

RESOLUTION NUMBER R- 291164

ADOPTED ON JAN 11 1999

RESOLUTION OF THE COUNCIL OF THE CITY OF SAN DIEGO, CALIFORNIA, AUTHORIZING AND PROVIDING FOR THE ISSUANCE OF REFUNDING BONDS, APPROVING FORM OF BOND INDENTURE AND BOND PURCHASE AGREEMENT AND AUTHORIZING OTHER ACTIONS IN CONNECTION THEREWITH.

WHEREAS, the Council of The City of San Diego, California, has undertaken proceedings pursuant to the "Refunding Act of 1984 for 1915 Improvement Act Bonds" (the "Refunding Act"), being Division 11.5 of the Streets and Highways Code of the State of California, and has conditionally confirmed reassessments upon lands within a special assessment district known and designated as Reassessment District No. 1999-1 (the "Reassessment District"); and

WHEREAS, said proceedings provide for the issuance of refunding bonds pursuant to the Refunding Act; and

WHEREAS, at this time, but subject to the final confirmation of the reassessments and the recordation of the reassessment diagram and notice of reassessment, this legislative body desires to set forth all formal terms and conditions relating to the issuance and sale of such refunding bonds (the "Limited Obligation Refunding Bonds"); and

WHEREAS, a portion of the proceeds of the Limited Obligation Refunding Bonds shall be used to retire, in advance of their scheduled maturities, certain outstanding improvement bonds of the City designated as follows:

- A. City of San Diego Assessment District No. 4007 (First San Diego River Improvement Project) Limited Obligation Improvement Bonds;
- B. City of San Diego Assessment District No. 4010 (Otay International Center) Limited Obligation Improvement Bonds;
- C. City of San Diego Assessment District No. 4013 (Calle Cristobal/Camino Santa Fe) Limited Obligation Improvement Bonds;
- D. City of San Diego Assessment District No. 4019 (Otay International Center, Phase 2) Limited Obligation Improvement Bonds;
- E. City of San Diego Assessment District No. 4025 (Mission Valley Heights) Limited Obligation Improvement Bonds;
- F. City of San Diego Assessment District No. 4029 (Sorrento Valley Road - Sorrento Valley Boulevard to I-805) Limited Obligation Improvement Bonds; and
- G. City of San Diego Assessment District No. 4070 (Black Mountain Road) Limited Obligation Improvement Bonds;

(collectively, the "Prior Bonds"); and

WHEREAS, in order to provide the most cost-effective refunding of the Prior Bonds, the Council desires and requests that the Public Facilities Financing Authority of the City of San Diego (the "Authority") issue, sell and deliver its Public Facilities Financing Authority of the City of San Diego Refunding Revenue Bonds, (Reassessment District no. 1999-1) Series 1999-A Senior Lien Bonds (the "Senior Lien Bonds") and its Public Facilities Financing Authority of the City of San Diego Refunding Revenue Bonds, (Reassessment District No. 1999-1) Series 1999-B Subordinate Lien Bonds in an aggregate principal amount not to exceed \$40,000,000 to provide funds to purchase the Limited Obligation Refunding Bonds; and

WHEREAS, for the purposes of the sale and delivery of the Limited Obligation Refunding Bonds, there are now on file with the City copies of the forms of the Bond Indenture and the Bond Purchase Agreement by and between the Authority and the City related to the sale of the

Limited Obligation Refunding Bonds (the "Limited Obligation Refunding Bond Purchase Agreement"), and reference is hereby made thereto for further particulars; and

WHEREAS, this Council has reviewed and considered the Bond Indenture providing for the issuance of the Limited Obligation Refunding Bonds and the Bond Purchase Agreement for the sale of the Limited Obligation Refunding Bonds and finds those documents suitable for approval, subject to the conditions set forth in this resolution; and

WHEREAS, all conditions, things and acts required to exist, to have happened and to have been performed precedent to and in the issuance of the Limited Obligation Refunding Bonds and the levy of the reassessments as contemplated by this resolution and the documents referred to herein exist, have happened and have been performed or have been ordered to have been performed in due time, form and manner as required by the laws of the State of California, including the Refunding Act; NOW, THEREFORE,

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

Section 1. Recitals. The above recitals are true and correct.

Section 2. Bonds Authorized. Pursuant to the Refunding Act, this Resolution and the Bond Indenture (hereafter defined), refunding improvement bonds of the City for the Assessment District designated as "City of San Diego Reassessment District No. 1999-1 Limited Obligation Refunding Bonds" (the "Limited Obligation Refunding Bonds") in an aggregate principal amount not to exceed the unpaid reassessments are hereby authorized to be issued. The date, manner of payment, interest rate or rates, interest payment dates, denominations, form, registration privileges, manner of execution, place of payment, terms of redemption and other terms,

covenants and conditions of the Bonds shall be as provided in the Bond Indenture as finally executed.

