

RESOLUTION NO. 6164

RESOLUTION OF THE CITY COUNCIL OF THE CITY OF REDLANDS, CALIFORNIA AUTHORIZING THE ISSUANCE AND SALE OF ITS 2003 LEASE REVENUE REFUNDING CERTIFICATES OF PARTICIPATION AUTHORIZING EXECUTION AND DELIVERY BY THE CITY OF A LEASE AGREEMENT, A SITE AND FACILITIES LEASE, AN ESCROW DEPOSIT AND TRUST AGREEMENT AND A TRUST AGREEMENT, APPROVING AND AUTHORIZING THE FORM OF CERTIFICATE PURCHASE AGREEMENT AND PREPARATION AND DELIVERY OF A PRELIMINARY OFFICIAL STATEMENT AND FINAL OFFICIAL STATEMENT WITH RESPECT TO THE ISSUANCE AND SALE OF SUCH CERTIFICATES OF PARTICIPATION, APPOINTING A TRUSTEE AND MAKING OTHER FINDINGS RELATING THERETO

WHEREAS, the City Council (the "City Council") of the City of Redlands, California (the "City") believes it is in the best interests of the City to issue certificates of participation in an aggregate principal amount not to exceed \$21,000,000 (the "Certificates") and to authorize the necessary legal documents relating to such Certificates in order to refund the City's outstanding obligations relating to its Certificates of Participation (City of Redlands 1993 Refunding of the 1986 and 1987 Issues) (the "1993 Certificates"); and

WHEREAS, in order to accomplish the refinancing of the Project and the issuance and sale of the Certificates, the parties must enter into a Site and Facilities Lease, by and between the City, as lessor, and the Redlands Financing Authority (the "Authority"), as lessee, whereby the City leases the Project to the Authority; and

WHEREAS, the City and the Authority will also enter into an a Lease Agreement, whereby the Authority will lease the Project and related sites back to the City, and under which the City is obligated to make lease payments;

WHEREAS, the Authority will assign its rights to receive such lease payments to U.S. Bank National Association, as trustee, pursuant to a Trust Agreement, among the City, the Authority and the Trustee, such Trust Agreement providing for the issuance of the Certificates and the payment provisions thereof;

WHEREAS, the City and the trustee for the 1993 Certificates will enter into an Escrow Deposit and Trust Agreement which will provide for the payments and redemption of the 1993 Certificates; and

WHEREAS, this City Council has determined to sell the Certificates to O'Connor Southwest Securities (the "Underwriter") and upon the terms and conditions set forth in the form of Certificate Purchase Agreement presented at this meeting; and

WHEREAS, this City Council desires to authorize preparation and distribution of a Preliminary Official Statement and Final Official Statement relating to the Certificates;

NOW, THEREFORE, BE IT RESOLVED, DETERMINED AND ORDERED BY THE CITY COUNCIL OF THE CITY OF REDLANDS, CALIFORNIA AS FOLLOWS:

Section 1. Approval of Issuance of Certificates of Participation. The issuance of the City's 2003 Lease Revenue Refunding Certificates of Participation is hereby approved. The City Manager or the Finance Director, based on such advice of staff as he or she may deem necessary, is hereby authorized and directed to act on behalf of the City to establish and determine (i) the final principal amount of the Certificates in an amount not to exceed \$21,000,000; (ii) the final interest rates on various maturities of the Certificates, provided that the yields shall not exceed 4.85%; and (iii) the underwriter's discount for the purchase of the Certificates, which amount shall not exceed 1.6%.

Section 2. Legal Documents. The forms of the Agreements listed below which have been presented to this meeting are hereby approved and the Mayor or the City Manager or their designee is hereby authorized and directed for and in the name and on behalf of the City to execute and deliver said agreements in the name of and on behalf of the City and the City Clerk is hereby authorized to acknowledge and deliver said agreements in the form hereby approved with such changes as the officer executing the same may approve, such approval to be conclusively evidenced by the execution and delivery thereof:

1. The Trust Agreement;
2. The Lease Agreement;
3. The Site and Facilities Lease; and
4. The Escrow Deposit and Trust Agreement.

Section 3. Certificate Purchase Agreement. The form of proposed Certificate Purchase Agreement by and between the City and the Underwriter subject to such corrections, revisions or additions as may be acceptable to Special Counsel and the City Attorney, is hereby approved and the City Manager, the Finance Director or their designee is hereby authorized and directed to cause said Certificate Purchase

Agreement to be executed and delivered on behalf of the City in such form as hereby approved subject to the parameters set forth in Section 1 hereof.

Section 4. Official Statement. The City Council hereby authorizes and approves the preparation and distribution of a Preliminary Official Statement (the "Preliminary Official Statement") and authorizes its distribution in connection with the sale of the Certificates. The City Manager is authorized and directed for and on behalf of the City to review and approve the Preliminary Official Statement and any amendments thereto, provided that he shall have determined, after consultation with Special Counsel, the City Attorney and such other persons as he may deem appropriate, that such Preliminary Official Statement fairly and accurately presents the information required to be set forth therein and to certify that the Preliminary Official Statement as distributed is deemed to be "near final" within the meaning of Rule 15c-2-12 of the Securities Exchange Commission. The City Manager is further authorized and directed to review, sign and approve distribution of the Final Official Statement, to consist of the Preliminary Official Statement and such changes thereto as may be approved by the City Manager, upon advice of Special Counsel and the City Attorney.

Section 5. Trustee and Paying Agent. U.S. Bank National Association, is hereby appointed as Trustee pursuant to the Trust Agreement, to take any and all action provided therein to be taken by the Trustee, and is further designated and appointed as paying agent for the Certificates.

Section 6. Form of Certificates. The form of the Certificates as set forth in the Trust Agreement is hereby approved, and the Trustee is hereby authorized to execute and deliver the Certificates in an aggregate principal amount as set forth in the Trust Agreement and to apply and expend the proceeds thereof as specified in the Trust Agreement.

Section 7. Requisitions. The City Manager and the Finance Director, or any one of them, are hereby authorized and directed to execute one or more requisitions authorizing the Trustee to pay the cost of issuing the Certificates from the proceeds of the Certificates pursuant to the Trust Agreement.

Section 8. Other Acts. The Mayor, the City Clerk, the City Manager and the Finance Director are hereby authorized and directed, jointly and severally, to do any and all things, to execute and deliver any and all documents, which in consultation with the staff and special counsel they may deem necessary or advisable in order to consummate the sale and delivery of the Certificates, or otherwise to effectuate the purposes of this Resolution, and any such actions previously taken by such officers are hereby ratified and confirmed.

Section 9. Effective Date. This resolution shall take effect upon adoption.

ADOPTED, SIGNED AND APPROVED this 20th day of May, 2003.

CITY OF REDLANDS, CALIFORNIA



Karl N. Haws, Mayor

ATTEST:



Beatrice Sanchez, Deputy City Clerk

I, Beatrice Sanchez, Deputy City Clerk of the City of Redlands, hereby certify that the foregoing resolution was duly adopted by the City Council at a regular meeting thereof held on the 15th day of April, 2003, by the following vote:

AYES:	Councilmembers Peppler, Gilbreath, George, Harrison; Mayor Haws
NOES:	None
ABSENT:	None
ABSTAIN:	None



Beatrice Sanchez, Deputy City Clerk
City of Redlands