

NEW ISSUE

In the opinion of Stradling, Yocca, Carlson & Rauth, a Professional Corporation, Newport Beach, California, Special Counsel, under existing laws, regulations, rulings and judicial decisions, the portion of each lease payment due under the Lease Agreement designated as and comprising interest and received by the owners of the Certificates of Participation is exempt from present California personal income taxes, is excluded from gross income for federal income tax purposes and is not an item of tax preference for purposes of the federal alternative minimum tax imposed on individuals and corporations, subject to certain limitations as described herein under "Tax Exemption". See "Tax Exemption" herein for a statement concerning the effect that the accrual or receipt of interest with respect to the Certificates may have on the federal income tax liability of the recipient.

**\$10,650,000**

**CERTIFICATES OF PARTICIPATION**

**(City of Poway 1988 Capital Improvement Project-Poinsettia Mobilehome Park)**

**Evidencing Fractional Undivided Interests of the Owners  
Thereof in Lease Payments to Be Made by the**

**CITY OF POWAY**

**As Rental for Certain Property Pursuant to a  
Lease Agreement with the**

**POWAY REDEVELOPMENT AGENCY**

**Dated: May 1, 1988**

**Due: June 1, as shown below**

The Certificates are being sold, executed and delivered to finance the acquisition of certain land encompassing a mobilehome park and existing improvements thereon and the construction and installation of certain additional improvements for the purpose of rehabilitation of the park (the "Project"). The Project is located within the City of Poway, California, and will be leased to the City by the Poway Redevelopment Agency pursuant to the Lease Agreement (as defined herein).

Interest with respect to the Certificates will be payable on June 1 and December 1 of each year commencing December 1, 1988. The Certificates will be delivered in fully registered form in denominations of \$5,000 or any integral multiple thereof. Principal of Certificates is payable at the corporate trust office of the Trustee, Security Pacific National Bank, Los Angeles, California. Interest with respect to Certificates is payable by check or draft mailed to the registered owners thereof. Upon the written request of an owner of \$1,000,000 or more in principal amount of Certificates, submitted to the Trustee on or before the applicable record date, interest shall be paid by wire transfer in immediately available funds to an account designated by such Certificate owner in the request. The Certificates are subject to redemption prior to maturity as described herein.

**MATURITY SCHEDULE**

**\$1,065,000 Serial Certificates — Price 100%**

<u>Maturity (June 1)</u>	<u>Principal Amount</u>	<u>Interest Rate</u>	<u>Maturity (June 1)</u>	<u>Principal Amount</u>	<u>Interest Rate</u>
1992	\$125,000	6.50%	1996	\$160,000	7.40%
1993	130,000	6.75	1997	175,000	7.60
1994	140,000	7.00	1998	185,000	7.75
1995	150,000	7.20			

**\$9,585,000 8.375% Term Certificate Due June 1, 2018, Price 100%  
(Plus accrued interest from May 1, 1988)**

The City is legally required under the Lease Agreement to make Lease Payments (as defined herein), the interest and principal components of which comprise the interest and principal due with respect to the Certificates. The City has agreed in the Lease Agreement to include the Lease Payments due in each fiscal year in its budget for that fiscal year and to make the necessary appropriations for the Lease Payments. The obligation of the City to make the Lease Payments constitutes an absolute and unconditional obligation of the City, but only as a current expense for the fiscal year with respect to which such appropriation of amounts for Lease Payments has been made, payable from the general revenues of the City lawfully available therefor. Neither the Certificates nor the obligation of the City to make Lease Payments constitutes an indebtedness of the City of Poway, the Poway Redevelopment Agency, the State of California or any political subdivision thereof, within the meaning of the Constitution of the State of California or otherwise, or an obligation for which the City is obligated to levy or pledge any form of taxation or for which the City has levied or pledged any form of taxation or for which the City has pledged its general revenues, funds or moneys.

The Certificates are offered when, as and if sold, executed and delivered, subject to the approval as to their legality by Stradling, Yocca, Carlson & Rauth, a Professional Corporation, Newport Beach, California, Special Counsel. Certain legal matters will be passed upon for the Underwriter by its counsel, Bowie, Arneson, Kadi & Dixon, Newport Beach, California. It is anticipated that the Certificates in definitive form, will be available for delivery in New York, New York on or about June 15, 1988.

**Drexel Burnham Lambert**  
INCORPORATED

Dated: June 15, 1988