

RESOLUTION NUMBER R- 283437

ADOPTED ON FEB 22 1994

WHEREAS, the City of San Diego (the "City") caused the execution and delivery of the City of San Diego Certificates of Participation (Balboa Park and Mission Bay Park Capital Improvement Program) Series 1991 (the "1991 Certificates") to finance components of the initial phase of a multi-phased program designed to improve certain real properties and construct certain improvements in Balboa and Mission Bay Parks; and

WHEREAS, the 1991 Certificates were executed and delivered pursuant to a Trust Agreement, dated as of July 15, 1991 (the "Original Trust Agreement"), by and among the City, the San Diego Facilities and Equipment Leasing Corporation (the "Corporation") and Bank of America National Trust and Savings Association, as trustee ("Bank of America"); and

WHEREAS, the City and the Corporation heretofore entered into a Facilities Lease (the "Original Lease") dated as of July 15, 1991; and

WHEREAS, the City has determined that in order to reduce the aggregate amount of lease payments due under the Original Lease, it is necessary to provide for refinancing of the City's obligations under the Original Lease, and to that end, the City has determined that it is necessary and desirable to amend the Original Lease pursuant to a First Amendment to Facilities Lease (the "First Amendment to Facilities Lease"); and

WHEREAS, the City and the Corporation have determined that it would be in the best interests of both, through the execution and delivery of City of San Diego Certificates of Participation (Balboa Park and Mission Bay Park Capital Improvements Program) Refunding Series 1994 (the "1994 Certificates") pursuant a First Supplemental Trust Agreement, tentatively dated as of March 1, 1994 (the "First Supplemental Trust Agreement") by and among the City, the Corporation and First Interstate Bank of California, as successor trustee to Bank of America (the "Trustee"), to use the proceeds thereof (i) to establish an escrow fund to be used to pay debt service on the 1991 Certificates so as to defease all or a portion of the same and (ii) to pay the costs of issuance with respect to the 1994 Certificates; NOW THEREFORE,

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

Section 1. Authorization of 1994 Certificates. The City hereby authorizes and approves of the execution and delivery of the 1994 Certificates, in an aggregate principal amount not to exceed \$13,000,000.00, said principal amount to be sufficient, as determined by the City in consultation with its financial advisors, to partially or fully defease the 1991 Certificates. The 1994 Certificates shall be in substantially the form set forth in the First Supplemental Trust Agreement, with such appropriate variations, omissions, insertions and provisions as are permitted or required by the First Supplemental Trust Agreement.

Section 2. Sale of 1994 Certificates. The 1994 Certificates shall represent interest components at the rates established by offering the 1994 Certificates at public sale

pursuant to the Notice of Intention to Sell Certificates, the Notice of Sale and the Official Bid Form (which documents are hereby ratified and approved by the City in substantially the forms attached hereto as Exhibits A and C, with such changes as the Designated Officer deems to be in the best interests of the City). The Designated Officer is hereby authorized and directed to cause the publication of the Notice of Intention to Sell Certificates at least fifteen (15) days prior to the sale of the 1994 Certificates. The Designated Officer is hereby authorized to solicit the lowest responsible bid for the 1994 Certificates in accordance with the terms of the Notice of Sale. The Designated Officer is hereby authorized to accept the lowest responsible bid among all bidders and to award the sale as prescribed in the Declaration of Award, which Declaration is hereby ratified and approved by the City in substantially the form attached hereto as Exhibit D, with such changes as the Designated Officer deems to be in the best interests of the City.

Section 3. Authorization of the Preliminary and Final Official Statements. The Preliminary Official Statement, a copy of which is before the Council and is on file in the office of the City Clerk as Document No. 283437 hereby approved for use in connection with the public offering of the 1994 Certificates, with such changes as may be approved by the Designated Officer, the City Attorney or the City's financial advisors, which form of Preliminary Official Statement is hereby in all respects approved and incorporated by reference and made a part hereof. The Designated Officer is authorized to certify to the underwriters of the 1994 Certificates (the "Underwriters") on behalf of the City that the Preliminary Official Statement is deemed final as

of its date within the meaning of Rule 15c2-12 promulgated under the Securities Exchange Act of 1934 (the "Rule") (except for the omission of certain final pricing, rating and related information as permitted by the Rule). The Designated Officer is authorized to execute and deliver a final official statement relating to the 1994 Certificates (the "Official Statement") in substantially the form of said Preliminary Official Statement with such additions and changes as the Designated Officer shall approve as being in the best interests of the City, such approval to be conclusively evidenced by the execution of said Official Statement. The Designated Officer is authorized and directed to cause the printing and delivery of the Preliminary Official Statement and the Official Statement. The City's financial advisors and the Underwriters are hereby authorized to distribute copies of the Preliminary Official Statement and the Official Statement to prospective purchasers of the 1994 Certificates and all actual purchasers of the 1994 Certificates from the Underwriters acting in such capacity.

