

EL PASO DE ROBLES PUBLIC FINANCING AUTHORITY

ORDINANCE NO. PF-02-XX

AN ORDINANCE OF THE PUBLIC FINANCING AUTHORITY OF THE CITY OF EL PASO DE ROBLES AUTHORIZING THE ISSUANCE OF NOT TO EXCEED \$13,000,000 PRINCIPAL AMOUNT OF 2002 INSTALLMENT SALE REVENUE BONDS RELATING TO IMPROVEMENTS TO THE CITY OF EL PASO DE ROBLES SEWER SYSTEM AND THE REFUNDING OF THE 1993 EL PASO DE ROBLES PUBLIC FINANCING AUTHORITY SEWER REVENUE BONDS, SERIES A, AUTHORIZING AND DIRECTING EXECUTION OF A RELATED INDENTURE OF TRUST, INSTALLMENT SALE AGREEMENT AND ESCROW DEPOSIT AND TRUST AGREEMENT, AUTHORIZING THE SALE OF 2002 INSTALLMENT SALE REVENUE BONDS (SEWER ENTERPRISE PROJECT), APPROVING AN OFFICIAL STATEMENT, AN OFFICIAL NOTICE OF SALE AND AN OFFICIAL BID FORM AND AUTHORIZING OFFICIAL ACTIONS

BE IT ORDAINED, by the El Paso de Robles Public Financing Authority (the "Authority"), as follows:

SECTION 1. General Provisions

Section 1.1. The City of El Paso de Robles, California (the "City"), and the El Paso de Robles Redevelopment Agency have heretofore entered into a Joint Exercise of Powers Agreement dated January 19, 2002, establishing the Authority.

Section 1.2. The Authority proposes at this time to issue its El Paso de Robles Public Financing Authority (San Luis Obispo County, California) 2002 Installment Sale Revenue Bonds (Water Enterprise Project) in an aggregate principal amount of not to exceed \$\_\_\_\_\_ (the "Bonds"), for the purpose of refunding the Authority's \$5,600,000 Sewer Revenue Bonds, Series A (1993 Sewer System Refunding Project) (the "1993 Bonds"), currently outstanding in the principal amount of \$\_\_\_\_\_, provide funds to finance the construction of certain improvements to the City's municipal sewer system (the "Improvements"), fund a Reserve Fund, and pay costs of issuance of the Bonds.

Section 1.3. The Bonds are to be issued pursuant to the Marks-Roos Local Bond Pooling Act of 1985, (the "Act") constituting Article 4 (commencing with section 6584) of Chapter 5 of Division 7 of Title 1 of the California Government Code, and pursuant to an Indenture of Trust dated as of June 1, 2002 (the "Indenture"), by and between the Authority and Union Bank of California, N.A., as trustee (the "Trustee").

Section 1.4. Foley & Lardner (the "Disclosure Counsel") has been directed to prepare a preliminary official statement containing information material to the offering and sale of the Bonds (the "Preliminary Official Statement") and bond counsel to the Authority has been directed to prepare a notice of sale (the "Official Notice of Sale") and a bid form (the "Official Bid Form") relating to the sale of the Bonds.

Section 1.5. The Board has duly considered such transactions and wishes at this time to approve said transactions in the public interests of the Authority.

SECTION 2. Findings and Determinations. Pursuant to the Act, the Board hereby finds and determines that the issuance of the Bonds will result in savings in effective interest rates, bond underwriting and bond issuance costs and thereby results in significant public benefits to its members within the contemplation of section 6586 of the Act.

SECTION 3. Issuance of Bonds. The Board hereby authorizes the issuance of the Bonds under and pursuant to the Act and the Indenture in the aggregate principal amount of not to exceed

§ \_\_\_\_\_ for the purposes hereinbefore described. The Board hereby approves the Indenture in substantially the form on file with the Secretary together with any additions thereto or changes therein deemed necessary or advisable by the Executive Director or the Treasurer. The Chairman, the Executive Director or the Treasurer is hereby authorized and directed to execute, and the Secretary is hereby authorized and directed to attest and affix the seal of the Authority to, the final form of the Indenture for and in the name and on behalf of the Authority. The Board hereby authorizes the delivery and performance of the Indenture.

SECTION 4. Approval of Acquisition Agreement. The Board hereby authorizes and approves the sale of the Improvements to the Authority pursuant to and in accordance with the terms of the Acquisition Agreement, to be dated as of June 1, 2002, by and between the City and the Authority (the "Acquisition Agreement"). The Board hereby approves the Acquisition Agreement in substantially the form on file with the Secretary together with any additions thereto or changes therein deemed necessary or advisable by the Executive Director or the Treasurer. The Chairman, the Executive Director or the Treasurer is hereby authorized and directed to execute, and the Secretary is hereby authorized and directed to attest and affix the seal of the Authority to, the final form of the Acquisition Agreement for and in the name and on behalf of the Authority. The Board hereby authorizes the delivery and performance of the Acquisition Agreement.

SECTION 5. Approval of Installment Sale Agreement. The Board hereby authorizes and approves the purchase of the Improvements from the Authority pursuant to and in accordance with the terms of the Installment Sale Agreement, dated as of June 1, 2002, by and between the Authority and the City (the "Installment Sale Agreement"). The Board hereby approves the Installment Sale Agreement in substantially the form on file with the Secretary together with any additions thereto or changes therein deemed necessary or advisable by the Executive Director or the Treasurer. The Chairman, the Executive Director or the Treasurer is hereby authorized and directed to execute, and the Secretary is hereby authorized and directed to attest and affix the seal of the Authority to, the final form of the Installment Sale Agreement for and in the name and on behalf of the Authority. The Board hereby authorizes the delivery and performance of the Installment Sale Agreement.

