

SUMMARY OF

Adjourned Regular Meeting of Members
held February 19, 1958

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LOS ANGELES METROPOLITAN TRANSIT AUTHORITY

Minutes of Adjourned Regular Meeting of
the Members of the Authority

February 19, 1958

The members of the Los Angeles Metropolitan Transit Authority met at an adjourned regular meeting at the office of the Authority's General Attorney, Room 1213, 621 South Hope Street, Los Angeles, California, at 9:45 o'clock a.m. (P.S.T.) on February 19, 1958, at which time the Chairman called the meeting to order.

Chairman Hayden F. Jones, Members Dor Belding, Fred S. Dean, Carl P. Miller, Martin S. Pollard, and Arthur J. Will attended. Member Clarence K. Winder was absent. Also present were the General Attorney, Gerald O. Kelly, of Musick, Peeler & Garrett, and David P. Evans of that firm, Executive Director Ralph P. Merritt, Treasurer E. Leroy Tolles, Public Relations Counsel James H. Raport, Nathan D. Rowley of Orrick, Dahlquist, Herrington & Sutcliffe, Howard Finney of Bear, Stearns & Co., Daniel C. Easterday of Bank of America National Trust and Savings Association, Walter Bro, Assistant Cashier of the Securities Department, Los Angeles Headquarters, Bank of America National Trust and Savings Association, and representatives of the press.

The minutes of the regular meeting held on February 6, 1958 were approved as distributed to the Members prior to the meeting.

At 10:00 o'clock a.m. (P.S.T.) the Chairman announced the time had expired for submission of sealed proposals for the purchase of \$40,000,000 principal amount of Series of 1958 Revenue Bonds of the Authority and that no bids had been received up to such time. At the request of the chairman, Howard Finney made a statement concerning the past and future efforts of Bear, Stearns & Co. to make arrangements for the purchase of the Authority's \$40,000,000 Series of 1958 Revenue Bonds.

After discussion, upon motion made, seconded and unanimously carried, it was resolved:

WHEREAS, this Authority by resolution adopted on February 6, 1958, duly authorized the issuance of \$40,000,000 principal amount of its Revenue Bonds designated "Series of 1958" pursuant to and in accordance with the provisions of the certain Trust Indenture dated as of January 1, 1958 between this Authority and Bank of America National Trust and Savings Association as Trustee, and approved by this Authority by resolution adopted on February 6, 1958; and

WHEREAS, this Authority ~~by resolution adopted~~ on February 6, 1958 duly authorized the sale of said Series of 1958 Bonds at public sale on sealed proposals to the highest bidder therefor, subject to the terms and conditions of the Notice of Sale and prescribed bidding form approved by resolution of this Authority adopted on February 6, 1958; and

WHEREAS, Notice of Sale of said Series of 1958 Bonds has been duly given in the manner prescribed by resolution adopted by this Authority on February 6, 1958 and by Section 5.32 of the Los Angeles Metropolitan Transit Authority Act of 1957 (Cal. Stats. 1957 Ch. 547) by publication of said Notice of Sale once at least ten (10) days prior to the date of said sale in two newspapers of general circulation printed and published in the County of Los Angeles, to-wit, in the Los Angeles Times and Los Angeles Examiner on February 7, 1958, as evidenced by the affidavits of publication of said Notice of Sale on file with the minutes of this meeting, (Exhibits 1 and 2) and said Notice of Sale was also published once in The Daily Bond Buyer, City of New York, New York, on February 7, 1958, as evidenced by the Affidavit of Publication on file with the minutes of this meeting (Exhibit 3); and

WHEREAS, the hour of 10:00 a.m. (P.S.T.), February 19, 1958 having arrived and there having been submitted to the Authority no sealed proposals;

NOW THEREFORE, BE IT RESOLVED by the members of Los Angeles Metropolitan Transit Authority as follows:

1. That the Chairman or Vice Chairman of this Authority be and each of them hereby is authorized to execute with Bear, Stearns & Co. an amendment to the Agreement of September 12, 1957 between the Authority and Bear, Stearns & Co. whereby the Authority will have until 8:00 a.m. of March 3, 1958 in which to get into the hands to Bear, Stearns & Co. notice of the Authority's election pursuant to paragraph 8 (A) of said Agreement of September 12, 1957 to require Bear, Stearns to bid on the Authority's Standby Bonds in accordance with the terms and conditions of said Agreement.

