

RESOLUTION NUMBER R- 288261

ADOPTED ON JAN 14 1997

A RESOLUTION OF THE COUNCIL OF THE CITY OF SAN DIEGO APPROVING THE FORM OF AND AUTHORIZING EXECUTION AND DELIVERY OF A PURCHASE CONTRACT, A CONTINUING DISCLOSURE AGREEMENT AND AN OFFICIAL STATEMENT RELATING TO AN INSTALLMENT PURCHASE FINANCING AND APPROVING CERTAIN 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 organized and existing under the laws of the State of California; and

WHEREAS, the City of San Diego (the "City") desires to acquire, construct, install and improve, or cause the acquisition, construction, installation and improvement of, the City's 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 of the Project the City and the Authority have entered into a Master Installment Purchase Agreement (the "Installment Purchase Agreement"), a 1993-1 Supplement to the Installment Purchase Agreement relating to the Authority's Sewer Revenue Bonds, Series 1993 (the "1993-1 Supplement"), and a 1995-1 Supplement to the Installment Purchase Agreement relating to the Authority's Sewer Revenue Bonds, Series 1995 (the "1995-1 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 City and the Authority enter into a 1997-1 Supplement to the Installment Purchase Agreement relating to the Series 1997 Bonds, pursuant to which the City will purchase additional components of the Project from the Authority; and

WHEREAS, to provide funds for the acquisition, construction, installation and improvement of certain components of the Project, the Authority has 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") and its Sewer Revenue Bonds, Series 1995 (Payable Solely from Installment Payments Secured by Wastewater System Net Revenues) (the "1995 Bonds"); and

WHEREAS, to provide funds for the acquisition, construction, installation and improvement of additional components of the Project, the Authority desires to issue its Sewer Revenue Bonds, Series 1997-Series A and Series 1997-B (Payable Solely from Installment Payments Secured by Wastewater System Net Revenues) (the "1997 Bonds"); and

WHEREAS, it is proposed that the City, the Authority and Smith Barney, Inc., as representative of a group of underwriters (the "Underwriters"), enter into a Purchase Contract (defined below) for the purchase of the 1997 Bonds for resale to the public; and

WHEREAS, the City is authorized to undertake all of the above pursuant to its Charter and the Constitution and other applicable laws of the State of California; NOW, THEREFORE,

BE IT RESOLVED, that the Council does determine and order that:

1. The form of the Purchase Contract (the "Purchase Contract") to be dated the date of sale of the 1997 Bonds, by and among the Authority, the City and the Underwriters, a copy of

which is on file in the office of the City Clerk as Document No. RR- 288261-1 and submitted to this meeting, is hereby approved. The City Manager of the City and his specified designees, and each of them, are hereby authorized and directed, for and in the name and on behalf of the City, to execute and deliver the Purchase Contract in substantially the form submitted to this meeting, with such additions and changes therein as the City Manager shall require or approve as being in the best interests of the City, and as approved to form by the City Attorney or his specified designee, and with such other changes as are required by Orrick, Herrington & Sutcliffe and Lofton, De Lancie & Nelson, as Co-Bond Counsel ("Co-Bond Counsel") such approval to be conclusively evidenced by the execution and delivery thereof. In connection with the execution and delivery of the Purchase Contract, the City Manager of the City and his specified designees, and each of them, are further authorized to negotiate the principal amount of the 1997 Bonds to be sold pursuant to such Purchase Contract up to a maximum aggregate amount of three hundred million Dollars (\$300,000,000), and the true interest cost of the issue (without deduction of the underwriter's discount or costs of issuance) shall not exceed eight percent (8.00%) per annum, and the maximum aggregate underwriter's discount from the principal amount of the 1997 Bonds shall not exceed one and one-half percent (1-1/2%) of the aggregate principal amount thereof.

2. The form of preliminary official statement relating to the 1997 Bonds (the "Preliminary Official Statement"), a copy of which is on file in the office of the City Clerk as Document No. RR- 288261-2, and submitted to this meeting, is hereby approved for use in connection with the public offering of the 1997 Bonds with such changes as may be approved by the City Manager of the City and his specified designees and the City Attorney or his specified designee. The City Manager of the City and his specified designees, and each of them, are hereby authorized on behalf of the City to determine that the Preliminary Official Statement is deemed

"final" (as it relates to the City) for the purposes of Rule 15c2-12 promulgated under the Securities Exchange Act of 1934, as amended, with the advice of the City Attorney and Co-Bond Counsel. The City Manager of the City and his specified designees and the City Attorney or his specified designee are 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. The distribution of the Preliminary Official Statement and the Official Statement in connection with the public offering of the 1997 Bonds is hereby approved.

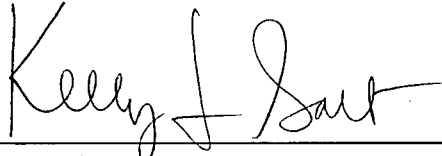
3. The form and content of a Continuing Disclosure Agreement (the "Continuing Disclosure Agreement") by and among the City, the Authority and the Trustee relating to the 1997 Bonds, a copy of which is on file in the Office of the City Clerk as Document No. 288261-3 and submitted to this meeting, is hereby approved. The City Manager of the City and his specified designees, and each of them, are hereby authorized and directed, for and in the name of and on behalf of the City, to execute and deliver the Continuing Disclosure Agreement in substantially the form presented to this meeting, and the City Clerk is authorized to attest thereto, with such additions and changes therein as the City Manager shall approve as being in the best interests of the City, and as approved as to form by the City Attorney or his specified designee, and with such other changes that may be required by Co-Bond Counsel, such approval to be conclusively evidenced by such officer's execution and delivery thereof.

4. All actions heretofore taken by an official or officials of the City, with respect to the issuance or sale of the 1997 Bonds, or in connection with or related to any of the documents referenced herein or the financing of the Project are hereby approved, confirmed and ratified; and, such other officials of the City as may be authorized by the City Manager are hereby authorized and directed, for and in the name and on behalf of the City, to do any and all things and take any

and all actions and execute and deliver 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 1997 Bonds and the disbursement of proceeds thereof in accordance with this Resolution.

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

APPROVED: CASEY GWINN, City Attorney

By 

Kelly J. Salt
Deputy City Attorney

KJS:pev
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Or. Dept. Fin. & Tech. Svcs.
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