Section 4. Bond Insurance. The Designated Officer is hereby authorized to apply for and obtain Municipal Bond Insurance for some or all of the 1994 Certificates, provided that the Designated Officer determines, based upon consultation with the City's financial advisors, that the present value cost of the insurance is less than the present value of the estimated interest component savings with respect to the 1994 Certificates to be insured. The Designated Officer is hereby authorized and directed, for and in the name of and on behalf of the City, to execute and deliver a contract for Municipal Bond Insurance if

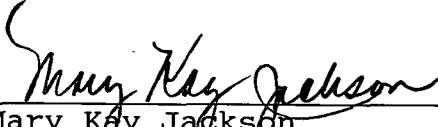
such contract is deemed desirable, and in the best interests of the City, and as is approved as to form by the City Attorney, and with such other changes that may be required by nationally recognized bond counsel in order to maintain the tax exempt status of the interest represented by the 1994 Certificates, such approval to be conclusively evidenced by such officer's execution and delivery of said contract, which form of contract is hereby in all respects approved and incorporated by reference and made a part hereof.

Section 5. Ratification of Actions. All actions heretofore taken by any officer, employee or agent of the City with respect to the execution, delivery or sale of the 1994 Certificates, or in connection with or related to any of the agreements or documents referenced herein, are hereby approved, confirmed and ratified.

Section 6. General Authorization. The City Manager of the City, or designee, is hereby authorized and directed, for and in the name of and on behalf of the City, to take such actions and to execute such documents and certificates as may be necessary to effectuate the purposes of this Resolution.

APPROVED: JOHN W. WITT, City Attorney

By



Mary Kay Jackson
Deputy City Attorney

MKJ:mb
02/08/94
02/16/94 Corr.
Or.Dept:F.M.
R-94-1153
Form=r+t

NOTICE OF INTENTION TO SELL CERTIFICATES OF PARTICIPATION

\$ _____ *

**CITY OF SAN DIEGO CERTIFICATES OF PARTICIPATION
(BALBOA PARK AND MISSION BAY PARK CAPITAL
IMPROVEMENTS PROGRAM) REFUNDING SERIES 1994**

The City of San Diego (the "City") intends to receive sealed bids until 10:00 a.m., San Diego time, on Tuesday,

March 22, 1994

at the City of San Diego, 202 "C" Street, City Administration Building, 8th Floor Conference Room, San Diego, California 92101, for the above-captioned Certificates of Participation, dated March 15, 1994 and maturing [or subject to sinking account redemption] on July 15 in the years 1994 to 2021 inclusive or on such other dates as described in the Official Notice of Sale. If the purchase of the Certificates of Participation is not awarded on March 22, 1994, the City will again offer the Certificates of Participation on any business day with 24 hour advance notice provided over Munifacts until the Certificates of Participation are awarded. Bidders are urged to watch Munifacts for any changes in the date or time for receiving bids.

Copies of the Preliminary Official Statement to be distributed in connection with the sale of said Certificates of Participation, the Official Notice of Sale, the Official Bid Form, and the relevant legal documents may be obtained from the City at the address indicated above or from the City's Co-Financial Advisors: Public Resources Advisory Group, 21 West Street, Suite 2700, New York, NY 10006; E.J. De La Rosa & Co., Inc., 11444 West Olympic Boulevard, Tenth Floor, Los Angeles, California 90064; or Municipal Capital Management, Inc., 2677 Centinela Avenue, Suite 104, Santa Monica, California 90405.

Given by order of the City of San Diego.

Dated: _____, 1994

*Preliminary, subject to change.