Section 3. Authorization and Conditions. The City Manager of the City and each of his specified designees (the "Authorized Officers"), acting for and on behalf of the City, are, and each of them is hereby authorized and directed to execute and deliver the various documents and instruments described in this Resolution with such changes, insertions and omissions as the Authorized Officer executing the same may require or approve as being in the best interests of the City, provided that no additions or changes shall authorize an aggregate principal amount of Limited Obligation Refunding Bonds in excess of the unpaid reassessments or a maturity of the Limited Obligation Refunding Bonds in excess of the term as set forth in the Reassessment Engineer's Report, an annual interest rate on the Limited Obligation Refunding Bonds in excess of interest rates set forth in the Reassessment Engineer's Report and a purchase price for the Limited Obligation Refunding Bonds not less than purchase price set forth in the Reassessment Engineer's Report. The approval of such additions or changes shall be conclusively evidenced by the execution and delivery of such documents or instruments by the Authorized Officer, upon consultation with and review by the City Attorney and Brown Diven Hessell & Brewer LLP, the City's bond counsel.

Section 4. Bond Indenture. The proposed form of Bond Indenture by and between the City and U.S. Bank Trust National Association, as fiscal agent, with respect to the Limited Obligation Refunding Bonds as presented at this meeting is hereby approved. The City Manager of the City and each of his specified designees (the "Authorized Officers"), acting for and on behalf of the City, are, and each of them is, hereby authorized and directed to execute,

acknowledge and deliver the Bond Indenture in substantially the form approved hereby, with such changes, insertions and omissions as the Authorized Officer executing the same may require or 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 bond counsel, such approval to be conclusively evidenced by the execution and delivery thereof by such Authorized Officer.

Section 5. Sale of Limited Obligation Refunding Bonds. This Council hereby authorizes and approves the sale of the Limited Obligation Refunding Bonds by negotiation to the Authority. The form of the Limited Obligation Refunding Bond Purchase Agreement is hereby approved and the Authorized Officer is hereby authorized and directed to execute the Limited Obligation Refunding Bond Purchase Agreement on behalf of the City upon the execution thereof by the Authority, subject to Section 3 and only if the aggregate principal amount of the Limited Obligation Refunding Bonds is equal to or less than \$40,000,000, the purchase price does not exceed one hundred and ten percent (110%) of the principal amount of the Limited Obligation Refunding Bonds and the aggregate true interest cost of the Limited Obligation Refunding Bonds shall not exceed seven percent (7%) per annum and the final maturity of the Limited Obligation Refunding Bonds shall not be later than September 2, 2017.

Section 6. Costs of Issuance. "Designated costs of issuing the refunding bonds" for purposes of Subsection 9600(b) and Section 9614 of the Refunding Act are the items specified in paragraphs (1) through and including (5) of subsection (a) of Section 9600 of the Refunding Act, and "Costs of Issuance" as such phrase is used in the Bond Indenture shall mean such designated costs of issuing the Limited Obligation Refunding Bonds.

Section 7. Bonds Prepared and Delivered. Upon the execution of the Bond Purchase Agreement, the Limited Obligation Refunding Bonds shall be prepared, authenticated and delivered, all in accordance with the applicable terms of the Refunding Act and the Bond Indenture, and the Authorized Officer and other responsible City officials are hereby authorized and directed to take such actions as are required under the Limited Obligation Refunding Bond Purchase Agreement and the Bond Indenture to complete all actions required to evidence the delivery of the Limited Obligation Refunding Bonds upon the receipt of the purchase price thereof from the Authority.

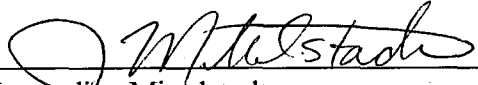
Section 8. Annual Reassessment Installments. A copy of the resolution confirming the reassessments and the reassessments, which reassessments shall constitute the security for the Limited Obligation Refunding Bonds, shall be delivered to the Treasurer and the Treasurer shall keep or cause to be kept the record showing the several installments of principal and interest on the reassessments which are to be collected each year during the term of the Bonds. An annual portion of each reassessment, together with annual interest on said reassessment, shall be payable in the same manner and at the same time and in the same installment as the general property taxes of the County of San Diego and shall be payable and become delinquent at the same time and in the same proportionate amount. Each year the annual installments shall be submitted to the County Auditor for purposes of collection.

Section 9. Actions. All actions heretofore taken by the officers and agents of the City with respect to the establishment of the Reassessment District and the sale and issuance of the Limited Obligation Refunding Bonds are hereby approved, confirmed and ratified, and the proper officers of the City are hereby authorized and directed to do any and all things and take any and

all actions and execute any and all certificates, agreements, contracts, 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 Limited Obligation Refunding Bonds in accordance with the Refunding Act, this Resolution, the Bond Indenture, the Limited Obligation Refunding Bond Purchase Agreement and any certificate, agreement, contract, and other document described in the documents herein approved.

Section 10. Effective Date. This resolution shall take effect from and after its adoption.

APPROVED: CASEY GWINN, City Attorney

By 
Jacqueline Mittelstadt
Deputy City Attorney

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Or. Dept. Fin. & Tech. Svcs.
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