

LOS ANGELES METROPOLITAN TRANSIT AUTHORITY

Minutes of Adjourned Regular Meeting of
the Members of the Authority

March 3, 1958

SUMMARY OF

Adjourned Regular Meeting of Members
held March 3, 1958

<u>Action taken:</u>	<u>Page No.</u>
Bonds, sale of (rescinded resolutions adopted 2/6/58)	1
Sales Taxes on purchase of LATL & MCL properties	5
Petty Cash Fund, establishment of	6
Asbury Rapid Transit System, dissolution of	6
Asbury obligation to B of A, assumption of	6
Appointment of Officers, etc. General Manager Ass't General Manager Controller Ass't Treasurers (4)	7
Authorized Signatures	7
MCL Claims Dept. Employees	8
Certificate of Authority of Officers	9

LOS ANGELES METROPOLITAN TRANSIT AUTHORITY

Minutes of Adjourned Regular Meeting of
the Members of the Authority

March 3, 1958

The members of the Los Angeles Metropolitan Transit Authority met at an adjourned regular meeting at the Title Insurance and Trust Company, 433 South Spring Street, 10th Floor, Los Angeles, California, at 7:30 o'clock a.m. (P.S.T.) on March 3, 1958, at which time the Chairman called the meeting to order.

Chairman Hayden F. Jones, Members Fred S. Dean, Carl P. Miller, Martin E. Pollard, Arthur J. Will and Clarence A. Winder attended. Member Don Belding was absent. Also present were the General Attorney Gerald G. Kelly, of Musick, Peeler & Garrett, and Roderick M. Hills of that firm, Executive Director Ralph P. Merritt, Treasurer E. Leroy Tolles, Public Relations Counsel James H. Raport, and representatives of the press.

The minutes of the adjourned regular meeting held on February 19, 1958 were approved as distributed to the Members prior to the meeting.

Sale of Bonds

After discussion, upon motion made, seconded and unani-

mously carried, it was resolved:

WHEREAS, this Authority, by resolution duly adopted on February 6, 1958, approved the Trust Indenture dated as of January 1, 1958 (hereinafter called the "Trust Indenture") between this Authority and Bank of America National Trust and Savings Association, as Trustee, and by resolution duly adopted on February 19, 1958 duly amended the Trust Indenture as therein set forth; and

WHEREAS, this Authority by resolution duly adopted on February 6, 1958 duly authorized the issuance of \$40,000,000 principal amount of its Revenue Bonds designated "Series of 1958" (hereinafter called the "Bonds") and offered the Bonds for public sale at 10:00 A.M. (PST) on February 19, 1958 on sealed proposals to the highest bidder therefor, subject to the terms and conditions of the Notice of Sale of the Bonds (hereinafter called the "Notice of Sale") approved by resolution adopted at said meeting on February 6, 1958; and

WHEREAS, no sealed proposals for the Bonds were received by this Authority up to 10:00 A.M. (PST) on February 19, 1958 (the date and time specified in the Notice of Sale as the date and time until which such sealed proposals would be received by this Authority); and

WHEREAS, a banking group managed by Bear, Stearns & Co. and John Nuveen & Co., Inc. (hereinafter called "the Purchasers") by letter to this Authority dated February 19, 1958 submitted a proposal to this Authority for an option to purchase the Bonds, to be exercised by the Purchasers at or before 8:00 A.M. (PST) on March 3, 1958, and said proposal was accepted by resolution duly adopted by this Authority on February 19, 1958, and the chairman of this Authority, pursuant to authorization set forth in said resolution, executed an option agreement with the Purchasers dated February 19, 1958 (hereinafter called the "Option Agreement") and the Option Agreement provides that the Bonds shall mature at the times, in the amounts and bear interest as follows:

<u>Year of Maturity</u>	<u>Amount</u>	<u>Rate of Interest</u>
March 1, 1961	\$ 900,000	5 %
March 1, 1962	950,000	5 %
March 1, 1963	1,000,000	5-1/4%
March 1, 1964	1,050,000	5-1/4%
March 1, 1965	1,100,000	5-1/2%
March 1, 1966	1,150,000	5-1/2%
March 1, 1967	1,200,000	5-1/2%
March 1, 1968	1,275,000	5-1/2%
March 1, 1969	1,350,000	5-1/2%
March 1, 1970	1,400,000	5-1/2%
March 1, 1983	28,625,000	5-3/4%

and shall otherwise be as described in the Notice of Sale; and

WHEREAS, the Purchasers by letter dated February 28, 1958, attached hereto as Exhibit 1, have exercised the option granted to them as set forth in the Option Agreement; and

WHEREAS, Section 5.32 of the Los Angeles Metropolitan Transit Authority Act of 1957 (Cal. Stats. 1957 Chapter 547) provides that this Authority, after advertising bonds for public sale as provided in said section, may thereafter sell the bonds so advertised for sale at private sale to any financially responsible bidder, including a fiscal agent or advisor or other agent referred to in Section 3.6(a) of said Act, either bidding alone or in conjunction with others, on such terms and conditions as this Authority deems most advantageous to its own interests;

NOW, THEREFORE, BE IT RESOLVED by the members of LOS ANGELES METROPOLITAN TRANSIT AUTHORITY as follows:

1. That this Authority hereby determines that the sale of the Bonds to the Purchasers pursuant to the Option Agreement is most advantageous to the interests of this Authority.

