

RESOLUTION NUMBER R- 266868

ADOPTED ON OCT 27 1986

WHEREAS, the City Council of the City of San Diego (the "City") has, by Ordinance No. O-15586 (New Series), adopted by the Council on September 14, 1981, enacted an Act pursuant to the City of San Diego Economic Development Revenue Bond Law, as amended, (the "Law"), constituting Divisions 1, 2, 3 and 4 of Article 7 of Chapter IX of the Municipal Code of the City, authorized and established procedures for the sale and issuance of revenue bonds by the City for the purpose of providing financing to participating parties for economic development purposes and authorizing the appropriate officers of the City to take any and all action, to execute and deliver any and all agreements and documents necessary or advisable to consummate the lawful issuance and delivery of the bonds authorized by the Law; and

WHEREAS, by its Application dated October 10, 1986, San Diego Gas & Electric Company (the "Participating Party") has requested the assistance of the City in connection with financing of the costs of acquisition and construction of the Project Facilities generally described in Exhibit A hereto (and more particularly described in the Participating Party's Application) (the "Facilities"), and the Participating Party has requested that the City take action, subject to appropriate conditions, looking towards the potential issuance of its economic development revenue bonds (the "Bonds") for such purposes; and

WHEREAS, the City desires to assist the Participating Party in the financing of the Facilities; NOW, THEREFORE,

BE IT RESOLVED, by the Council of The City of San Diego, as follows:

Section 1. The Council of the City finds and determines that construction and financing of the Facilities would be in furtherance of one or more of the public purposes set forth in the Law and would promote the health, safety and welfare of the residents of the City and that it is necessary and essential and a proper public purpose that the Facilities be financed at the earliest practicable date.

Section 2. The Council of the City further finds that the Facilities are of the type described in Section 97.0301(b) of the Law and eligible to be financed by the Law.

Section 3. The City hereby evidences its present intent to authorize and issue by ordinance up to an aggregate of not to exceed \$700,000,000 of its Bonds, as may be requested by the Participating Party from time to time, in amounts sufficient to finance the costs of acquiring and constructing the Facilities described in Exhibit A (together, in each case, with related financing transaction costs) or any other gas or electric distribution Facilities located in or directly associated with the service area of the Participating Party, to the extent that, in the opinion of bond counsel, interest on Bonds issued to finance such costs shall be exempt from federal income taxation.

Section 4. The City shall proceed to prepare or cause to be prepared the documentation necessary for the City to issue not to

exceed \$75 million of the Bonds as aforesaid, the Participating Party having paid the required application fee and having provided satisfactory assurance that it will bear the cost of preparation of the necessary financing documents.

Section 5. The City hereby authorizes the City Manager or his designee to execute and file carryforward elections pursuant to Section 103(n) of the Internal Revenue Code of 1954, as amended, or Section 146(f) of the Internal Revenue Code of 1986 with respect to State of California private activity bond volume cap allocated or transferred to the City with respect to the \$75 million portion of the Facilities.

Section 6. The Bonds shall be payable solely from the revenues to be received by the City pursuant to one or more loan agreements or other agreements to be entered into by the City and the Participating Party in connection with the financing of the Facilities, under which the Participating Party will be obligated to pay amounts sufficient to make all payments of principal, premium (if any) and interest on the Bonds when due, and the Bonds shall not be deemed to constitute a debt or liability of the City under any constitutional, charter or statutory debt limitations. Neither the faith and credit nor the taxing powers of the City shall be subject to the payment of the principal of, or premium, if any, or interest on the Bonds.

Section 7. Preparation of the necessary documents and issuance of the Bonds shall be subject to the following conditions:

a. the City and the Participating Party shall first agree to mutually acceptable terms for the offer and sale of each proposed issuance of the Bonds and the sale and delivery thereof and mutually acceptable terms and conditions for the loan or other agreement for the financing of the Facilities, reserving to each party the unrestricted discretion to determine when in each such party's sole judgment such terms are acceptable;

b. all requisite governmental approvals shall have first been obtained; and

c. the Law shall be in effect.

Section 8. It is the purpose and intent of the City that this resolution constitutes official action toward the issuance of obligations by the City for the Facilities in accordance with Section 1.103-8(a)(5) of Regulations promulgated by the United States Department of the Treasury under Section 103 of the Internal Revenue Code of 1954, as amended, or any comparable regulations promulgated under the Internal Revenue Code of 1986.

Section 9. It is not the purpose or intent of the City that, by adopting this resolution, the City shall be precluded from adopting similar resolutions in connection with other proposed projects which may come forward in the future which would involve the sale of revenue bonds by the City. The City specifically reserves the right, from time to time, to choose between and among all proposed projects involving the proposed sale of revenue bonds and to exercise its discretion as to which, if any, projects shall be approved for the issuance of such bonds. The


City shall be neither legally nor morally obligated to sell the revenue bonds as described herein.

Section 10. The Participating Party's selection of Salomon Brothers Inc. and Merrill Lynch Pierce, Fenner & Smith Inc. as co-managing underwriters to offer and sell the first \$75 million of the Bonds, and Orrick, Herrington & Sutcliffe as bond counsel is hereby approved.

Section 11. Whether any Bonds are issued, the City shall not incur any expense as a result hereof and any and all costs charged to the City related to the Participating Party's Application or to the Bonds shall be paid by the Participating Party.

APPROVED: JOHN W. WITT, City Attorney

By

  
Harold O. Valderhaug  
Deputy City Attorney

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10/13/86  
10/23/86 REV.1  
Or.Dept:Prop.  
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OCT 27 1986

Passed and adopted by the Council of The City of San Diego on.....  
by the following vote:

Council Members	Yeas	Nays	Not Present	Ineligible
Abbe Wolfsheimer	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Bill Cleator	<input type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>
Gloria McColl	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
William Jones	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Ed Struiksma	<input type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>
Mike Gotch	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Judy McCarty	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Uvaldo Martinez	<input type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>
Mayor Maureen O'Connor	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>

AUTHENTICATED BY:

MAUREEN O'CONNOR  
Mayor of The City of San Diego, California.

CHARLES G. ABDELNOUR  
City Clerk of The City of San Diego, California.

(Seal)

By *Barbara Bayler*, Deputy.

Office of the City Clerk, San Diego, California

Resolution Number *R-266868* Adopted *OCT 27 1986*