

PUBLIC FACILITIES FINANCING AUTHORITY OF
THE CITY OF SAN DIEGO
FA-96-4
ADOPTED ON NOVEMBER 6, 1995

AN RESOLUTION OF THE COMMISSION OF THE PUBLIC FACILITIES FINANCING AUTHORITY OF THE CITY OF SAN DIEGO AUTHORIZING THE ISSUANCE OF NOT TO EXCEED \$350,000,000 PRINCIPAL AMOUNT OF ITS SEWER REVENUE BONDS, APPROVING THE FORMS OF AND AUTHORIZING THE EXECUTION AND DELIVERY OF A SECOND SUPPLEMENTAL INDENTURE, A 1995-1 SUPPLEMENT TO THE MASTER INSTALLMENT PURCHASE AGREEMENT, AN OFFICIAL STATEMENT, A PURCHASE CONTRACT AND A CONTINUING DISCLOSURE AGREEMENT RELATING TO AN INSTALLMENT PURCHASE FINANCING AND APPROVING CERTAIN OTHER AGREEMENTS AND ACTIONS IN CONNECTION THEREWITH.

WHEREAS, the Public Facilities Financing Authority of the City of San Diego (the "Authority"), is a joint exercise of powers entity duly organized and existing under the laws of the State of California to provide financial assistance to The City of San Diego (the "City"); and

WHEREAS, the City desires to acquire, construct, install and improve, or cause the acquisition, construction, installation and improvement of its wastewater system (the "Project") and in furtherance of such desire the Authority has commenced such acquisition, construction, installation and improvement; and

WHEREAS, in order to effect such acquisition, construction, installation and improvement, the Authority and the City have entered into a Master Installment Purchase Agreement (the "Installment Purchase Agreement") and a 1993-1 Supplement to the Installment Purchase Agreement (the "1993-1 Supplement") pursuant to which the Authority has sold and will sell components of the Project to the City; and

WHEREAS, in order to provide for the acquisition, construction, installation and improvement of additional components of the Project, it is proposed that the Authority and the City enter into a 1995-1 Supplement to the Master Installment Purchase Agreement (the "1995-1

Supplement"), pursuant to which the Authority will sell additional components of the Project to the City; and

WHEREAS, to provide funds for the purchase of certain components of the Project, the Authority issued and there are now outstanding its Sewer Revenue Bonds, Series 1995 (Payable Solely from Installment Payments Secured by Wastewater System Net Revenues) (the "1995 Bonds"); and

WHEREAS, in order to provide for the authentication and delivery of the 1993 Bonds and any additional bonds (the 1993 Bonds and any additional bonds being collectively referred to herein as the "Bonds"), to establish and declare the terms and conditions upon which the Bonds are to be issued and secured and to secure the payment of the principal thereon, premium, if any, and interest thereon, the Authority has previously entered into an Indenture, dated as of September 15, 1993 between the Authority and State Street Bank and Trust Company of California, N.A. (the "Trustee"), as supplemented by the First Supplemental Indenture, dated as of May 1, 1994, between the Authority and the Trustee (collectively, the "Prior Indenture"); and

WHEREAS, it is proposed that in order to provide funds for the purchase of additional components of the Project, that the Authority issue its Sewer Revenue Bonds, Series 1995 (Payable Solely from Installment Payments Secured by Wastewater System Revenues) (the "1995 Bonds"); and

WHEREAS, in order to provide for the authentication and delivery of the 1995 Bonds, it is proposed that the Authority and the Trustee enter into a Second Supplemental Indenture (the "Second Supplemental Indenture"), amending and supplementing the Prior Indenture; and

WHEREAS, the Authority desires to sell the 1995 Bonds by negotiated sale to Morgan Stanley & Co., Incorporated, as representative of a group of underwriters (the "Underwriters") pursuant to the Purchase Contract (as defined below); and

WHEREAS to facilitate compliance by the Underwriters with the provisions of Rule 15c2-12 of the Securities and Exchange Commission in connection with their purchase and resale of the 1995 Bonds, it is proposed that the Authority, the City and the Trustee enter into a Continuing Disclosure Agreement (as defined below); and

WHEREAS, there has been presented to this Commission of the Authority the form of each of the 1995-1 Supplement, the Second Supplemental Indenture, the Official Statement (as defined below), the Purchase Contract and the Continuing Disclosure Agreement and the Commission of the Authority has examined and approved such documents and desires to authorize and direct the execution of such documents; NOW, THEREFORE,

BE IT RESOLVED, that the Commission of the Authority does determine and order as follows:

SECTION 1. The issuance of the 1995 Bonds in the aggregate

principal amount of not to exceed Three Hundred Fifty Million Dollars (\$350,000,000) on the terms and conditions set forth in and subject to the limitations specified in the Prior Indenture as amended and supplemented by the Second Supplemental Indenture, are hereby authorized and approved. The Bonds are authorized to be executed by the manual or facsimile signature of the Chairman of Authority and the seal of the Authority is authorized to be affixed or imprinted thereon and attested to by the manual or facsimile signature of the Secretary/Treasurer of the Authority. The seal of the Authority may be produced in the facsimile form. The Bonds, when so executed, are authorized to be delivered to the Trustee for authentication.

