

RESOLUTION NUMBER R- 296500

ADOPTED ON MAY 14 2002

BE IT RESOLVED, by the City Council of the City of San Diego, that the issuance of Tax Anticipation Notes in one or two series [Notes] of the City of San Diego [City] for Fiscal Year 2002-03 is hereby authorized pursuant to Section 92 of the City Charter, together with Article 7.6 (commencing with Section 53850) of Chapter 4, Part 1, Division 2, Title 5 of the California Government Code [collectively, the Authorizing Law], and in accordance with the declarations, conditions and terms set forth in that certain document on file in the Office of the City Clerk as Document No. RR-296500-1 [Accompanying Document], completed and executed as set forth herein, in an aggregate principal amount not to exceed the lesser of \$150,000,000 or the maximum amount permitted under the Authorizing Law.

BE IT FURTHER RESOLVED, that the City pledges as security for the payment of the principal of and interest on the Notes, as follows: (1) from the first property tax moneys received by the City on or after November 30, 2002, an amount equal to one-half of the total principal and interest due with respect to the Notes on or before the maturity thereof and (2) from the remaining property tax moneys received by the City on or after April 10, 2003, an amount equal to the difference between (a) the total principal and interest due with respect to the Notes on or before the maturity thereof and (b) the amount previously deposited for the repayment of the Notes in accordance with the Accompanying Document. If by April 30, 2003, such property tax moneys are insufficient to enable the City to make such transfers, the City shall thereafter transfer such other

legally available taxes, income, revenue, cash receipts and other moneys attributable to the City's 2002-03 fiscal year to the Repayment Fund established pursuant to the Accompanying Document so that the amounts in such fund are at least equal to the amounts required to pay the principal of and interest on the Notes as they become due.

BE IT FURTHER RESOLVED, that the City Manager or his designee is hereby authorized to sell the Notes at a public sale pursuant to the procedures set forth in the Accompanying Document and in the Notice Inviting Bids which shall be in the form of the Notice Inviting Bids attached to the Accompanying Document; provided the true interest cost of the Notes shall not exceed 4% per annum and the aggregate principal amount of the Notes shall not exceed the lesser of \$150,000,000 or the maximum amount permitted under the Authorizing Law, as certified by the City Treasurer pursuant to the completed Accompanying Document; provided further, the bid process may include a process in which a bidder may bid all or part of the Notes being offered, and in which the City Manager specifies prior to the bids being received the interest rate to be bid.

BE IT FURTHER RESOLVED, that the Treasurer is further authorized and empowered to execute, for and on behalf of the City, agreements with a paying agent duly authorized under California law, to act as Paying Agent for the Notes in accordance with the Accompanying Document.

BE IT FURTHER, RESOLVED, that the City Manager or his designee is authorized to execute and deliver the Accompanying Document, including the Notice Inviting Bids and the Paying Agent Agreement (substantially in the forms attached to the Accompanying Document), for and on behalf of the City, each such document to be modified with the approval of the City Manager or his designee to reflect the final terms described herein, and as further modified in such manner as may

be requested by Bond Counsel to enhance the marketability of the Notes in a manner consistent with the Authorizing Law, such approval to be conclusively evidenced by such officer's execution thereof.

BE IT FURTHER RESOLVED, that the City Manager or his designee is authorized to accept the final terms of the Notes based on best bid or bids received by Grant Street Group, parent of MuniAuction, the internet website auction administrator on or before June 15, 2002, with respect to the first series of Notes, and on or before November 30, 2002, with respect to the second series of Notes (if any), provided in each case that the true interest cost of the Notes shall not exceed 4% per annum.

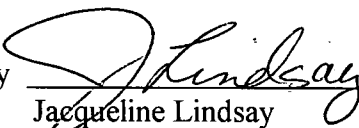
BE IT FURTHER RESOLVED, that the proposed form of the Preliminary Official Statement to be used in connection with the offering and sale of the Notes, a copy of which is on file in the Office of the City Clerk as Document No. RR- 296500, and by this reference is incorporated herein, is hereby approved and the City Treasurer or her designee is authorized to cause the preparation of the final form of such Preliminary Official Statement, with such changes therein as the City Treasurer or her designee, with the advice of counsel, may require or approve, such approval to be conclusively evidenced by the execution and delivery of a certificate by the City Treasurer, the City Manager or any designee thereof that the City deems the Preliminary Official Statement to be final within the meaning of 17 C.F.R. Section 240.15c2-12(b) [Rule], except for information which may be omitted therefrom pursuant to the Rule. Thereafter, the City Treasurer or her designee is authorized to execute and deliver to the bidders a final Official Statement, with such changes as the City Treasurer, with the advice of counsel, may require or approve, such approval to be conclusively evidenced by such officer's execution thereof. Grant Street Group/MuniAuction is hereby authorized to distribute copies of the Preliminary Official Statement to those persons who may be interested in

the purchase of the Notes, and to deliver copies of the final Official Statement to all actual purchasers of the Notes.

BE IT FURTHER RESOLVED, that the City Manager, the City Treasurer or any designee thereof is authorized to execute and deliver a Tax Certificate prepared by Bond Counsel obligating the City to comply with certain covenants in order to maintain the exclusion of interest on the Notes from the gross income of the owners thereof for federal income tax purposes.

BE IT FURTHER RESOLVED, that the City Manager, the City Treasurer, the City Clerk and the City Auditor and Comptroller, and their designated assistants, upon advice of the City Attorney and Bond Counsel, are hereby authorized and directed, jointly and severally, to do any and all things and to execute, modify and deliver any and all documents, agreements and certificates which they may deem necessary or advisable in order to effect the issuance, sale and delivery of the Notes and otherwise to carry out the purposes of this Resolution

APPROVED: CASEY GWINN, City Attorney

By  \_\_\_\_\_  
Jacqueline Lindsay  
Deputy City Attorney

JL:pev  
4/30/02  
Or.Dept:CityTreas.  
Aud.Cert:N/A  
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