2. That the Chairman or Vice Chairman of this Authority be and each of them hereby is authorized to execute an Option Agreement with Bear, Stearns & Co. and John Nuvven & Co. in the form of that document attached hereto as Exhibit 4.

3. The third paragraph of Section 1002 of said Trust Indenture is hereby amended by deleting therefrom the words "the Bond Reserve Fund" the first two times that said words appear in said paragraph.

4. That in the event Bear, Stearns & Co. and John Nuveen & Co., Inc. shall purchase the \$40,000,000 principal amount of Los Angeles Metropolitan Transit Authority Revenue Bonds, Series of 1958, in accordance with the form of Option Agreement hereto attached as Exhibit 4, said Bear, Stearns & Co. and John Nuveen & Co. shall be and hereby are empowered to specify the Paying Agents of the Authority in Chicago, Illinois and in New York, New York; and the Paying Agents in said cities so specified are hereby appointed the Paying Agents of the Authority for said \$40,000,000 principal amount of Series of 1958 Revenue Bonds to serve in said capacity pursuant to the provisions of the Trust Indenture dated as of January 1, 1958 between the Authority and Bank of America National Trust and Savings Association.

Approval of Form of Definitive Bond

After discussion, upon motion made, seconded and un-
animously carried, it was

RESOLVED, that the form of Definitive Bond as set forth in the Trust Indenture, which Trust Indenture was approved by this Authority at its meeting on February 6, 1958, be and is hereby approved.

Approval of Joint Track Agreement with Pacific Electric

After discussion, upon motion made, seconded and un-
animously carried, it was

RESOLVED, that the joint track agreement between this Authority and Pacific Electric Railway Company in the form hereto attached as Exhibit 5 be and it is hereby approved, and that Hayden F. Jones, Chairman of this Authority, and Ralph P. Merritt, Secretary of this Authority, be and they are hereby authorized to execute said Agreement on behalf of the Authority and when the Los Angeles Transit Lines and Metropolitan Beach Lines purchases are consummated.

Approval of General Agreement with Pacific Electric

After discussion, upon motion made, seconded and unanimously carried, it was

RESOLVED, that the general agreement between this Authority and Pacific Electric Railway Company in the form hereto attached as Exhibit 6 be and it is hereby approved, and that Baylen F. Jones, Chairman of this Authority and Ralph P. Merritt, Secretary of this Authority, be and they are hereby authorized to execute said agreement on behalf of this Authority in and when the Los Angeles Transit Lines and Metropolitan Coach Lines purchases are consummated.

Approval of Agreement for Safeguarding of Securities

After discussion, upon motion made, seconded and unanimously carried, it was

RESOLVED, that the Agreement for Safeguarding of Securities to Secure Deposits of Local Agency with Member Bank of Federal Reserve Bank of San Francisco between the Authority, Bank of America National Trust and Savings Association and Federal Reserve Bank of San Francisco in the form hereto attached as Exhibit 7 be and it is hereby approved and that E. Leroy Tolles, Treasurer of this Authority, be and he is hereby authorized to execute said agreement on behalf of this Authority.

Authorization for Certificate of Authority of Officers

After discussion, upon motion made, seconded and unanimously carried, it was

RESOLVED, that the Chairman and Secretary be and they are hereby authorized to execute a Certificate of Authority of Officers to the Bank of America National Trust and Savings Association; and that the officers named therein have been duly elected and are now qualified to sign as such officers on behalf of the Authority; and that the specimen signatures appearing opposite the names and titles on the attached certificate (Exhibit 8) are the genuines

signatures of such officers and that the Bank of America National Trust and Savings Association, Corporate Trust Department is authorized to recognize these signatures until written notice to the contrary is given to said Bank.

