

RESOLUTION NO. 87-68

RESOLUTION OF THE CITY OF EL PASO DE ROBLES
DECLARING ITS INTENTION TO SELL SEWER REVENUE
BONDS OF SAID CITY IN THE AMOUNT NOT TO
EXCEED \$6,155,000, FIXING TIME AND PLACE FOR
TAKING BIDS, DIRECTING PUBLICATION OF NOTICE
INVITING BIDS AND APPROVING A PRELIMINARY
OFFICIAL STATEMENT

WHEREAS, the City of El Paso De Robles (the "City") deems it proper, and the necessity therefor appears, that bids be invited for the purchase of its not to exceed \$6,155,000 "City of El Paso De Robles, Sewer Revenue Bonds, Series A" (the "Bonds"), and that if bids are satisfactory the Bonds be sold in the manner and in the time and place hereinafter set forth; and

WHEREAS, the City's financial consultant has prepared a preliminary official statement;

NOW, THEREFORE, the City of El Paso De Robles DOES HEREBY RESOLVE, DETERMINE AND ORDER as follows:

SECTION 1. Sealed bids for the purchase of not to exceed \$6,155,000 of the Bonds shall be received by the City at the time and place hereinafter set forth in the Notice Inviting Bids. The City will take construction bids prior to the sale of the Bonds. In the event the best construction bid is lower than anticipated, the Director of Administrative Services is authorized to downsize the amount of Bonds to be sold and to provide for notification of the revised principal amount to prospective bidders.

SECTION 2. The City Clerk of the City is hereby authorized and directed to publish said Notice Inviting Bids by one insertion in The Bond Buyer, a newspaper circulated in the State of California, at least fifteen (15) days prior to the date of opening bids, said notice shall be in substantially the following form:

Official Statement relating to the Bonds did not contain any untrue statement of a material fact or omit to state a material fact necessary to make the statements therein, in light of the circumstances under which they were made, not misleading.

OFFICIAL STATEMENT: The City will furnish to the successful bidder, at no charge, such number of copies of the Official Statement as said bidder may reasonably request (but not to exceed 250) for this issue for use in connection with any resale of the Bonds.

INFORMATION AVAILABLE: Requests for copies of the Official Statement pertaining to the Bonds, the Official Bid Form, or for other information concerning the City, should be addressed to the financial consultant for the City, Kelling, Northcross & Nobriga, Inc., Four Embarcadero Center, Suite 1610, San Francisco, CA 94111, telephone (415) 362-0863, Attention Mark Northcross, Senior Vice President.

GIVEN by order of the City on October 1, 1987.

By *Jerry Bantston*
City Clerk of the City of El Paso De Robles

SECTION 4. The preliminary official statement prepared by Kelling, Northcross & Nobriga, Inc. is approved in substantially the form presented to this City Council. The Director of Finance is authorized to approve such modifications thereof as may be necessary to provide current information to the bidders. The Official Statement may be distributed to potential bidders on the Bonds.

ADOPTED AND APPROVED this 1st day of October, 1987.

Nick Russell
Mayor of the City of El Paso De Robles

(SEAL)

ATTEST:

Jerry Bantston
City Clerk of the City of El Paso De Robles

APPROVED AS TO FORM:

Michael [Signature]

09/22/87
6970k/2435/01

STATE OF CALIFORNIA)
COUNTY OF SAN LUIS OBISPO) ss.
CITY OF EL PASO DE ROBLES)

CLERK'S CERTIFICATE
RE ADOPTION OF RESOLUTION


I, Jerry Bankston, City Clerk of the City of El Paso De Robles, do hereby certify that the foregoing resolution was duly adopted by the City Council of said City at an adjourned regular meeting of said City held on the 1st day of October, 1987, and that it was so adopted by the following vote:

AYES: Members Ovitt, Cousins, Dolan, Martin and Russell

NOES: Members None

ABSENT: Members None

ABSTAIN: Members None



City Clerk of the City of El Paso De Robles

(SEAL)

STATE OF CALIFORNIA)
COUNTY OF SAN LUIS OBISPO) ss.
CITY OF EL PASO DE ROBLES)

CLERK'S CERTIFICATE
OF AUTHENTICATION

I, Jerry Bankston, City Clerk of the City of El Paso De Robles, do hereby certify that the above and foregoing is a full, true and correct copy of RESOLUTION NO. 87-68, of said City, and that the same has not been amended or repealed.

