

RESOLUTION NUMBER R- 303798

DATE OF FINAL PASSAGE JUN 13 2008

A RESOLUTION OF THE COUNCIL OF THE CITY OF SAN DIEGO AUTHORIZING THE ISSUANCE OF TAX REVENUE ANTICIPATION NOTES FOR FISCAL YEAR 2008-09.

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 2008-09 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- 303798-1 [Accompanying Document] and Document No. RR- 303798-2 [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 \$\$147,000,000 or the maximum amount permitted under the Authorizing Law and approved 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 "2008-09 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 as it becomes due from Property Taxes (as defined below) and other Revenues (as defined herein), 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 2008-09 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

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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 following meanings. "Revenues" means all legally available taxes, income, revenue, cash receipts and other moneys of the City attributable to the City's 2008-09 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 1, 2009 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 2008-09 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

Handwritten signature and initials in black ink, appearing to be 'R.' followed by some less distinct marks.

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 her 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 initial rates established prior to delivery of the Notes pursuant to the Note Purchase Agreement in no event to exceed a total interest cost of five percent (5%) per annum (subject to adjustment upon certain events, if any, as may be provided in the Note Purchase Agreement), (2) the aggregate principal amount of the Notes shall be disbursed to the City on the date of delivery of the Notes in accordance with the Note Purchase Agreement and shall not exceed in the aggregate the lesser of \$147,000,000 or the maximum amount permitted under the Authorizing Law, as certified by the City Treasurer and the Chief Financial Officer pursuant to the completed Accompanying Document and as further approved by the Chief Financial Officer or her designee, her execution of the Accompanying Document to be conclusive evidence thereof and (3) the costs of issuance associated with the issuance of the Notes shall in no event exceed \$115,000.

BE IT FURTHER, RESOLVED, that the Chief Financial Officer or her designee is authorized to execute and deliver the Accompanying Document and the Note Purchase Agreement in substantially the forms attached hereto as Document No. RR 303798-1 and Document No. RR 303798-2, respectively, for and on behalf of the City, each such document to be modified with the approval of the Chief Financial Officer or her 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, and 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 Chief Financial Officer and 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 Mayor, Chief Operating Officer, the Chief Financial Officer, the City Treasurer and the City Clerk, 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 execute an agreement with Stradling Yocca Carlson & Rauth, a Professional Corporation to provide bond counsel services in connection with the issuance of the Notes in a fixed amount equal to \$40,000, inclusive of expenses.

BE IT FURTHER RESOLVED, the Financial Advisory Services Agreement by and between the City and Public Resources Advisory Group to provide financial advisory services for the Fiscal Year 2008-09 Tax and Revenue Anticipation Notes on file in the office of the City Clerk as Document

No. RR-303798-3 for an amount not to exceed \$32,500 is hereby approved and authorized officers of

the City are hereby authorized and directed to execute said agreement, and authorized officers of the City are hereby authorized and directed to pay all the foregoing fees and other costs of issuance of the Notes, including the fees and expenses of Bank of America, N.A. and its counsel in the amounts provided in the Note Purchase Agreement and applicable CDIAC fees, provided the aggregate amount authorized hereunder shall not exceed \$115,000

APPROVED: MICHAEL J. AGUIRRE, City Attorney

By   
Lourdes Epley  
Deputy City Attorney

LME:jdf  
05/23/08  
Or.Dept:Debt Management  
R-2008-1097

I hereby certify that the foregoing Resolution was passed by the Council of the City of San Diego, at this meeting of JUN 09 2008.

ELIZABETH S. MALAND  
City Clerk


By   
Deputy City Clerk

Approved: 6.13.08  
(date)

  
JERRY SANDERS, Mayor

Vetoed. \_\_\_\_\_  
(date)

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

 2008

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

**CERTIFICATE OF UNALLOTTED BALANCE**  
ORIGINATING

AC 2800795  
DEPT  
NO 055

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 \$110,200 00

Vendor PRAG, Inc, Stradling Yocca Carlson & Rauth

Purpose: To authorize the expenditure of funds in an amount not to exceed \$32,500 for PRAG, Inc and \$40,000 for Stradling Yocca Carlson & Rauth for the purpose of providing financial advisory services and bond counsel services for the FY 2009 TRAN Authorizing the expenditure for Bof A counsel fees White & Case, LLP, totaling \$37,500 and CDIAC fees of \$150

Date May 21, 2008 By *[Signature]*  
AUDITOR AND COMPTROLLER'S DEPARTMENT

ACCOUNTING DATA										
ACCTG LINE	CY PY	FUND	DEPT	ORG	ACCOUNT	JOB ORDER	OPERATION ACCOUNT	BENF/ EQUIP	FACILITY	AMOUNT
1	0	65013	65013	2000	4141	065013				32,500 00
2	0	65013	65013	2000	4141	065013				40,000.00
3	0	65013	65013	2000	4141	065013				37,500 00
4	0	65013	65013	2000	4141	065013				200 00
TOTAL AMOUNT										\$110,200 00

FUND OVERRIDE

AC 2800795

*R.*  
2008

JUN 09 2008