



Resolution

OFFICE OF THE
MAYOR
CITY OF SAN LUIS

RESOLUTION NO. 918

A RESOLUTION OF THE MAYOR AND COUNCIL OF THE CITY OF SAN LUIS, ARIZONA APPROVING THE ISSUANCE BY THE SAN LUIS FACILITY DEVELOPMENT CORPORATION OF NOT TO EXCEED \$21,000,000 AGGREGATE PRINCIPAL AMOUNT OF SAN LUIS FACILITY DEVELOPMENT CORPORATION SENIOR LIEN PROJECT REVENUE BONDS (SAN LUIS REGIONAL DETENTION CENTER EXPANSION PROJECT) SERIES 2011; AUTHORIZING THE TAKING OF ALL OTHER ACTIONS NECESSARY TO THE CONSUMMATION OF THE TRANSACTIONS CONTEMPLATED BY THIS RESOLUTION.

WHEREAS, San Luis Facility Development Corporation, a nonprofit corporation incorporated and existing pursuant to the laws of the State of Arizona (the "Corporation"), was formed to transact any or all lawful business for which nonprofit corporations may be incorporated under the laws of the State of Arizona (the "State"), including, without limiting the generality of the foregoing, any civic or charitable purpose such as financing or refinancing the cost of acquiring, constructing, reconstructing or improving buildings, equipment or other real and personal properties suitable for use by and for leasing to the City of San Luis, Arizona (the "City") or its agencies or instrumentalities; and

WHEREAS, the City has now determined to finance an additional approximately 250-bed expansion to the San Luis Regional Detention Support and Transfer Center (the "Project"); and

WHEREAS, in order to finance the Project, the City deems it necessary and desirable for the Corporation to issue its not to exceed \$21,000,000 aggregate principal amount of Senior Lien Project Revenue Bonds (San Luis Regional Detention Center Expansion Project), Series 2011 (the "Series 2011 Bonds"); and

WHEREAS, the Series 2011 Bonds and any additional bonds will be secured by a First Supplemental Trust Indenture, dated as of February 1, 2011 (the "First Supplemental Indenture"), between the Corporation and U.S. Bank National Association, as trustee (the "Trustee"), which First Supplemental Indenture supplements that certain Indenture dated as of October 1, 2005 (the "Original Indenture" and together with the First Supplemental Indenture, the "Indenture"); and

WHEREAS, the Series 2011 Bonds will be secured by a First Amendment to Deed of Trust, Assignment of Rents and Leases, and Security Agreement (the "First Amendment to Deed of Trust"), dated as of February 1, 2011, which amends that certain Deed of Trust, Assignment of Rents and Leases, and Security Agreement dated October 1, 2005 (the "Original Deed of Trust" and together with the First Amendment to Deed of Trust, the "Deed of Trust") and the revenues generated by the Project (the "Project Revenues"); and

WHEREAS, the Corporation has not made and does not intend to 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 Corporation's net earnings, if any, will ever inure to the benefit of any person, firm or corporation except the City.

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 financing of the Project, and the issuance of the Series 2011 Bonds by the Corporation pursuant to the terms of the Indenture is in furtherance of the purposes of the City and is in the public interest.

Section 2. The form, terms and provisions of the First Supplemental Indenture, in the form presented at this meeting are hereby approved.

Section 3. The form, terms and provisions of the First Amendment to Deed of Trust, in the form presented at this meeting are hereby approved.

Section 4. The City hereby instructs the Corporation to take any and all action necessary in connection with the issuance and sale of the Series 2011 Bonds in accordance with the terms and provisions of the Indenture.

Section 5. The City hereby approves the issuance and delivery of the Series 2011 Bonds by the Corporation in an aggregate principal amount not to exceed \$21,000,000.

Section 6. The City covenants that it will do all things necessary to assist the Corporation and the Trustee in the issuance and delivery of the Series 2011 Bonds.

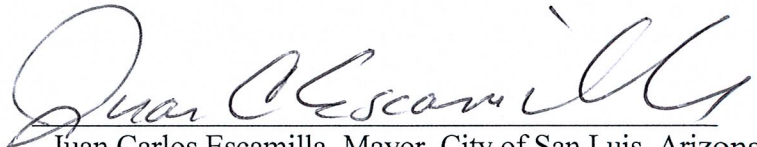
Section 7 The Mayor of the City is hereby authorized, empowered and directed, for and on behalf of the City, to execute and deliver such materials as may be necessary to comply with the requirements of Rule 15C2-12(b)(5) adopted by the Securities and Exchange Commission under the Securities Exchange Act of 1934, as the same may be amended from time to time, with respect to the Series 2011 Bonds.

Section 8. After any of the Series 2011 Bonds are delivered by the Trustee to the Purchaser thereof upon receipt of payment therefor, this Resolution shall be and remain irrevocable until the Series 2011 Bonds and the interest thereon shall have been fully paid, cancelled and discharged.

Section 9. If any section, paragraph, clause or provision of this Resolution shall for any reason be held to be invalid or unenforceable, the invalidity or unenforceability of such section, paragraph, clause or provision shall not affect any of the remaining provisions of this Resolution.

Section 10. All orders and resolutions or parts thereof, inconsistent herewith, are hereby waived to the extent only of such inconsistency. This waiver shall not construed as reviving any order or resolution or any part thereof.

PASSED AND ADOPTED this 1st day of February, 2011.



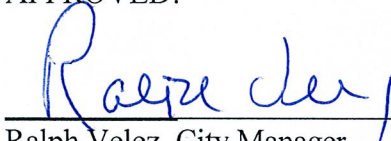
Juan Carlos Escamilla, Mayor, City of San Luis, Arizona

ATTEST:



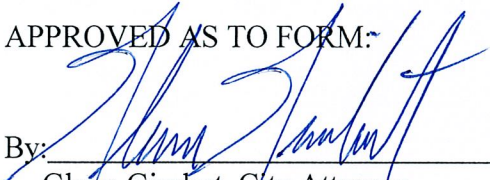
Sonia Cuello, City Clerk, City of San Luis, Arizona

APPROVED:



Ralph Velez, City Manager

APPROVED AS TO FORM:


By: _____
Glenn Gimbut, City Attorney