DATED: October 1, 1987



City Clerk of the City of El Paso De Robles

NOTICE OF SALE

\$6,155,000
(not to exceed)

City of El Paso De Robles
County of San Luis Obispo, California

Sewer Revenue Bonds, Series A
(Bank Qualified)

NOTICE IS HEREBY GIVEN that on November 3, 1987, at 11:00 o'clock a.m., at the offices of Kelling, Northcross & Nobriga, Inc., Four Embarcadero Center, Suite 1610, San Francisco, CA 94111, the City of El Paso De Robles will receive bids for the sale of its Sewer Revenue Bonds, Series A in the principal amount of not to exceed Six Million One Hundred Fifty-Five Thousand Dollars (\$6,155,000). If construction bids to be received prior to November 3, 1987 are lower than estimated, the amount of Bonds to be sold may be reduced and the lesser amount will be set forth in the Official Statement to be mailed to prospective bidders.

The Bonds are sewer revenue bonds of the City, payable, both as to principal, interest and premium, if any, solely from Net Revenues of the Enterprise (as defined in the Resolution of Issuance relating to said Bonds) and from other limited funds and accounts as provided in said Resolution.

The Bonds will mature serially on November 1 in each of the years 1988 to 2007. Interest will be paid semiannually on May 1 and November 1 of each year commencing May 1, 1988. The Bonds are subject to optional redemption on May 1, 1995 or on any interest date thereafter at the premium set forth in said Resolution.

The legal opinion of Stradling, Yocca, Carlson & Rauth, a Professional Corporation, will be furnished to the successful bidder.

Further information may be obtained from Kelling, Northcross & Nobriga, Inc. at the above address, telephone number (415) 362-4110, Attn: Mr. Mark Northcross or Mr. Dan Cox.

JERRY BANKSTON,
City Clerk of the City of El
Paso De Robles

SECTION 3. The City Clerk of the City is further authorized and directed to cause to be furnished to prospective bidders copies of a Notice Inviting Bids and of the Official Statement relating to the Bonds; but the failure, in whole or in part, to comply with this section shall not in any manner affect the validity of the sale of said Bonds. Said notice shall be substantially as follows:

CITY OF EL PASO DE ROBLES
COUNTY OF SAN LUIS OBISPO, STATE OF CALIFORNIA

NOTICE INVITING BIDS

\$6,155,000*

**SEWER REVENUE BONDS, SERIES A
(Bank Qualified)**

NOTICE IS HEREBY GIVEN that sealed proposals for the purchase of Six Million One Hundred Fifty-Five Thousand Dollars (\$6,155,000) principal amount of Sewer Revenue Bonds, Series A, of the City of El Paso De Robles, California (the "City") will be received by the City up to the time and at the place specified:

Time: 11:00 a.m. November 3, 1987

Place: City of El Paso De Robles
c/o Kelling, Northcross & Nobriga, Inc.
Four Embarcadero Center, Suite 1610
San Francisco, California 94111

Mailed Bids City of El Paso De Robles
c/o Kelling, Northcross & Nobriga, Inc.
Four Embarcadero Center, Suite 1610
San Francisco, California 94111

OPENING OF BIDS: The bids will be received at the above time and place, will be opened by the City's Financial Consultant and will be presented to the City Council at its meeting to be held later on in the day on which the bids are received.

ISSUE: Six Million One Hundred Fifty-Five Thousand Dollars (\$6,155,000) designated City of El Paso De Robles, California, Sewer Revenue Bonds, Series A (the "Bonds"), consisting of non-negotiable, fully registered Bonds, of the denomination of five thousand dollars (\$5,000) each of any whole multiple thereof within a maturity, dated as of November 1, 1987.

