

RESOLUTION NUMBER R- 301527  
DATE OF FINAL PASSAGE JUN 16 2006

A RESOLUTION OF THE COUNCIL OF THE CITY OF SAN  
DIEGO AUTHORIZING THE ISSUANCE OF TAX REVENUE  
ANTICIPATION NOTES FOR FISCAL YEAR 2006-07.

BE IT RESOLVED, by the City Council of the City of San Diego, that the issuance of Tax and Revenue Anticipation Notes in a single series [Notes] of the City of San Diego [City] for Fiscal Year 2006-07 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 those certain documents on file in the office of the City Clerk as Document No. RR- 301527-1 [Accompanying Document] and Document No. RR- 301527-2 [Note Purchase Agreement], including exhibits thereto, each completed and executed as set forth herein, in an aggregate principal amount not to exceed the lesser of \$160,000,000 or the maximum amount permitted under the Authorizing Law and approval by the Chief Financial Officer.

BE IT FURTHER RESOLVED, that pursuant to California Government Code sections 53856 and 53857, the resolution authorizing the issuance of the Notes shall specify what taxes, income, revenue, cash receipts or other moneys are pledged for the payment of the Notes, and the Notes and the interest thereon shall be a first lien and charge against, and shall be payable from the first moneys received by the City from, such pledged moneys, and any Note not paid from the taxes, income, revenue, cash receipts or other moneys of the City shall be paid from any other moneys of the City lawfully available therefor.

BE IT FURTHER RESOLVED, that (1) the City pledges Available Revenues (as defined below) and Available Property Taxes (as defined below) as security for the payment of the principal of and interest on the Notes, and (2) the City agrees and covenants to deposit in trust into a special fund to be held by the City for the benefit of the owner of the Notes, designated as the "2006-07 Tax and Revenue Anticipation Notes Set Aside Account" [Set Aside Account], sufficient moneys to enable the City to pay in full such principal and interest in multiple installments from Property Taxes (as defined below) and other Revenues, and (3) the City agrees and covenants to further establish a special fund to be held by the City for the benefit of the owner of the Notes designated as the "2006-07 Tax and Revenue Anticipation Notes Segregation Account" [Segregation Account] for interim deposit of Property Taxes, all in the manner set forth in and otherwise in accordance with the Accompanying Document and the Note Purchase Agreement. If, by the date or dates specified in the Accompanying Document and the Note Purchase Agreement, the amount on deposit in the Set Aside Account is not sufficient to pay the portion of the principal and interest on the Notes required to be on deposit therein on such date or dates, appropriate officers of the City shall thereafter transfer and deposit Revenues to the Set Aside Account so that the amounts in the Set Aside Account are at least equal to the amounts required to pay the principal of and interest on the Notes as they become due. In the manner set forth in and in accordance with the Accompanying Document and the Note Purchase Agreement, (1) the Set Aside Account and all amounts held therein, Available Property Taxes and Available Revenues are hereby pledged and irrevocably set aside to the payment of the Notes, (2) amounts deposited in the Set Aside Account may not be used for any purpose other than payment of the Notes and may be invested in legal investments which are permitted by the California Government Code and which mature not later than the latest maturity date of the Notes; provided

that the earnings on any such investment shall be transferred by the City to the City's General Fund, (3) the Segregation Account shall be created and held in trust for the payment of the Notes, and shall be funded, applied, invested and disbursed, and (4) the Notes shall be a first lien and charge against, and shall be payable from the first moneys received by the City from, Available Property Taxes and Available Revenues.