DECLARATION OF AWARD OF THE
CITY OF SAN DIEGO CERTIFICATES OF PARTICIPATION
(BALBOA PARK AND MISSION BAY PARK CAPITAL IMPROVEMENTS
PROGRAM) REFUNDING SERIES 1994
BY THE CITY MANAGER

WHEREAS, the City Council of the City of San Diego, California (the "City Council") as provided in Resolution No. _____ dated _____, 1994 (the "Resolution") approved the public sale of the City of San Diego Certificates of Participation (Balboa Park and Mission Bay Park Capital Improvements Program) Refunding Series 1994 (the "Certificates of Participation"), in accordance with the Official Notice of Sale regarding the Certificates of Participation; and

WHEREAS, the City Council authorized the City Manager to award the Certificates of Participation by execution and delivery of this Declaration of Award of the Certificates of Participation (the "Declaration"); and

WHEREAS, in response to the Official Notice of Sale, the City Manager received the bid proposals for the Certificates of Participation specified in Schedule A attached hereto, which were and are the only bid proposals received for such Certificates of Participation;

NOW, THEREFORE, the City Manager of the City of San Diego hereby finds, determines, declares and resolves as follows:

Section 1. All of the recitals hereto are true and correct.

Section 2. This City Manager, in the name and on behalf of the City Council, hereby (a) accepts the proposal of _____ and awards the Certificates of Participation in accordance with such proposal, (b) directs the reduction in size of the issue of Certificates of Participation to \$ _____, and (c) directs that the various maturities of the Certificates of Participation be as specified in Schedule B hereto.

Section 3. All other bid proposals are rejected.

Section 4. Except as provided in Section 2 hereof, the terms and conditions of the Certificates of Participation shall in all respects be the same as provided in the Resolution.

Section 5. In accordance with the Resolution, the Clerk of the City Council is directed to cause to be prepared a sufficient number of typewritten Certificates of Participation, said Certificates of Participation to show on their face that the same are numbered, are in the denomination and bear interest at the rates specified in the winning proposal.

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Section 6. In accordance with the Resolution, the City Manager of the City and the Clerk of the City Council are hereby authorized and directed to execute and deliver the Certificates of Participation to the successful purchaser thereof. All actions heretofore taken by the officers and agents of the City or the City Council, with respect to this sale and issuance of the Certificates of Participation are hereby approved, confirmed and ratified and the officers of the City and of the City Council are hereby authorized and directed, for and in the name and on behalf of the City Council, to do any and all things and take any and all actions and execute any and all certificates, agreements and other documents which they, or any of them, may deem necessary or advisable in order to consummate the lawful issuance and delivery of the Certificates of Participation in accordance with this Declaration and resolutions heretofore adopted by the City Council.

Section 7. This Declaration shall take effect for and after its execution.

Dated: _____, 1994

City Manager of the
City of San Diego

SCHEDULE A
BID PROPOSALS

SCHEDULE B

REVISED BOND MATURITIES

NOTICE OF SALE

\$ _____
 City of San Diego, California
 Certificates of Participation
 (Balboa Park and Mission Bay Park Capital Improvements Program)
 Refunding Series 1994
 Evidencing Proportionate Interests of the Owners Thereof In
 Lease Payments to Be Made by the
 CITY OF SAN DIEGO
 Pursuant to a Facilities Lease, as amended by a First Amendment to Facilities Lease, with the
 San Diego Facilities and Equipment Leasing Corporation

Sealed proposals will be received by the City Manager, [for his designated representative], of the City of San Diego, California. (the "City") for the purchase of \$ _____ * Certificates of Participation (Balboa Park and Mission Bay Park Capital Improvements Program) Refunding Series 1994 (the "Certificates") representing the proportionate interests of the Owners thereof in certain lease payments (the "Lease Payments") to be made by the City of San Diego, California (the "City") pursuant to a Facilities Lease, as amended by a First Amendment to the Facilities Lease (collectively, the "Amended Lease"), with the San Diego Facilities and Equipment Leasing Corporation (the "Corporation"). Sealed proposals will be received until the following time at the following location:

Date & Time: Tuesday, March 22, 1994
 10:00 a.m. (San Diego time)

Location: City of San Diego
 202 "C" Street
 City Administration Building
 8th Floor Conference Room
 San Diego, CA

Description of the Certificates

The Certificates will be executed and delivered only as fully registered certificates in book-entry form. The Certificates will be dated March 15, 1994 and will be executed and delivered in denominations of \$5,000 or any integral multiple thereof. Interest with respect to the Certificates will be calculated on a 30/360 day basis and will be payable semi-annually on July 15 and January 15, commencing July 15, 1994.

Principal with respect to the Certificates will be paid (subject to the right of prior prepayment) through serial maturities and/or term maturities with annual mandatory prepayments on July 15 in the following years and amounts:

<u>July 15</u>	<u>Preliminary Annual Principal Amount*</u>	<u>July 15</u>	<u>Preliminary Annual Principal Amount*</u>
1994	\$ _____	2008	\$ _____
1995	_____	2009	_____
1996	_____	2010	_____
1997	_____	2011	_____
1998	_____	2012	_____
1999	_____	2013	_____
2000	_____	2014	_____
2001	_____	2015	_____
2002	_____	2016	_____
2003	_____	2017	_____
2004	_____	2018	_____
2005	_____	2019	_____
2006	_____	2020	_____
2007	_____	2021	_____

* Preliminary; subject to change as described herein.

