

MEMORANDUM OF LAW

DATE: April 3, 1986

TO: Ed Ryan, Auditor and Comptroller

FROM: City Attorney

SUBJECT: San Diego Stadium Authority 1983 Revenue Bond  
Supplemental Indenture

By a memorandum dated March 12, 1986 to this office, you ask if the following statements correctly interpret the provisions of the 1983 Supplemental Indenture:

1. Even though there were two major revenue bond issues 1966 and 1983, the 1983 Supplemental Indenture states that the original set of funds established for the 1966 issue should be continued and used also for the new 1983 issue transactions on a combined basis.
2. The interest income earned in the Reserve Fund (1966) from the time of the 1983 bond issue (9/15/83) until the "supplemental" construction is certified complete should be/have been transferred to the Construction Fund rather than to the Revenue Fund.

The answer is yes as to both statements.

It seems to us that Section 2.06 of the Supplemental Indenture is dispositive of the first issue. That Section provides:

SECTION 2.06. Continuation of Funds. Each of the funds created pursuant to the 1966 Resolution is hereby continued, and, subject to Section 3.01 hereof, the Trustee shall maintain such funds so long as any of the Additional Bonds are outstanding and unpaid.

As to the second question, Sections 2.07 and 2.08 govern and clearly call for the allocation of interest income earned in the Reserve Fund as you propose. (See in particular Section 2.07(ii) on page 14 of the attached copy of the Supplemental Indenture.

JOHN W. WITT, City Attorney

By

C. M. Fitzpatrick

Assistant City Attorney

CMF:js:271.2(x043.2)

Attachment  
ML-86-37