BE IT FURTHER RESOLVED, for purposes of this Resolution, "Revenues", "Available Revenues", "Property Taxes" and "Available Property Taxes" shall have the meaning set forth in this paragraph. "Revenues" means all legally available taxes, income, revenue, cash receipts and other moneys of the City attributable to the City's 2006-07 fiscal year, and chargeable to the City's General Fund, and excluding moneys which, when received by the City will be encumbered for a special purpose. "Available Revenues" means (1) with respect to any Set Aside Period (as defined in the Accompanying Document), that portion of Revenues existing on and after the date specified with respect to such Set Aside Period which are required to be deposited in the Set Aside Fund, or (2) on and after May 31, 2007 or any Event of Default, the Revenues, in each case in accordance with the Accompanying Document and the Note Purchase Agreement. "Property Taxes" means that portion of Revenues consisting of ad valorem property taxes payable to, or for the benefit of the City in respect of its 2006-07 fiscal year, but excluding ad valorem property taxes payable to the City pursuant to the "triple flip" adjustment provisions of California law, including California Revenue and Taxation Code Section 97.68. "Available Property Taxes" means (1) with respect to any Set Aside Period (as defined in the

Accompanying Document), that portion of Property Taxes on deposit in the Segregation Account or otherwise held by the City existing on and after the beginning of such Set Aside Period, in amounts which are required to be deposited in the Set Aside Fund, or (2) on and after any Event of Default, the Property Taxes, in each case in accordance with the Accompanying Document and the Note Purchase Agreement.

BE IT FURTHER RESOLVED, that the Chief Financial Officer or designee is hereby authorized to sell the Notes on a private placement basis, without provision of an official statement or other offering document, to Bank of America, N.A. pursuant to the terms and procedures set forth in the Accompanying Document and in the Note Purchase Agreement; provided the Notes shall bear interest at the variable rate established from time to time pursuant to the Note Purchase Agreement, and in no event to exceed 10 percent per annum, and the aggregate principal amount of the Notes shall be disbursed to the City from time to time in accordance with the draw down procedures set forth in the Note Purchase Agreement and shall not exceed in the aggregate the lesser of \$160,000,000 or the maximum amount permitted under the Authorizing Law, as certified by the Acting City Treasurer and the City Auditor and Comptroller pursuant to the completed Accompanying Document and as further approved by the Chief Financial Officer or his designee, his execution of the Accompanying Document to be conclusive evidence thereof.

BE IT FURTHER, RESOLVED, that the Chief Financial Officer or designee is authorized to execute and deliver the Accompanying Document and the Note Purchase Agreement on file in the office of the City Clerk as Document No. RR 301527-1 and Document No. RR 301527-2 respectively, for and on behalf of the City, each such

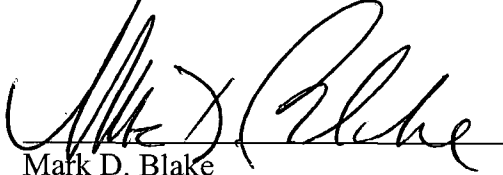
document to be modified with the approval of the Chief Financial Officer or designee to reflect the final terms described herein, and as further modified upon the advice of the City Attorney in such manner as facilitates the purchase by Bank of America, N.A. of the Notes in a manner consistent with the Authorizing Law (including modifications related to the portion of Revenues which shall constitute Available Revenues or Available Property Taxes, or the Set Aside Periods, the funds and accounts established with respect to the Notes), such approval to be conclusively evidenced by such officer's execution thereof.

BE IT FURTHER RESOLVED, that each of the City Auditor and Comptroller and the Acting 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 Mayor, the Chief Financial Officer, the Acting City Treasurer, the City Clerk and the City Auditor and Comptroller, and their designees, 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.

BE IT FURTHER RESOLVED, that the City Attorney is authorized to enter into an agreement with Stradling Yocca Carlson & Rauth, a Professional Corporation, to provide bond counsel services in connection with the issuance of the Notes, the final agreement to be filed in the office of the City Clerk as Document No. RR- 301527-3.

