OFFERING AND SALE OF CERTIFICATES OF PARTICIPATION RELATING THERETO AND AUTHORIZING AND DIRECTING CERTAIN ACTIONS WITH RESPECT THERETO**

RESOLVED, by the City of El Paso de Robles, California (the "City"), as follows:

WHEREAS, the City, working together with the ABAG Finance Corporation (the "Prior Lessor"), has heretofore caused certificates of participation to be executed and delivered in the aggregate principal amount of \$3,680,000 attributable to the City (the "Prior Certificates");

WHEREAS, the proceeds of the Prior Certificates were used to finance construction of various capital improvements (the "Prior Project");

WHEREAS, the City, working together with the El Paso de Robles Public Financing Authority (the "Authority"), is proposing to proceed with a lease financing;

WHEREAS, in connection therewith, the City proposes to refinance the Prior Project and to finance the acquisition, construction, installation and equipping of certain new capital improvements (the "Improvements" and, with the Prior Project, the "Project"), as more particularly described in the hereinafter defined Lease Agreement, and it is in the public interest and for the public benefit that the City authorize and direct execution of the hereinafter defined Lease Agreement and certain other financing documents in connection therewith;

WHEREAS, the financial advisor to the City has been directed to prepare a preliminary official statement containing information material to the offering and sale of the Certificates of Participation described below (the "Preliminary Official Statement") and special legal counsel to the City has been directed to prepare a notice of sale (the "Official Notice of Sale") and a bid form (the "Official Bid Form") relating to the sale of the Certificates of Participation (as hereinafter defined); and

WHEREAS, the documents below specified have been filed with the City and the members of the City Council, with the aid of its staff, have reviewed said documents;

NOW, THEREFORE, it is hereby ORDERED and DETERMINED, as follows:

*Section 1.* The below-enumerated documents be and are hereby approved, and the Mayor, the City Manager or the Administrative Services Director is hereby authorized and directed to execute said documents, with such changes, insertions and omissions as may be approved by such official, and the City Clerk is hereby authorized and directed to attest to such official's signature:

(a) a termination agreement, by and among the City, the Prior Lessor and Seattle-First National Bank, as trustee for the Prior Certificates, relating to the termination of the lease agreement relating to the Prior Certificates;

(b) a site and facility lease, between the City, as lessor, and the Authority, as lessee;

(c) a lease agreement, relating to the Project, between the Authority, as lessor, and the City, as lessee (the "Lease Agreement"), so long as the stated term of the Lease Agreement does not exceed thirty-one (31) years, so long as the principal amount of the Lease Agreement does not exceed \$9,000,000, and so long as the net interest cost to the City under the Lease Agreement does not exceed 7% per annum; and

(d) an agency agreement, by and between the Authority and the City, pursuant to which the Authority will appoint the City to act as its agent for the purposes of the acquisition, construction, installation and equipping of the Improvements;

(e) a trust agreement, by and among the Authority, the City and Seattle-First National Bank, as trustee, the selection of which trustee is hereby approved (the "Trust Agreement"), relating to the financing, and the execution and delivery of certificates of participation evidencing the direct, undivided fractional interests of the owners thereof in lease payments to be made by the City under the Lease Agreement (the "Certificates of Participation");

(f) an escrow trust and deposit agreement, by and between the City and Seattle-First National Bank, as trustee for the Prior Certificates and as escrow bank, pursuant to which the Prior Certificates will be defeased; and

(f) a reimbursement agreement, between the City and the El Paso de Robles Community Redevelopment Agency (the "Agency"), relating to the application of a portion of the tax increment revenues accruing to the Agency's Paso Robles Redevelopment Project Area (the "Project Area") to the payment of the lease payments under the Lease Agreement (the "Reimbursement Agreement").

*Section 2.* The City's financial advisor, on behalf of the City, and its City Clerk, are authorized and directed to cause the Preliminary Official Statement, the Official Notice of Sale and the Official Bid Form to be distributed to such municipal bond broker-dealers, to such banking institutions and to such other persons as may be interested in purchasing the Certificates of Participation therein offered for sale.

