

PUBLIC FACILITIES FINANCING AUTHORITY

RESOLUTION NO. FA-99-1

ADOPTED ON JULY 22, 1998

A RESOLUTION OF THE COMMISSION OF THE PUBLIC FACILITIES FINANCING AUTHORITY OF THE CITY OF SAN DIEGO APPROVING THE FORMS OF AND AUTHORIZING THE EXECUTION AND DELIVERY OF A FOURTH SUPPLEMENTAL INDENTURE, A 1998-1 SUPPLEMENT TO THE MASTER INSTALLMENT PURCHASE AGREEMENT, AND APPROVING CERTAIN OTHER 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"), a 1993-1 Supplement to the Installment Purchase Agreement (the "1993-1 Supplement"), a 1995-1 Supplement to the Installment Purchase Agreement (the "1995-1 Supplement"), and a 1997-1 Supplement to the Installment Purchase Agreement (the "1997-1 Supplement")

pursuant to which the Authority has sold certain 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 1998-1 Supplement to the Installment Purchase Agreement (the "1998-1 Supplement"), a copy of which is on file in the office of the City Clerk as Document No. OO-18556-2, 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 1993 (Payable Solely from Installment Payments Secured by Wastewater System Net Revenues) (the "1993 Bonds"), its Sewer Revenue Bonds, Series 1995 (Payable Solely from Installment Payments Secured by Wastewater System Net Revenues) (the "1995 Bonds"), and the Sewer Revenue Bonds Series 1997-A and Series 1997-B (payable solely from Installment Payments secured by Wastewater System Net Revenues) (the "1997 Bonds"); and

WHEREAS, in order to provide for the authentication and delivery of the 1993 Bonds, the 1995 Bonds, the 1997 Bonds and any additional bonds (the 1993 Bonds, the 1995 Bonds the 1997 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, the Second Supplemental Indenture dated as of December 1, 1995 and the Third Supplemental Indenture, dated February 1, 1997 (collectively, the "Prior Indentures"); and

WHEREAS, in order to provide funds for the purchase of certain components of the Project, and in order that such components may be sold by the Authority to the City pursuant to the Installment Purchase Agreement and the 1998-1 Supplement, it is proposed that a surety policy (the "Surety") be substituted for the funds on deposit in the debt service reserve fund (the "Reserve Fund") established pursuant to the Indenture; and

WHEREAS, in order to provide for the substitution of the Surety, it is proposed that the Authority and the Trustee enter

into a Fourth Supplemental Indenture (the "Fourth Supplemental Indenture"), a copy of which is on file in the office of the City Clerk as Document No. OO-18556-1, amending and supplementing the Prior Indentures; and

WHEREAS, there has been presented to this Commission of the Authority the form of each of the 1998-1 Supplement and the Fourth Supplemental Indenture, and the Commission of the Authority has examined such documents and desires to approve such documents and 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:

1. That the statements set forth above in the recitals are true and correct.

2. That the form, terms and provisions of the 1998-1 Supplement by and between the City and the Authority, submitted to this meeting are hereby approved, and the Chairman of the Authority and his respective specified designees and each of them, are hereby authorized and directed, for and in the name and on behalf of the Authority to execute and deliver the 1998-1 Supplement in substantially the form presented to this meeting, and the Secretary/Treasurer of the Authority or his respective specified designee is each authorized to attest thereto, with such additions and changes therein as the Chairman or his respective specified designees shall require or approve, such approval to be conclusively evidenced by the execution and delivery thereof with such additions or changes, and with such other changes that may be required by the general counsel to the Authority.

3. The form, terms and provisions of the Fourth 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 are hereby approved, and the Chairman of the Authority and his 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 Fourth 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 or his respective specified designees shall require or approve, such approval to be conclusively evidenced by the execution and delivery of the Fourth Supplemental Indenture.

4. All actions heretofore taken by any officer or officers of the Authority, with respect to the substitution of the

Surety, 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 attorney for the Authority, and deputy attorney, the Secretary/ Treasurer 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 to 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 to effectuate the purposes of this resolution.

5. This resolution shall take effect immediately upon its adoption.

APPROVED: CASEY GWINN, General Counsel

By

Kelly J. Salt  
Deputy General Counsel

KJS:pev

7/7/98

Or.Dept:Fin.&Tech.Svcs

FA-99-1

Form=r&t.res