SECTION 2. The form, terms and provisions of the 1995-1 Supplement by and between the City and the Authority, submitted to this meeting is hereby approved, and the Chairman or Vice Chairman of the Authority and their respective specified designees and each of them, are hereby authorized and directed, for and in the name and behalf of the Authority, to execute and deliver the 1995-1 Supplement in substantially the form presented to this meeting, and the Secretary/Treasurer of the Authority or their respective specified designee is each authorized to attest thereto, with such additions and changes therein as the Chairman, Vice Chairman or their respective specified designees shall require or approve, such approval to be conclusively evidenced by the execution and delivery thereof with such additions or changes, provided however, that the aggregate amount of Component Installment Payments (as defined in the 1995-1 Supplement) attributable to principal shall not exceed Three Hundred Fifty Million Dollars (\$350,000,000) and Component Installment Payments shall be payable during a period of not more than the maximum period permitted by law, and the interest rate decision relating to fixed rate payments by City of the amount of Component Installment Payments attributable to interest, shall not exceed eight percent (8.00%) per annum.

SECTION 3. The form, terms and provisions of the Second Supplemental Indenture by and between the Authority and the State Street Bank and Trust Company of California, N.A., as Trustee, submitted to this meeting is hereby approved, and the Chairman or Vice Chairman of the Authority and their respective specified designees and each of them, are hereby authorized and directed, for and in the name of and on behalf of the Authority, to execute and deliver the Second Supplemental Indenture in substantially the form presented to this meeting, and the Secretary/Treasurer of the Authority or his specified designee is each authorized to attest thereto, with such additions and changes therein as the Chairman, Vice Chairman or their respective specified designees shall require or approve, such approval to be conclusively evidenced by the execution and delivery of the Second Supplemental Indenture, with such additions and changes.

Section 4. The form of the Purchase Contract (the "Purchase

Contract"), by and among the Authority, the City and the Underwriters, submitted to this meeting is hereby approved, and the Chairman or Vice Chairman of the Authority and their respective specified designees and each of them, are hereby authorized and directed to execute and deliver for and in the name and on behalf of the Authority, the Purchase Contract in substantially the form presented to this meeting, and the Secretary/Treasurer of the Authority or his specified designee is each authorized to attest thereto, with such additions and changes therein as the Chairman, Vice Chairman or their respective specified designee shall require or approve, such approval to be conclusively evidenced by the execution and delivery thereof with such additions and changes. In connection with the execution and delivery of the Purchase Contract, the Chairman, Vice Chairman or their respective specified designee is further authorized to negotiate the principal amount of the 1995 Bonds to be sold pursuant to the Purchase Contract up to a maximum aggregate amount of Three Hundred Fifty Million Dollars (\$350,000,000), and the true interest cost of the issue shall not exceed eight percent (8.00%) per annum, and the maximum aggregate underwriter's discount from the principal amount of the 1995 Bonds shall not exceed one and one-half percent (1-1/2%) of the aggregate principal amount thereof.

SECTION 5. The form of the preliminary official statement relating to the 1995 Bonds (the "Preliminary Official Statement"), submitted to this meeting, is hereby approved for use in connection with the public offering of the 1995 Bonds with such changes as may be approved by the Chairman or Vice Chairman of the Authority or their respective specified designee and the attorney for the Authority or his designee. The Chairman or Vice Chairman of the Authority or their respective specified designees and each of them, is hereby authorized on behalf of the Authority to determine that the Preliminary Official Statement is deemed "final" (as it relates to the Authority) for the purposes of Rule 15c2-12 promulgated under the Securities Exchange Act of 1934, as amended with the advice of Orrick, Herrington & Sutcliffe and Lofton, De Lancia & Nelson, as Co-Bond Counsel. The Chairman or Vice Chairman of the Authority or their respective specified designee is hereby authorized and directed to assist in the preparation of a final Official Statement (the "Official Statement") in substantially the form of the Preliminary Official Statement and the Chairman or Vice Chairman of the Authority is authorized to execute and deliver the Official Statement relating to the 1995 Bonds. The distribution of the Official Statement in connection with the public offering of the 1995 Bonds is hereby approved.

SECTION 6. The form, terms and provisions of a Continuing Disclosure Agreement (the "Continuing Disclosure Agreement"), by and among the City, the Authority and the Trustee, submitted to this meeting is hereby approved, and the Chairman or Vice Chairman of the Authority and their respective specified designees and each of them, are hereby authorized and directed, for and in the name of and behalf of the

Authority, to execute and deliver the Continuing Disclosure Agreement in substantially the form presented to this meeting, and the Secretary/Treasurer of the Authority or his specified designee is each authorized to attest thereto, with such additions and changes therein as the Chairman, Vice Chairman or their respective specified designees shall require or approve, such approval to be conclusively evidenced by the execution and delivery thereof with such additions or changes.

SECTION 7. All actions theretofore taken by any officer or officers of the Authority, with respect to the issuance or sale of the Bonds, or in connection with or related to any of the agreements referenced herein or the financing of the Project are hereby approved, confirmed and ratified; and the Chairman of the Authority, the Vice Chairman of the Authority, the attorney for the Authority, and deputy attorney, the Secretary/Treasurer of the Authority, any Assistant Secretary of the Authority and other officers of the Authority are, and each of them acting alone is, hereby authorized and directed, for and in the name and on behalf of the Authority, to do any and all things and take any and all actions and to execute and deliver such documents, agreements and certificates, which they, or any of them, may deem necessary or advisable in order to effectuate the purposes of this resolution.

SECTION 8. This resolution shall take effect immediately upon its adoption.

APPROVED: JOHN W. WITT, General Counsel

By

Kelly J. Salt

Deputy General Counsel

KJS:pev

10/24/95

Or.Dept:Fin.Mgmt

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