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Authorization and Security

The proceeds of the sale of the Certificates will be used to advance refund a portion of the City of San Diego, California Certificates of Participation (Balboa Park and Mission Bay Park Capital Improvements Program) Series 1991 (the "Refunded Certificates"). The Certificates are payable solely from and secured by a pledge and assignment of lease payments, payable by the City, pursuant to the Amended Lease.

Optional Prepayment

Certificates maturing on and after July 15, ____ are subject to prepayment at the option of the City, on or after July 15, ____ and prior to maturity, in whole or in part at any time pro rata among all maturities and by lot within any maturity), at the following prices (expressed as a percentage of the principal amount of the Certificates to be prepaid) plus accrued interest to the prepayment date.

<u>Prepayment Period</u>	<u>Prepayment Price</u>
July 15, ____ to July 14, ____, inclusive.....	____ %
July 15, ____ to July 14, ____, inclusive.....	____ %
July 15, ____ and thereafter.....	____ %

Whenever Certificates are to be prepaid, the City shall cause notice of the call for prepayment to be sent by registered or certified mail not less than 30 nor more than 60 days before the redemption date, to the registered owner of any Certificate to be prepaid. If less than all of the Certificates of a series are called for prepayment, the Certificates to be prepaid shall be pro rata among all maturities and by lot within a maturity. During the period that DTC or its nominee is registered owner of the Certificates, the City shall not be responsible for mailing notices of prepayment to Beneficial Owners. The original Certificates to be immobilized at DTC will be prepared under the supervision of and authentication of First Interstate Bank of California, as Trustee.

Extraordinary Optional Prepayment

The Certificates are subject to prepayment, in whole or in part, on any business day from prepaid Lease Payments made by the City from Insurance Proceeds received by the City pursuant to the title insurance policy required to be maintained under the Facilities Lease or due to a casualty loss or governmental taking by eminent domain proceedings of any item or portion of the Facilities at a prepayment price equal to the principal amount represented thereby to the date fixed for prepayment, without premium. Lease Payments would be prepaid in the event the City elects not to apply such amounts to repair or replace such item or portion of the Facilities in accordance with the provisions of the Facilities Lease and Trust Agreements.

Mandatory Prepayment

If the successful bidder designates principal amounts of the Certificates to be combined into one or more term Certificates (which may only be done for principal amounts in consecutive years and only for the years after ____) each such term Certificate shall be subject to mandatory prepayment commencing on July 15 of the first year which has been combined to form such term Certificate and continuing on July 15 in each year thereafter until the stated maturity date of that term Certificate. The amount prepaid or paid at maturity in any year shall be equal to the principal amount for such year set forth in the foregoing maturity schedule, as adjusted in accordance with the provisions described below under the caption "Adjustments to Principal Amount." Certificates to be prepaid in any year by mandatory sinking fund redemption shall be redeemed at par and selected by lot from among the Certificates of the same maturity. The City may credit against any mandatory prepayment requirement term Certificates of the maturity then subject to prepayment which have been purchased and cancelled by the City or have been prepaid and not therefore applied as a credit against any mandatory prepayment requirement.

Book-Entry Only

Initially, one Certificate for each maturity will be issued to The Depository Trust Company, New York, New York ("DTC") or its nominee, which will be designated as the securities depository for the Certificates. So long as DTC is acting as

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securities depository for the Certificates, a book-entry system will be employed, evidencing ownership of the Certificates in principal amounts of \$5,000 and multiples thereof, with transfers of ownership effected on the records of DTC and its participants pursuant to rules and procedures established by DTC and its participants. Principal, prepayment premium, if any, and interest with respect to the Certificates will be payable in clearinghouse funds to DTC or its nominee as registered owner of the Certificates. Principal, prepayment premium, if any, and interest with respect to the Certificates will be payable in lawful money of the United States of America by the Trustee. Transfers of principal, prepayment premium, if any, and interest payments to beneficial owners (the "Beneficial Owners") will be the responsibility of such participants and other nominees of the Beneficial Owners. The City will not be responsible or liable for maintaining, supervising or reviewing the records maintained by DTC, its participants or persons acting through such participants.