Authorized Signatures for checks and drafts

After discussion, upon motion made, seconded and un-
animously carried, it was

RESOLVED, that the Bank of America National Trust and Savings Association as a designated depository of this Authority be and it (including its correspondent banks) is hereby requested, authorized and directed to honor all checks, drafts or other orders for the payment of money drawn in the Authority's name on its accounts (including those drawn to the individual order of any person or persons whose names appear thereon as signer or signers thereof) when bearing the facsimile signatures of the following, as indicated

Signed by

E. Leroy Tolles,
Treasurer

Countersigned by any one
of the following

Hayden F. Jones, Chairman
Don Belding, Assistant
Chairman
Ralph P. Merritt, Executive
Director

and the Bank of America National Trust and Savings Association (including its correspondent banks) shall be entitled to honor and to charge the Authority for all such checks, drafts or other orders for the payment of money, regardless of by whom or by what means the actual facsimile signature or signatures thereon may have been affixed thereto, if such facsimile signature or signatures resemble the facsimile specimens from time to time filed with the Bank of America National Trust and Savings Association by the Secretary or other officer of the Authority. That all previous authorizations for the signing and honoring of checks, drafts or other orders for the payment of money drawn on the said Bank of America National Trust and Savings Association by the Authority are hereby continued in full force and effect as amplified hereby.

Capital Stock and Surplus Accounts of Asbury

There was presented to the meeting a letter directed to the Executive Director of the Authority under date of February 17, 1958 by Jesse L. Haugh, President of Metropolitan Coach Lines, a copy of which letter (and the attached form of corporate resolution of Asbury Rapid Transit System) is appended as Exhibit 9 to these minutes. After discussion, upon motion made, seconded and unanimously carried, it was

RESOLVED, that the changes in the capital stock and surplus accounts of Asbury Rapid Transit System outlined in the letter of February 17, 1958 from Jesse L. Haugh to the Executive Director of the Authority be and they hereby are approved.

RESOLVED FURTHER, that authority is hereby given to Asbury Rapid Transit System to make its promissory demand note to the order of Metropolitan Coach Lines in an amount not exceeding \$120,000, bearing no interest prior to demand and interest at the rate of 5% per annum from demand until payment, and to deliver said note to Metropolitan Coach Lines in partial satisfaction of sums to which Metropolitan Coach Lines will be entitled from Asbury Rapid Transit System on the date of the acquisition by this Authority of certain properties of Metropolitan Coach Lines under the terms of Paragraph 2 of Section VII of the Purchase Agreement entered into under date of April 4, 1957, between the Authority and Metropolitan Coach Lines.

RESOLVED FURTHER, that the Chairman or Vice Chairman of the Authority or its Executive Director be and each of them hereby is authorized to execute on behalf of the Authority such instrument or instruments, if any, as may be necessary or appropriate to evidence the matters authorized by the foregoing resolutions, and -- in the event this Authority shall acquire said properties of Metropolitan Coach Lines covered by said Purchase Agreement -- to cause the promissory note referred to in the foregoing

resolutions to be paid on the date of acquisition of said properties or within 120 days thereafter.

Los Angeles Transit Lines Retirement Income Plan

After discussion, upon motion made, seconded and unanimously carried, it was resolved:

WHEREAS, Los Angeles Transit Lines presently has in effect the Los Angeles Transit Lines Retirement Income Plan, promulgated as of August 17, 1948, as amended June 1, 1952, and a related Agreement of Trust of said date of August 17, 1948 with Bank of America National Trust and Savings Association, as Trustee under said Plan; and

RESCINDED
BY
RESOLUTIONS
ADOPTED
MAR. 25, 1958

WHEREAS, the Letter Agreement dated July 24, 1956, between this Authority and said Los Angeles Transit Lines provides that said Plan and Agreement of Trust shall be assigned to and assumed by this Authority,

