

RESOLUTION NUMBER R- 300123

ADOPTED ON FEB 14 2005

A RESOLUTION APPROVING THE FORM OF AND AUTHORIZING THE EXECUTION AND DELIVERY OF A PURCHASE AND SALE AGREEMENT AND RELATED DOCUMENTS WITH RESPECT TO THE SALE OF THE CITY OF SAN DIEGO'S VEHICLE LICENSE FEE RECEIVABLE FROM THE STATE; AND DIRECTING AND AUTHORIZING CERTAIN OTHER ACTIONS.

WHEREAS, certain public agencies within the State of California [State] are entitled to receive payments from the State on or before August 15, 2006, in connection with vehicle license fees pursuant to California Revenue and Taxation Code Section 10754.11; and

WHEREAS, the City of San Diego [Seller] is entitled to and has determined to sell all of its right, title, and interest in and to the VLF Receivable as defined in California Government Code Section 6585(i) [VLF Receivable], that is, to sell the right to moneys due or to become due in connection with vehicle license fees payable pursuant to California Revenue and Taxation Code Section 10754.11, in order to obtain money to refund a portion of outstanding obligations described in the attached Appendix A [Prior Bonds]; and

WHEREAS, the California Statewide Communities Development Authority [Authority] is a California joint exercise of powers authority organized under the laws of the State, and is authorized pursuant to California Government Code Section 6588(w) to purchase the VLF Receivable; and

WHEREAS, the Authority desires to purchase the VLF Receivable and the Seller desires to sell the VLF Receivable pursuant to a purchase and sale agreement between the Seller and the Authority in the form presented to the City Council [Sale Agreement]; and

WHEREAS, in order to finance the purchase price of the VLF receivables from the Seller and from other local agencies, the Authority will issue taxable notes and tax-exempt notes pursuant to California Government Code Section 6590 and execute an Indenture with Wells Fargo Bank, National Association, as trustee, which will require that the taxable and tax-exempt notes [collectively "Notes"] will be payable solely from the proceeds of the VLF receivables; and

WHEREAS, the Seller acknowledges that the Authority will grant a security interest in the VLF Receivable to the trustee and to any credit enhancer to secure payment of the Notes; and

WHEREAS, a portion of the proceeds of the tax-exempt notes will be deposited in a separate account held in the Seller's name [Participant Custody Account] by Wells Fargo Bank, National Association, as custodian [Custodian] under a master custodial agreement [Custody Agreement], and used by the Authority to pay the purchase price of the VLF Receivable and a portion of the proceeds of the taxable notes will be used by the Authority to pay the capitalized interest on the tax-exempt notes financing the purchase price of the VLF Receivable; and

WHEREAS, pursuant to the terms of the Custody Agreement, the Custodian will hold and invest the sale proceeds in the Participant Custody Account and will disburse the proceeds and the investment earnings only upon the written request of the Seller, as provided in the Custody Agreement; and

WHEREAS, the Seller will use the proceeds from the sale of the VLF Receivable to refund the Prior Bonds described in Appendix A, which is incorporated by this reference, NOW THEREFORE,

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

1. All of the recitals set forth above are true.
2. The sale of the VLF Receivable to the Authority is authorized for a price no less than the Minimum Sale Price in Appendix A. The Sale Agreement presented to the City Council, on file in the office of the City Clerk as Document No. RR- 300123 , is approved. The Authorized Officer, as described in Appendix A, is directed to execute and deliver the Sale Agreement, in substantially the form presented to this meeting, with any changes, deletions, and additions approved by the Authorized Officer. The Authorized Officer's approval of any changes, deletions, and additions shall be conclusively evidenced by the execution and delivery of the Sale Agreement.
3. The Authorized Officer is authorized and directed to send an irrevocable written instruction to the State Controller notifying the State of the sale of the VLF Receivable and directing the disbursement of the VLF Receivable; pursuant to California Government Code Section 6588.5(c), to the Trustee, on behalf of the Authority.
4. The proceeds from the sale of the VLF Receivable shall be used for the refunding of the Prior Bonds.
5. The Authorized Officer and such other Seller officers, as appropriate, are authorized and directed, jointly and severally, to do all things and to execute and deliver all documents, including but not limited to, one or more tax certificates, appropriate escrow instructions relating to the delivery into escrow of executed documents prior to the closing of the Notes, appropriate investment instructions, structured investment agreements and related documents in connection with the investment of the Participant Custody Account, appropriate documents relating to the refunding of the Prior Bonds including redemption notices and escrow agreements, and other documents mentioned in the Sale Agreement or the Indenture, which are necessary or desirable

in order to implement the Sale Agreement and to carry out the terms and intent of this Resolution; all such actions are ratified, confirmed, and approved.

6. All consents, approvals, notices, orders, requests, and other actions permitted or required by any of the documents authorized by this Resolution, whether before or after the sale of the VLF Receivable or the issuance of the Notes, including any of the foregoing that may be necessary or desirable in connection with any default under or amendment of such documents, may be given or taken by the Authorized Officer without further authorization by the City Council and the Authorized Officer is authorized and directed to give consent, approval, notice, order, or request, to execute any necessary or appropriate documents or amendments, and to take any action that the Authorized Officer may deem necessary or desirable to further the purposes of this Resolution.

7. Upon execution and delivery of the Sale Agreement, the Seller is contractually obligated to sell the VLF Receivable to the Authority pursuant to the Sale Agreement and the Seller shall not have any option to revoke its approval of the Sale Agreement or to determine not to perform its obligations.

8. This Resolution shall take effect from and after its adoption and approval.

APPROVED: MICHAEL J. AGUIRRE, City Attorney

By Anita M. Noone
Anita M. Noone, Deputy City Attorney

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02/02/05
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R-2005-809

APPENDIX A

CITY OF SAN DIEGO

Description of Prior Bonds to be refunded:	Proceeds will be utilized to redeem a portion of the San Diego Open Space Park Facilities District No. 1 General Obligation Bonds Refunding Series 1994.
Minimum Purchase Price:	An amount equal to or greater than \$20,000,000
Authorized Officer:	The City Manager or any designee of the City Manager, as appointed in a written certificate of such Authorized Officer delivered to the Trustee.

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