In the event that (a) DTC determines not to continue to act as securities depository for the Certificates, (b) the City determines that DTC is incapable of discharging its duties or that continuation with DTC as securities depository is not in the best interests of the City or (c) the City determines that continuation of the book-entry system of evidence and transfer of ownership of the Certificates is not in the best interests of the City or the Beneficial Owners, the City will discontinue the book-entry system with DTC. If the City fails to identify another qualified securities depository to replace DTC, the City will cause the execution and delivery of replacement certificates in the form of fully registered certificates.

Bid Specifications

Bidders are invited to name the rate or rates of interest that the Certificates are to bear, in multiples of 1/8 or 1/20 of one percent. Any number of rates may be named. Each bidder must specify in its bid the amount and maturities of Certificates of each rate. Certificates maturing on the same date must bear interest at the same rate. No maturity of the Certificates may bear an interest rate lower than the interest rate on any earlier maturity of the Certificates. Bids must be for not less than 99% of the par value of the aggregate principal amount of the Certificates (based on the Revised Amounts as described below), plus accrued interest from the dated date (March 15, 1994) to the date of delivery of the Certificates. No bid for other than all of the Certificates will be considered. No telephone, telegraph or teletype bids will be accepted.

All bids must be unconditional and must be on the official bid form, without alteration or change, which may be obtained from the offices of the Financial Advisors, at the addresses shown in the last paragraph of this Notice of Sale. Each bid should be enclosed in a sealed envelope, marked on the outside "Bid for Certificates of Participation (Balboa Park and Mission Bay Park Capital Improvements Program) Refunding Series 1994".

Good Faith Deposit

A Good Faith Deposit (the "Deposit") in the form of a certified or cashier's check drawn on a responsible bank or trust company or a Financial Surety Bond in the amount of \$100,000 payable to the order of the City is required for each bid to be considered. If a check is used, it must accompany each bid. If a Financial Surety Bond is used, it must be from an insurance company licensed to issue such a bond in the State of California and such bond must be submitted to the City or its Financial Advisors prior to the opening of the bids. The Financial Surety Bond must identify each bidder whose Deposit is guaranteed by such Financial Surety Bond. If the Certificates are awarded to a bidder utilizing a Financial Surety Bond, then that purchaser (the "Purchaser") is required to submit its Deposit to the City in the form of a wire transfer not later than 9:00 a.m. (San Diego time) on the next business day following the award of the Certificates. If such Deposit is not received by that time, the Financial Surety Bond may be drawn by the City to satisfy the Deposit requirement. No interest on the Deposit will accrue to the Purchaser. The Deposit will be applied to the purchase price of the Certificates. In the event the Purchaser fails to honor its accepted bid, the Deposit will be retained by the City in satisfaction of the damages the City suffers by reason of the successful bidder's failure. The bidders agree that such damages are incapable of calculation and that the amount of the check is appropriate as liquidated damages for such nonperformance of the successful bidder(s).

Adjustments to Principal Amount

The preliminary aggregate principal amount of the Certificates and the preliminary annual principal amounts as set forth in this Notice of Sale (the "Preliminary Aggregate Principal Amount" and the "Preliminary Annual Principal Amounts," respectively; collectively, the "Preliminary Amounts") may be revised before the opening of the sealed bids for the purchase of the Certificates. Any such revision (the "Revised Aggregate Principal Amount" and the "Revised Annual Principal Amounts," respectively; collectively, the "Revised Amounts") WILL BE ANNOUNCED ON MUNIFACTS NOT LATER THAN 10:00 A.M. (SAN DIEGO TIME) ON THE LAST BUSINESS DAY PRIOR TO ANY ANNOUNCED DATE FOR RECEIPT OF BIDS. In the event that no such revisions are made, the Preliminary Amounts will constitute the Revised Amounts. BIDDERS SHALL SUBMIT BIDS BASED ON THE REVISED AMOUNTS.

After selecting the winning bid, the City will determine the final aggregate principal amount of the Certificates and each final annual principal amount (the "Final Aggregate Principal Amount" and the "Final Annual Principal Amounts," respectively; collectively, the "Final Amounts"). In determining the Final Amounts, the City will not increase or reduce any Revised Annual Principal Amount by more than 10% of such amount. THE SUCCESSFUL BIDDER MAY NOT WITHDRAW ITS BID OR CHANGE THE INTEREST RATES BID OR THE INITIAL REOFFERING PRICES (AS DEFINED HEREIN) AS A RESULT OF ANY CHANGES MADE TO THE REVISED AMOUNTS WITHIN THESE LIMITS. The dollar amount bid by the successful bidder will be adjusted to reflect any adjustments in the aggregate principal amount of the Certificates. Such adjusted bid price will reflect changes in the dollar amount of the underwriters' discount and original issue discount/premium, if any, but will not change the selling compensation per \$1,000 of par amount of certificates from the selling compensation that would have been received based on the purchase price in the winning bid and the initial public offering prices. The Final Amounts and the adjusted purchase price will be communicated to the successful bidder by 8:00 a.m. (San Diego time) on the date following the sale.