NOW THEREFORE, IT IS HEREBY

RESOLVED, that subject to the closing of the sale of substantially all of the assets of Los Angeles Transit Lines to this Authority pursuant to said Letter Agreement of July 24, 1956, this Authority does hereby adopt said Plan as its Plan, subject to all of the terms and conditions of said Plan, as amended; and

RESOLVED FURTHER, that subject to the closing of the sale of said assets, this Authority hereby adopts said Agreement of Trust between Los Angeles Transit Lines, Trustor, and Bank of America National Trust and Savings Association, Trustee, and becomes the successor corporation thereunder, and adopts said Agreement of Trust and assumes and succeeds to all powers, rights, discretions, obligations, and immunities of the original Corporation thereunder, with the same effect as though said Authority were originally named therein as the Corporation; and

RESOLVED FURTHER, that the Secretary of this Authority is hereby authorized and directed to deliver a copy of these resolutions, duly attested by the Chairman and Secretary of this Authority to said Trustee, to the Pension Committee provided in said Plan for the administration thereof and to Transportation Union, Division-1277, Amalgamated Association of Street, Electric Railway and Motor Coach Employees of America.

RESCINDED
BY
RESOLUTIONS
ADOPTED
MAR. 25, 1958

Insurance

Ralph P. Merritt, Executive Director, reported that the Resolution of the Authority of the meeting of February 6, 1958 re insurance binders proved to be inadequate and he expressed the necessity of a further resolution. After discussion, upon motion made, seconded and unanimously carried, it was:

RESOLVED, that the Executive Director be and is hereby authorized to enter into an interim insurance arrangement with the carriers presently insuring Los Angeles Transit Lines to provide all coverage required under the Trust Indenture for a period not to exceed six months for all insurance presently carried by Los Angeles Transit Lines as required by the Trust Indenture; and

RESOLVED FURTHER, that the Executive Director be and is hereby authorized to enter into an interim insurance agreement with the carriers presently insuring the Metropolitan Coach Lines to provide all coverage required under the Trust Indenture for a period not to exceed six months; and

RESOLVED FURTHER, that the Executive Director be and is hereby authorized to enter into an interim insurance agreement arrangement with carriers presently insuring Los Angeles Transit Lines to provide all coverage required under the Trust Indenture for Metropolitan Coach Lines which is not presently carried by Metropolitan Coach Lines, in the form required by the Trust Indenture; and

RESOLVED FURTHER, that the Executive Director be and he is hereby authorized to enter into an interim insurance agreement arrangement with the State Compensation Insurance Fund to provide for Workmen's Compensation coverage required under the Trust Indenture, provided that it is not legally possible to continue such insurance under present carriers; and

RESOLVED FURTHER, that the Executive Director be and is hereby authorized to enter into an interim insurance arrangement with carriers for either Los Angeles Transit Lines or Metropolitan Coach Lines for such insurance as may be required by the Trust Indenture which is not presently carried by either company for a period of not to exceed six months; and

RESOLVED FURTHER, that the Executive Director be and is hereby authorized to secure proposals from the insurance analysis firms in the Los Angeles area for a complete analysis of the insurance coverage required under the Trust Indenture and the best possible arrangements to secure the same.

Discussion re
Election of Officers

By common consent, the consideration of a resolution relating to changing the Rules and Regulations in respect to the election date of officers of the Authority, was postponed until the regular March meeting.

Meeting to Reconvene

After discussion, on motion made, seconded and unanimously carried, it was

RESOLVED, that the meeting be adjourned and that it reconvene at 7:00 a.m. on March 3, 1958 in the Officers Dining Room, 10th Floor, Title Insurance and Trust Company, 433 South Spring Street for the purpose of adopting such resolutions and taking such other action as may be necessary to the sale of the Series of 1958 Revenue Bonds of the Authority, closing

the purchase agreements with Los Angeles Transit Lines and Metropolitan Coach Lines and transacting such other business as may properly come before the meeting under the Authority's Rules and Regulations.

RALPH P. MERRITT
Secretary