SECTION 6. Approval of Escrow Deposit and Trust Agreement. The Board hereby authorizes and approves the provision of payment for the 1993 Bonds pursuant to and in accordance with the terms of the Escrow Deposit and Trust Agreement, dated the date of delivery of the Bonds, by and among the Authority and Union Bank of California, N.A., as escrow bank (the "Escrow Agreement"). The Board hereby approves the Escrow Agreement in substantially the form on file with the Secretary together with any additions thereto or changes therein deemed necessary or advisable by the Executive Director or the Treasurer. The Chairman, the Executive Director or the Treasurer is hereby authorized and directed to execute, and the Secretary is hereby authorized and directed to attest and affix the seal of the Authority to, the final form of the Escrow Agreement for and in the name and on behalf of the Authority. The Board hereby authorizes the delivery and performance of the Escrow Agreement.

SECTION 7. Approval of Preliminary Official Statement. The Board hereby approves the Preliminary Official Statement describing the financing, in substantially the form on file with the Secretary, together with any changes therein or additions thereto deemed advisable by the Chairman, the Executive Director or the Treasurer. The Board authorizes and directs the Executive Director or the Treasurer, on behalf of the Authority, to deem "final" pursuant to Rule 15c2-12 under the Securities Exchange Act of 1934 (the "Rule") the Preliminary Official Statement prior to its distribution by the Financial Advisor.

SECTION 8. Distribution of Preliminary Official Statement, the Official Notice of Sale and the Official Bid Form. The Financial Advisor, on behalf of the Authority, is authorized and directed to cause the Preliminary Official Statement, the Official Notice of Sale and the Official Bid Form to be distributed to such municipal bond broker-dealers, to such banking institutions and to such other persons as may be interested in purchasing the Bonds therein offered for sale.

SECTION 9. Sale of the Bonds. The Secretary is authorized and directed to execute the Official Notice of Sale on behalf of the Authority and to call for bids for the sale of the Bonds. The Chairman, the Executive Director or the Treasurer, on behalf of the Authority, is hereby delegated the authority to accept the best responsible bid for the purchase of the Bonds, determined in accordance with the Official Notice of Sale. The Chairman, the Executive Director or the Treasurer is hereby authorized and directed to accept such bid, for and in the name of the Authority, by notice to the successful bidder. In the event two or more bids setting forth identical interest rates and premium, if any, are received, the Chairman, the Executive Director or the Treasurer, on behalf of the Authority, may exercise his own discretion and judgment in making the award and may award the Bonds on a pro rata basis in such denominations as he shall determine. The Chairman, the Executive Director or the Treasurer, on behalf of the Authority, may, in his discretion, reject any and all bids and waive any irregularity or informality in any bid. The Chairman, the Executive Director or the Treasurer, on behalf of the Authority, shall award the Bonds or reject all bids not later than 26 hours after the expiration of the time prescribed for the receipt of proposals unless such time of award is waived by the successful bidder.

SECTION 10. Final Official Statement. The Chairman, the Executive Director or the Treasurer is authorized and directed to cause the Preliminary Official Statement to be brought into the form of a final official statement (the "Final Official Statement") and to execute said Final Official Statement, dated as of the date of the sale of the Bonds, and a statement that the facts contained in the Final Official Statement, and any supplement or amendment thereto (which shall be deemed an original part thereof for the purpose of such statement) were, at the time of sale of the Bonds, true and correct in all material respects and that the Final Official Statement did not, on the date of sale of the Bonds, and does not, as of the date of delivery of the Bonds, contain any untrue statement of a material fact with respect to the Authority or omit to state material facts with respect to the Authority required to be stated where necessary to make any statement made therein not misleading in light of the circumstances under which it was made. The Chairman, the Executive Director or the Treasurer shall take such further actions prior to the signing of the Final Official Statement as are deemed necessary or appropriate to verify the accuracy thereof. The execution of the Final Official Statement, which shall include such changes and additions thereto deemed advisable by the Chairman, the Executive Director or the Treasurer and such information permitted to be excluded from the Preliminary Official Statement pursuant to the Rule, shall be conclusive evidence of the approval of the Final Official Statement by the Authority.

The Final Official Statement, when prepared, is approved for distribution in connection with the offering and sale of the Bonds.

SECTION 11. Purchase of Municipal Bond Insurance. If it is determined that the purchase of municipal bond insurance for the Bonds will result in a net interest rate savings to the Authority (after consideration of the premium associated with such insurance), the Authority hereby approves such purchase by the Chairman of the Authority, or his designee.

SECTION 12. Retention of Trustee. The designation of Union Bank of California, N.A., as trustee for the Bonds, is hereby approved.

SECTION 13. Official Actions. The Chairman, the Treasurer, the Secretary and any and all other proper officers of the Authority are hereby authorized and directed, for and in the name and on behalf of the Authority, to do any and all things and take any and all actions, including execution and delivery of any and all assignments, certificates, requisitions, agreements, notices, consents, instruments of conveyance, warrants and other documents, which they, or any of them, may deem necessary or advisable in order to consummate the lawful issuance and sale of the Bonds.

SECTION 14. Effective Date. This Ordinance shall be in full force and effect upon the expiration of thirty (30) days of the adoption and shall remain in effect until rescinded or amended by the Board of Directors of the Authority.

Introduced at a regular meeting of the El Paso de Robles Public Financing Authority held on September 17, 2002, and passed and adopted on the 1<sup>st</sup> day of October 2002 by the following roll call vote:

AYES:

NOES:

ABSENT:

ABSTAIN:

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Chairman Frank R. Mecham

ATTEST:

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Secretary