Serial Certificates and Term Certificates

The successful bidder may provide in the bid form for all of the Certificates to be issued as serial certificates or may designate consecutive annual principal amounts of the Certificates to be combined into up to two term certificates. Each such term certificate shall be subject to mandatory redemption as described above under "Mandatory Redemption."

Basis of Award

The Certificates will be awarded to the bidder offering to purchase all of the Certificates at the lowest interest rate to the City, based on the Revised Amounts described above. The lowest interest rate shall be determined in accordance with the true interest cost (TIC) method by doubling the semi-annual interest rate (compounded semi-annually) necessary to discount the debt service payments from the payment dates to the date of the Certificates (March 15, 1994) and to the price bid, excluding interest accrued to the date of delivery. If there is more than one such proposal making said offer at the same lowest interest rate, the Certificates will be sold to the bidder whose proposal is selected by the City by lot from among all such proposals at the same lowest interest rate. It is requested that each bid be accompanied by a statement of the true interest cost computed at the interest rate or rates stated in the Official Bid Form in accordance with the above method of calculation (computed to six decimal places) but such statement will not be considered as part of the bid.

Bids will be accepted or rejected promptly after opening and not later than 5:00 p.m. (San Diego time) on the date of the sale.

The City reserves the right to reject any or all proposals not complying with the Notice of Sale. The City also reserves the right, so far as permitted by law, to waive any irregularity or informality with respect to any proposal.

CUSIP Numbers

It is anticipated that CUSIP identification numbers will be printed on the Certificates. All expenses in relation to the printing of CUSIP numbers on the Certificates shall be paid for the City; provided, however, that the CUSIP Service Bureau charge for the assignment of the numbers shall be the responsibility of and shall be paid for by the successful bidder.

California Debt Advisory Commission Fee

The attention of bidders is directed to California Government Code Section 8856, which provides that the purchaser of the Certificates will be charged for the California Debt Advisory Commission fee relating to the Certificates.

Undertakings of the Successful Bidder

The successful bidder shall make a bona fide public offering of the Certificates and shall, within 30 minutes of being notified of the award of the Certificates, advise the City in writing (via facsimile transmission) of the initial public offering prices of the Certificates (the "Initial Reoffering Prices"). The successful bidder must, by facsimile transmission or delivery received,

by the City within 24 hours after notification of the Final Amounts, furnish the following information to Co-Special Counsel to complete the Official Statement in final form, as described below:

- A. Selling compensation (aggregate total anticipated compensation to the underwriters expressed in dollars, based on the expectation that all Certificates are sold at the prices or yields at which the successful bidder advised the City that the Certificates were initially offered to the public).
- B. The identity of the underwriters if the successful bidder is part of a group or syndicate.
- C. Any other material information the City determines is necessary to complete the Official Statement in final form.

Prior to the delivery of the Certificates, the successful bidder shall furnish to the City a certificate acceptable to Co-Special Counsel to the effect that as of the delivery date of the Certificates, the successful bidder has sold or reasonably expects to sell a substantial amount of each maturity of the Certificates to the public (excluding bond houses, brokers or similar persons or other intermediaries) at prices no higher than, or yields no lower than, those shown in that certificate.

Delivery of the Certificates

The Certificates will be delivered on or about April 12, 1994 (unless a notice of change in the delivery date is announced on Munifacts not later than 1:00 p.m. (San Diego time) on the last business day prior to any announced date for receipt of bids) in New York City at DTC against payment of the purchase price therefore in Federal Funds.