2. That the Bonds are hereby sold to the Purchasers pursuant to the Option Agreement at the purchase price of \$38,812,396.08, plus accrued interest to the date of delivery thereof at the interest rates to be borne by the Bonds as hereinafter set forth. This Authority

hereby finds that said purchase price for the Bonds is less than their par or face value but that none of the Bonds hereby sold is sold at a price which will result in a sale price for such Bonds and for all of the Bonds yielding to the purchaser thereof an average of more than six (6) per cent per annum, payable semi-annually, according to standard tables of bond values.

3. That the Bonds shall bear interest at the rates hereinafter set forth, payable semi-annually on March 1 and September 1 of each year:

<u>Coupon Bond Numbers (inclusive)</u> <u>(All bearing Prefix "M")</u>	<u>Rate of Interest</u>
1 - 900	5 %
901 - 1850	5 %
1851 - 2850	5- ¹ / ₄ %
2851 - 3900	5-1/ ₄ %
3901 - 5000	5-1/ ₂ %
5001 - 6150	5-1/ ₂ %
6151 - 7350	5-1/ ₂ %
7351 - 8625	5-1/ ₂ %
8626 - 9975	5-1/ ₂ %
9976 - 11375	5-1/ ₂ %
11376 - 40000	5-3/ ₄ %

4. That Section 206 of the Trust Indenture is hereby amended by inserting in the blank spaces in the third column of the schedule at the bottom of page 21 of the Trust Indenture said rates of interest hereinabove set forth, and Hayden F. Jones, Chairman of this Authority, and Ralph P. Merritt, Secretary of this Authority, be and they are hereby authorized to execute the Trust Indenture as so amended on behalf of this Authority, and said Hayden F. Jones or said Ralph P. Merritt be and each of them is hereby authorized to deliver the Trust Indenture as so amended to the Trustee named therein.

5. That the Chairman or Executive Director and the Secretary or Treasurer of this Authority be and they hereby are authorized and empowered to execute a request or requests to Bank of America National Trust and Savings Association to execute the Trust Indenture as Trustee thereunder.

6. That this Authority hereby directs that the Bonds shall be delivered by the Trustee to the Purchasers upon payment by the Purchasers of said purchase price; that the Properties to be acquired by this Authority through the issuance of the Bonds are the Los Angeles Transit Lines Properties, as defined in paragraph (11) of Article I of the Trust Indenture, the Metropolitan Coach Lines Properties, as defined in paragraph (12) of said Article I, cash working funds for the operation of said Properties and capital improvements thereto, all as specified in Section 301 of Article III of the Trust Indenture; and said Bank of America National Trust and Savings Association, as Trustee under the Trust Indenture, is hereby requested, authorized and directed as Trustee to authenticate and to deliver the Bonds to the Purchasers, upon payment by them of said purchase price, in definitive coupon form, numbered M-1 to M-40,000 and maturing and bearing interest as hereinabove set forth and otherwise as described in Section 206 of the Trust Indenture, which said Section 206, as amended by paragraph 3 of this resolution, is hereby incorporated herein and by this reference made a part of this paragraph 6.

7. That the officers of this Authority be and they are hereby authorized and empowered to do all things and to execute all documents which may be deemed by them to be necessary or proper in order to carry out the intent and purposes of this resolution and the resolutions adopted by this Board at its meetings on February 6 and February 19, 1958, pertaining to the sale and issuance of the Bonds.

8. That The Chase Manhattan Bank, City of New York, State of New York, and Harris Trust and Savings Bank, City of Chicago, State of Illinois, be and the same are hereby appointed New York Paying Agent and Chicago Paying Agent, respectively, of this Authority for the Bonds, to serve in said capacity pursuant to the provisions of the Trust Indenture.

9. That the Official Statement of this Authority relating to the Bonds, in the final form attached hereto and marked Exhibit 2, be and it is hereby approved; that the Executive Director of this Authority be and he is hereby authorized and directed to date

said Official Statement March 3, 1958 and to sign said Official Statement, to cause said Official Statement to be printed at the expense of this Authority in such quantity as shall be requested by the Purchasers, and to deliver printed copies of said Official Statement to the Purchasers for distribution; and that the distribution of said Official Statement by the Purchasers to potential investors in said Bonds and to other interested persons is hereby authorized.