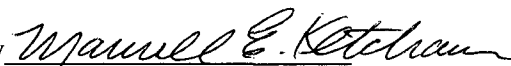
APPROVED: MICHAEL J. AGUIRRE, City Attorney

By   
Mark D. Blake  
Chief Deputy City Attorney

MDB:ai  
06/05/06  
Or.Dept:FIN  
R-2006-1049

I hereby certify that the foregoing Resolution was passed by the Council of the City of San Diego, at this meeting of JUN 12 2006.

ELIZABETH S. MALAND  
City Clerk

By   
Deputy City Clerk

Approved: 6-16-06  
(date)

  
JERRY SANDERS, Mayor

Vetoed: \_\_\_\_\_  
(date)

\_\_\_\_\_  
JERRY SANDERS, Mayor

**The City of San Diego  
CERTIFICATE OF CITY AUDITOR AND COMPTROLLER**

**CERTIFICATE OF UNALLOTTED BALANCE**  
ORIGINATING

AC 2600863  
DEPT. \_\_\_\_\_  
NO.: 056

I HEREBY CERTIFY that the money required for the allotment of funds for the purpose set forth in the foregoing resolution is available in the Treasury, or is anticipated to come into the Treasury, and is otherwise unallotted.

Amount: \_\_\_\_\_ Fund: \_\_\_\_\_

Purpose: \_\_\_\_\_  
\_\_\_\_\_  
\_\_\_\_\_

Date: \_\_\_\_\_ By: \_\_\_\_\_

AUDITOR AND COMPTROLLER'S DEPARTMENT

ACCOUNTING DATA										
ACCTG. LINE	CY PY	FUND	DEPT	ORG.	ACCOUNT	JOB ORDER	OPERATION ACCOUNT	BENF/ EQUIP	FACILITY	AMOUNT
* TOTAL AMOUNT										

FUND OVERRIDE

**CERTIFICATION OF UNENCUMBERED BALANCE**

I HEREBY CERTIFY that the indebtedness and obligation to be incurred by the contract or agreement authorized by the hereto attached resolution, can be incurred without the violation of any of the provisions of the Charter of the City of San Diego; and I do hereby further certify, in conformity with the requirements of the Charter of the City of San Diego, that sufficient moneys have been appropriated for the purpose of said contract, that sufficient moneys to meet the obligations of said contract are actually in the Treasury, or are anticipated to come into the Treasury, to the credit of the appropriation from which the same are to be drawn, and that the said money now actually in the Treasury, together with the moneys anticipated to come into the Treasury, to the credit of said appropriation, are otherwise unencumbered.

Not to Exceed: \$25,000.00

Vendor: Stradling Yocca Carlson & Rauth

Purpose: Authorizing the expenditure of funds for the agreement for Bond Counsel advisory services for the FY 2006 - 07 Tax and Revenue Anticipation Note.

Date: May 31, 2006 By: 

AUDITOR AND COMPTROLLER'S DEPARTMENT

ACCOUNTING DATA										
ACCTG. LINE	CY PY	FUND	DEPT	ORG.	ACCOUNT	JOB ORDER	OPERATION ACCOUNT	BENF/ EQUIP	FACILITY	AMOUNT
01	0	65013	65013	2000	4141	065013				\$25,000.00
TOTAL AMOUNT										\$25,000.00

FUND OVERRIDE

JUN 12 2006

R- 301527

#207  
6/12/06

JUN 12 2006

Passed by the Council of The City of San Diego on \_\_\_\_\_, by the following vote:

Council Members	Yeas	Nays	Not Present	Ineligible
Scott Peters	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Kevin Faulconer	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Toni Atkins	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Anthony Young	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Brian Maienschein	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Donna Frye	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Jim Madaffer	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Ben Hueso	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>

Date of final passage JUN 16 2006

AUTHENTICATED BY:

JERRY SANDERS  
Mayor of The City of San Diego, California.

(Seal)

ELIZABETH S. MALAND  
City Clerk of The City of San Diego, California.

By Debbie Swenson-Cruz, Deputy

Office of the City Clerk, San Diego, California

Resolution Number R 301527