Documents to be Delivered at Closing

- (A) **Legal Opinion.** The legal opinion of Orrick, Herrington & Sutcliffe, Los Angeles, California, and Nelson & Williams, La Jolla, California, Co-Special Counsel, approving the validity of the Certificates and stating that interest with respect to the Certificates is excluded from gross income for federal income tax purposes of the United States of America under existing law (see the Preliminary Official Statement for a description of certain qualifications with respect to taxes on corporations and others), and that such interest is also exempt from personal income taxes of the State of California under existing law, will be furnished to the successful bidder at the time of delivery of the Certificates, at the expense of the City. A copy of the opinion of Orrick, Herrington & Sutcliffe, Los Angeles, California, and Nelson & Williams, La Jolla, California, Co-Special Counsel, certified by an appropriate official of the City by such official's facsimile signature, will be delivered with each Certificate. No charge will be made to the purchaser for such printing or certification. Certain other matters incident to the execution and delivery of the Certificates will be passed upon for the City by the City Attorney.
- (B) **Litigation Certificate.** At the time of payment for and delivery of the Certificates, the City will furnish the successful bidder a certificate that there is no litigation pending affecting the validity of the Certificates.
- (C) **Certificate Concerning the Official Statement.** A certificate of the City, signed by _____, acting in his official capacity, to the effect that to the best of his knowledge and belief, and after reasonable investigation: (1) neither the Official Statement relating to the Certificates nor any amendment, or supplement thereto contains any untrue statement of a material fact or omits to state any material fact necessary to make the statements therein, in the light of the circumstances in which they were made, not misleading; (2) since the date of the Official Statement no event has occurred which should have been set forth in an amendment or supplement which would make the statements therein, in the light of the circumstances in which they were made, misleading; nor (3) has there been any material adverse change in the operation or financial affairs of the City since the date of such Official Statement. The successful bidder shall also be furnished with a letter from Orrick, Herrington & Sutcliffe, Los Angeles, California, and Nelson & Williams, La Jolla, California, Co-Special Counsel, addressed to the successful bidder for the Certificates, to the effect that, although they are not passing upon and do not assume any responsibility for the accuracy or adequacy of the statements contained in the Official Statement referred to below and make no representation that they have independently verified the same, on the basis of their participation in the preparation of the Official Statement (other than the financial statements and other financial and statistical data contained therein, as to which such firms will express no opinion), both as of its date and as of the date of delivery of the Certificates, contained any untrue statement of a material fact or omitted to state a material fact necessary to make the statements therein, in light of the circumstances under which they were made, not misleading.

Official Statement

The Preliminary Official Statement dated _____ and the information contained therein have been deemed final by the City as of its date within the meaning of Rule 15c2-12 of the Securities and Exchange Commission ("Rule 15c2-12") with permitted omissions, but is subject to change without notice and to completion or amendment in the Official Statement in final form (the "Final Official Statement").

The City, at its expense, will make available to the successful bidder up to 500 copies of the Final Official Statement, for delivery to each potential investor requesting a copy of the Final Official Statement and to each person to whom such bidder and members of its bidding group initially sell the Certificates, within seven business days of the award of the Certificates, provided that the successful bidder cooperates in providing the information required to complete the Final Official Statement.

The successful bidder shall comply with the requirements of Rule 15c2-12 and the rules of the Municipal Securities Rulemaking Board, including an obligation, if any, to update the Final Official Statement.

Postponement

The City reserves the right to postpone, from time to time, the date and time established for the receipt of bids. ANY SUCH POSTPONEMENT WILL BE ANNOUNCED VIA MUNIFACTS NOT LATER THAN 1:00 P.M. (SAN DIEGO TIME) ON THE LAST BUSINESS DAY PRIOR TO ANY ANNOUNCED DATE FOR RECEIPT OF BIDS. If any date and time fixed for the receipt of bids and the sale of the Certificates is postponed, an alternative sale date and time will be announced via Munifacts at least 48 hours prior to such alternative sale date. On any such alternative sale date and time, any bidder may submit a sealed bid for the purchase of the Certificates in conformity in all respects with the provisions of this Notice of Sale, except for the date and time of sale and except for any changes announced over Munifacts at the time the sale date and time are announced.

Additional Information

For further information relating to the Certificates, reference is made to the Preliminary Official Statement, dated _____, prepared for and authorized by the City. Bidders are required to use the Official Bid Form which, together with the Preliminary Official Statement, may be obtained from the City's Co-Financial Advisors: Public Resources Advisory Group, 21 West Street, Suite 2700, New York, NY 10006 (telephone 212-363-8383; telecopy 212-363-8399); E. J. De La Rosa & Co., Inc., 11444 West Olympic Boulevard, Tenth Floor, Los Angeles, CA 90064 (telephone 310-445-8835; telecopy 310-445-8839); or Municipal Capital Management, Inc., 2677 Centinela Avenue, Suite 104, Santa Monica, CA 90405 (telephone 310-450-1935; telecopy 310-392-5905).