Sales taxes on purchases of LATL and MCL:

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

WHEREAS, by the terms of the purchase agreement dated July 24, 1955 between the Authority and Los Angeles Transit Lines (as heretofore supplemented and confirmed) and by the terms of the purchase agreement dated April 4, 1957 between the Authority and Metropolitan Coach Lines (as heretofore supplemented) the Authority is obligated to pay to the respective sellers the amount of the state and local sales taxes which said sellers become obligated to pay to the respective taxing authorities by reason of the sale to the Authority of the properties covered by said purchase agreements; and

WHEREAS, the Authority and the said respective sellers have been unable to agree upon the amount of such sales taxes payable by said respective sellers on account of the sale of said properties to the Authority; and the Authority has requested Los Angeles Transit Lines to compute said sales taxes on the taxable sale figure of \$21,604,000 and has requested Metropolitan Coach Lines to compute said sales taxes on the taxable sale figure of \$13,596,374; and

WHEREAS, neither of said sellers is willing to use said figures requested by the Authority in computing and reporting sales taxes due by reason of the sale of said properties unless the Authority will undertake to pay in full, when due, the amounts of any additional sales taxes payable by either or both of said sellers by reason of the sale of said properties to the Authority, and undertake further to indemnify each of said sellers from any loss, cost, damage, penalties or interest by reason of their com-

puting said sales taxes on the figures so requested by the Authority;

NOW, THEREFORE, BE IT RESOLVED, that the Chairman or Vice Chairman, together with the Secretary, of this Authority be and they hereby are authorized and directed to execute in the name of the Authority and to deliver to Los Angeles Transit Lines and Metropolitan Coach Lines, respectively, such instrument or instruments as may be necessary or appropriate (i) for the Authority to assume the obligations of said sellers, respectively, for any deficiency in the amounts of state and local sales taxes reported and paid to the respective taxing authorities by reason of the computation of such taxes on the basis of the figures requested by the Authority as recited in the preamble to this resolution, and (ii) for the Authority to indemnify said sellers, respectively, against any loss, cost, damage, penalties or interest which may result from the computation and reporting of said sales taxes on the basis of said figures requested by the Authority.

Petty Cash Fund

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

RESOLVED, that a Petty Cash Fund in the amount of \$26,000 for cash operating needs be and it is hereby established, and that the officers of the Authority be and they are hereby authorized to take any and all action which may be necessary or appropriate in connection with the establishment and use thereof.

Dissolution of Asbury

It was then reported that all of the outstanding stock of Asbury Rapid Transit System had been acquired by the Authority and that Messrs. Jones, Merritt and Winder had been elected as the sole directors of Asbury Rapid Transit System.

Accordingly, a meeting of the Board of Directors of Asbury

Rapid Transit System was held for the purpose of authorizing the dissolution of that corporation and the transfer of all its assets to the Authority.

Assumption of Obligation of Asbury to Bank of America

It was pointed out that in order to conserve cash it would be desirable to assume the obligation of Asbury Rapid Transit System to the Bank of America in the amount of \$63,000.00.

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

RESOLVED, that the officers of the Authority be and they are hereby authorized to assume and agree to pay in accordance with its terms the obligations of Asbury Rapid Transit System to the Bank of America in the amount of \$63,898.96, and to execute such instruments as may be necessary or appropriate in connection therewith.

Appointment of General Manager, etc.

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

RESOLVED, that the following named individuals be and they hereby are appointed to the positions and offices set forth opposite their names:

Cone T. Bass
R. F. Mac Nally
W. W. Wakelee
S. Underwood
T. V. Collins
E. H. Uecker
J. L. Pujol

General Manager
Assistant General Manager
Controller
Assistant Treasurer
Assistant Treasurer
Assistant Treasurer
Assistant Treasurer

9

Authorized Signatures for checks and drafts

After discussion, upon motion made, seconded and unanimously 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
S. Underwood,
Assistant Treasurer
T. V. Collins, Assistant
Treasurer
E. H. Uecker, Assistant
Treasurer
J. L. Pujol, Assistant
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.

Former MCL Claims Department Employees:

Mr. Merritt noted that the Authority must offer employment for one year to all employees of Metropolitan Coach Lines. The present employees of the Claims Department of Metropolitan Coach Lines will not be needed by the Authority since Transit Casualty Company will perform the work for the Authority. Accordingly, Mr. Merritt asked for authorization to enter into agreements with Transit Casualty Company and with the Claims Department employees to offer them employment with Transit Casualty Company.

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

RESOLVED, that Hayden F. Jones, Chairman of this Authority, and Ralph P. Merritt, Secretary of this Authority, be and they are hereby authorized to enter into such agreements with Transit Casualty Company and with the Claims Department employees of Metropolitan Coach Lines as may be necessary to offer these employees employment with Transit Casualty Company.

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 form of certificate (Exhibit 3) are the genuine