*Section 3.* The City Clerk is authorized and directed to execute the Official Notice of Sale on behalf of the City and to call for bids for the sale of the Certificates. The Mayor, the City Manager or the Administrative Services Director, on behalf of the City, is hereby delegated the authority to accept the best responsible bid for the purchase of the Certificates of Participation, determined in accordance with the Official Notice of Sale. The Mayor, the City Manager or the Administrative Services Director is hereby authorized and directed to accept such bid, for and in the name of the City, by notice to the successful bidder. In the event two or more bids setting forth identical interest rates and premium, if any, are received, the Mayor, the City Manager or the Administrative Services Director, on behalf of the City, may exercise his own discretion and judgment in making the award and may award the Certificates of Participation on a pro rata basis in such denominations as he shall determine. The Mayor, the City Manager or the Administrative Services Director, on behalf of the City, may, in his discretion, reject any and all bids and waive any irregularity or informality in any bid. The Mayor, the City Manager or the Administrative Services Director, on behalf of the City, shall award the Certificates of Participation or reject all

bids not later than 26 hours after the expiration of the time prescribed for the receipt of proposals unless such time of award is waived by the successful bidder.

*Section 4.* The City Council hereby approves the preparation of a Preliminary Official Statement describing the financing, together with any changes therein or additions thereto deemed advisable by the Mayor, the City Manager or the Administrative Services Director. The City Council authorizes and directs the Mayor, the City Manager or the Administrative Services Director, on behalf of the City, to deem "final" pursuant to Rule 15c2-12 under the Securities Exchange Act of 1934 (the "Rule") the Preliminary Official Statement prior to its distribution by the financial advisor.

*Section 5.* The Mayor, the City Manager or the Administrative Services Director is authorized and directed to cause the Preliminary Official Statement to be brought into the form of a final official statement (the "Final Official Statement") and to execute said Final Official Statement, dated as of the date of the sale of the Certificates of Participation, and 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 of Participation, true and correct in all material respects and that the Final Official Statement did not, on the date of sale of the Certificates of Participation, and does not, as of the date of delivery of the Certificates of Participation, 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 any statement made therein not misleading in the light of the circumstances under which it was made. The Mayor, the City Manager or the Administrative Services Director shall take such further actions prior to the signing of the Final Official Statement as are deemed necessary or appropriate to verify the accuracy thereof. The execution of the final Official Statement, which shall include such changes and additions thereto deemed advisable by the Mayor, the City Manager or the Administrative Services Director and such information permitted to be excluded from the Preliminary Official Statement pursuant to the Rule, shall be conclusive evidence of the approval of the final Official Statement by the City.

*Section 6.* The Final Official Statement, when prepared, is approved for distribution in connection with the offering and sale of the Certificates of Participation.

*Section 7.* The Mayor, the City Manager, the Administrative Services Director, the City Clerk and all other appropriate officials of the City are hereby authorized and directed to execute such other agreements, documents and certificates as may be necessary to effect the purposes of this resolution and the financing herein authorized.

*Section 8.* In accordance with the provisions of section 33445 of the California Health and Safety Code and in furtherance of the delivery of the Certificates, the City hereby determines that (a) the buildings, facilities, structures and other improvements to be financed to be financed through the Reimbursement Agreement are of benefit to the Project Area or the immediate neighborhood in which the Project Area is located, and (ii) no other reasonable means of financing such buildings, facilities, structures and other improvements is available to the community.

*Section 9.* This Resolution shall take effect upon its adoption by this City Council.

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PASSED AND ADOPTED by the City Council of the City of El Paso de Robles, this 2nd day of November, 1993, on the following vote:

AYES: Heggarty, Macklin, Martin, Picanco, and Iversen

NOES: None

ABSENT: None



Christian E. Iversen, Mayor

ATTEST:



Richard J. Ramirez, City Clerk