THE CITY OF SAN DIEGO

By: /s/ Jack McGrory
City Manager

OFFICIAL BID FORM

\$ _____
 City of San Diego, California
 Certificates of Participation
 (Balboa Park and Mission Bay Park Capital Improvements Program)
 Refunding Series 1994
 Evidencing Proportionate Interests of the Owners Thereof In
 Lease Payments to Be Made by the
 CITY OF SAN DIEGO
 Pursuant to a Facilities Lease, as amended by the First Amendment to Facilities Lease, with the
 San Diego Facilities and Equipment Leasing Corporation

Mr. Jack McGrory, City Manager
 City of San Diego
 202 "C" Street
 City Administration Building
 8th Floor Conference Room
 San Diego, CA 92101

March __, 1994

Dear Mr. McGrory:

Subject to the provisions and in accordance with the terms of the Notice of Sale dated _____, 1994, which is hereby made a part of this bid, we offer to purchase all of the \$ _____ Certificates of Participation (Balboa Park and Mission Bay Park Capital Improvements Program) Refunding Series 1994 described in said Notice of Sale and in the Preliminary Official Statement which has been furnished to us and as revised through Munifacts no later than 1:00 p.m. (San Diego time) on the last business day prior to today.

We offer to purchase the Certificates at a price of \$ _____, which is not less than 99% of the Revised Aggregate Principal Amount of \$ _____, at the interest rates set forth below:

Serial Certificates

<u>July 15</u>	<u>Principal Amount*</u>	<u>July 15</u>	<u>Principal Amount*</u>
1994	\$ _____	2008	\$ _____
1995	_____	2009	_____
1996	_____	2010	_____
1997	_____	2011	_____
1998	_____	2012	_____
1999	_____	2013	_____
2000	_____	2014	_____
2001	_____	2015	_____
2002	_____	2016	_____
2003	_____	2017	_____
2004	_____	2018	_____
2005	_____	2019	_____
2006	_____	2020	_____
2007	_____	2021	_____

(CROSS OUT SERIAL CERTIFICATE MATURITIES BEING PURCHASED AS TERM CERTIFICATES)

Term Certificates (Optional-No More Than Two Term Certificates)

<u>First Year of Mandatory Prepayment</u>	<u>Year of Maturity</u>	<u>Interest Rate</u>
_____	_____	_____ %
_____	_____	_____ %

(LEAVE BLANK IF NO TERM CERTIFICATES ARE SPECIFIED)

*Subject to change as described in the Notice of Sale.

R-283437

If term certificate(s) are included in this bid, the mandatory installments and maturity of such term certificate(s) shall correspond to the Revised Annual Principal Amounts, as defined in the Notice of Sale, for the applicable years as adjusted in accordance with the detailed Notice of Sale.

We will pay accrued interest on the Certificates from March 15, 1994 to the date of delivery and will accept delivery of the Certificates at DTC in New York City on or about April 12, 1994*. We have noted that payment of the purchase is to be made in immediately available funds.

We, if the successful bidder, will (a) within 30 minutes after being notified of the award of the Certificates, advise the City of the Initial Reoffering Prices of the Certificates; and (b) within 24 hours of notification of the Final Amounts of the Certificates, as defined in the detailed Notice of Sale, furnish the City the information described in the section of the detailed Notice of Sale entitled "Undertakings of the Successful Bidder."

Please indicate (X) the appropriate choice regarding the good faith deposit.

We have posted a surety bond in the amount of \$600,000 in accordance with the detailed Notice of Sale.

We enclose a certified or cashier's check for \$600,000 in accordance with the detailed Notice of Sale.

By:

Name of Firm

Address

Signature

City State Zip

(No addition or alteration, except as provided above, is to be made to this bid.)

ACCOUNT MEMBERS

Attached is a list of the members of our account on whose behalf this bid is made.

COMPUTATION

The following is our computation of the interest rate, computed on a true interest cost (TIC) basis, as set forth in the above-mentioned detailed Notice of Sale, but not constituting any part of the foregoing proposal, for the Certificates under the foregoing proposal:

_____ % (To Six Decimals)

CONTACT PERSON

If we are to be notified that we have been awarded the Certificates you may contact and rely on the information provided by the following:

Name

Telephone Number

AWARD

I, the City Manager of the City of San Diego, California, hereby award the Certificates to the bidder submitting the bid set forth herein on the terms set forth herein and in the Notice of Sale dated _____, relating to the Certificates.

Jack McGrory, City Manager


 283437

EXHIBIT D

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Jack McGrory, City Manager

R-283437