

RESOLUTION NO. 304

RESOLUTION AUTHORIZING THE EXECUTION AND DELIVERY OF A LEASE PURCHASE AGREEMENT APPROVING THE EXECUTION AND DELIVERY BY SAN LUIS MUNICIPAL PROPERTY CORPORATION OF A LEASE PURCHASE AGREEMENT, TWO SECURITY AGREEMENTS, AND A NOTE; AUTHORIZING THE TAKING OF ALL OTHER ACTIONS NECESSARY TO THE CONSUMMATION OF THE TRANSACTIONS CONTEMPLATED BY THIS RESOLUTION; AND DECLARING AN EMERGENCY

WHEREAS, San Luis Municipal Property Corporation, a nonprofit corporation incorporated pursuant to the laws of the State of Arizona (the "Corporation") to transact any or all lawful business for which nonprofit corporations may be incorporated under the laws of the State of Arizona, including, without limiting the generality of the foregoing, any civic or charitable purpose such as financing the cost of acquiring, constructing and improving buildings, equipment and other real and personal property for use by and leasing to the City of San Luis, Arizona (the "City"); and

WHEREAS, the City has determined that it will be beneficial to finance the acquisition and installation of lighting for certain City ballfields (the "Project"), and the Project furthers the purposes of the City; and

WHEREAS, in order to finance the costs of the Project, the Corporation and the City deem it necessary and desirable for the Corporation to obtain a \$200,000 loan from Bank One, Arizona, NA (the "Bank") and execute and deliver two Security Agreements, dated as of April 17, 1995 (the "Security Agreements"), a Note of the Corporation to the Bank, dated April 17, 1995 (the "Note"), and related documents ("Related Documents"); and

WHEREAS, in connection with the execution and delivery of the Security Agreements and the Note, the Corporation and the City will enter into a Lease Purchase Agreement dated as of April 17, 1995 (the "Lease"), pursuant to which the Corporation will lease the Project to the City in return for annually appropriated rental payments sufficient to pay the principal and interest due on the Note; and

WHEREAS, the Corporation will not make any profit by reason of any business or venture in which it may engage or by reason of the assistance it renders the City in financing the Project, and no part of the net earnings of the Corporation, if any, shall ever inure to the benefit of any person, firm or corporation except the City; and

WHEREAS, there have been placed on file with the Clerk of the City and presented to this meeting (1) the proposed form of the Lease, (2) the

proposed form of the Security Agreements, (3) the proposed form of the Note, and (4) the proposed forms of Related Documents.

NOW, THEREFORE, BE IT RESOLVED BY THE MAYOR AND COUNCIL OF THE CITY OF SAN LUIS, ARIZONA, THAT:

Section 1. The Mayor and Council of the City hereby find and determine that the costs of financing the Project and the execution and delivery of the Lease is in furtherance of the purposes of the City and is in the public interest.

Section 2. The forms, terms and provisions of the Lease and the Related Documents, in the form of the documents (including the exhibits thereto) presented at this meeting are hereby approved, with such insertions, omissions and changes as shall be approved by the Mayor or Vice Mayor of the City, the execution of the Lease and the Related Documents being conclusive evidence of such approval, and the Mayor or Vice Mayor and Clerk of the City are hereby authorized and directed, for and on behalf of the City, to sign and attest the Lease and the Related Documents.

Section 3. The forms, terms and provisions of the Security Agreements, the Note, and the Related Documents, in the form of such documents (including exhibits thereto) presented at this meeting are hereby approved, with such insertions, omissions and changes as shall be approved by the President, Vice-President or Secretary of the Corporation, the execution of such documents being conclusive evidence of such approval.

Section 4. The City hereby requests the Corporation to take any and all action necessary in connection with the Project financing.

Section 5. The City covenants that it will do all things necessary to assist the Corporation in the Project financing.

Section 6. Nothing contained in this Resolution, the Note, the Lease or any other instrument will be construed as obligating the City, except to the extent provided in the Lease, or as incurring a charge upon the general credit of the City; nor will the breach of any agreement contained in the documents or instruments executed in connection herewith impose any charge upon the general credit of the City.

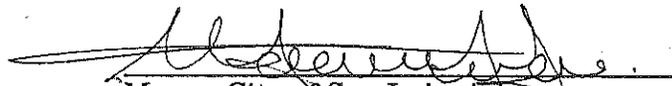
Section 7. This Resolution will be and remain irrevocable until the Note and the interest thereon have been fully paid, cancelled and discharged.

Section 8. If any section, paragraph, clause or provision of this Resolution is, for any reason, held to be invalid or unenforceable, the invalidity or unenforceability of such section, paragraph, clause or provision will not affect any of the remaining provisions of this Resolution.

Section 9. All orders and resolutions or parts thereof inconsistent herewith, are hereby waived to the extent only of such inconsistency. This waiver is not to be construed as reviving any order or resolution or any part thereof.

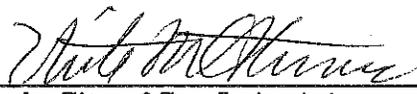
Section 10. The immediate operation of this Resolution is necessary for the financing on the most attractive terms available to the City of the Project and the preservation of the public health and welfare; an emergency is hereby declared to exist; this Resolution will be in full force and effect from and after its passage and approval by the Mayor and Council of the City of San Luis, Arizona, as required by law and this Resolution is hereby exempt from the referendum provisions of the constitution and laws of the State of Arizona.

ADOPTED this 10th day of APRIL, 1995.



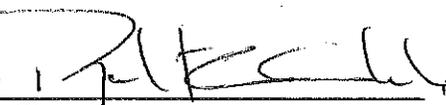
Mayor, City of San Luis, Arizona

ATTEST:



Clerk, City of San Luis, Arizona

APPROVED AS TO FORM:

By 

City Attorney
City of San Luis, Arizona