*subject to change

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MATURITIES: The Bonds will mature on November 1 in each of the years and in the following amounts:

<u>Maturity Date</u> <u>November 1</u>	<u>Principal</u> <u>Amount</u>
1988	\$ 165,000.00
1989	\$ 170,000.00
1990	\$ 175,000.00
1991	\$ 185,000.00
1992	\$ 195,000.00
1993	\$ 205,000.00
1994	\$ 220,000.00
1995	\$ 235,000.00
1996	\$ 255,000.00
1997	\$ 270,000.00
1998	\$ 290,000.00
1999	\$ 310,000.00
2000	\$ 330,000.00
2001	\$ 355,000.00
2002	\$ 385,000.00
2003	\$ 410,000.00
2004	\$ 445,000.00
2005	\$ 480,000.00
2006	\$ 515,000.00
2007	\$ 560,000.00

INTEREST: The Bonds will bear interest at a rate or rates to be fixed upon the sale thereof but not to exceed twelve percent (12%) per annum, payable commencing on May 1, 1988, and semiannually thereafter on November 1 and May 1 in each year.

PAYMENTS: The Bonds and the interest thereon and any premiums upon the redemption thereof prior to maturity are payable in lawful money of the United States of America, interest being payable by check mailed to the registered Owner of the Bond at his address shown on the Bond Register on the 15th day of the month prior to an interest payment date and principal being payable at the principal corporate trust office of the Fiscal Agent for the City, in Seattle, Washington.

FORM OF BOND: The Bonds shall be non-negotiable, fully registered Bonds.

TRANSFER AND EXCHANGE: Transfer of ownership of a Bond or Bonds shall be made by exchanging the same for a new Bond or Bonds and transferring the registration of such Bond or Bonds on the registration books of the Fiscal Agent.

CALL FEATURE: The outstanding Bonds, or any of them, may or shall, as the case may be, be called before maturity and redeemed as follows:

(a) The outstanding Bonds maturing on or after November 1, 1996 may be called before maturity and redeemed, at the option of the City, in whole or in part in inverse order of maturity (and by lot within a maturity) if less than all of the bonds of such maturity are to be redeemed on November 1, 1995 or on any interest payment date thereafter prior to maturity. Bonds so called for redemption shall be redeemed at the following redemption prices expressed as percentages of the principal amount of the Bonds to be redeemed, plus accrued interest to the redemption date:

<u>Redemption Date</u>	<u>Redemption Prices</u>
November 1, 1995 and May 1, 1996	102 %
November 1, 1996 and May 1, 1997	101-1/2
November 1, 1997 and May 1, 1998	101
November 1, 1998 and May 1, 1999	100-1/2
November 1, 1999 and thereafter	100

(b) The bonds are subject to call and redemption prior to their respective maturity dates, in whole or in part in inverse order of maturity (and by lot within a maturity) if less than all of the bonds of such maturity are to be redeemed from the net proceeds of insurance or eminent domain proceedings available therefor if the City does not apply such net proceeds toward the acquisition or construction of additions, betterments, extensions or improvements to the Enterprise, at a redemption price equal to the principal amount thereof, plus accrued interest to the redemption date, without premium.

PURPOSE OF ISSUE: The Bonds are to be issued by the City under and pursuant to an act commonly referred to as the Sewer Revenue Bond Act of 1933, Chapter 5, Part 3, Division 5 (commencing at Section 4950) of the California Health and Safety Code to finance modifications and additions to the City's Biological Filtration Wastewater Treatment Plant pursuant to the Resolution providing for the issuance of the Bonds adopted by the City (the "Resolution"), to which reference is made for further particulars.

SECURITY: The Bonds are payable, as to principal and interest solely from Net Revenues of the Enterprise (as defined in the Resolution). The Bonds are not obligations of the City of El Paso De Robles or the State of California.

TERMS OF SALE:

INTEREST RATE: The rate or rates bid, as the case may be, may not exceed twelve percent (12%) per annum, payable commencing May 1, 1988, and semiannually thereafter on

Each rate bid must be a twentieth of one percent interest (1/20%). All Bonds of maturity or group of maturities shall not be lower than the interest rate of one percent interest at the rate specified in the bid. No Bond may bear more than one interest rate, and interest rate to its fixed maturity date.

AWARD OF BONDS: The Bonds shall be sold for cash only. All bids must be for not less than all of the Bonds hereby offered for sale. Each bid shall state of delivery, the purchase price, accrued interest to the date of delivery, or one-half percent which shall not be less than the bid here, at which the (98.5%) of principal, and the bid here, at which the bidder offers to buy the Bonds. Each bidder is requested to state in his bid the interest rate determined thereby, which shall be average net interest rate and not a part of the bid. considered informative only.

HIGHEST BIDDER; BOND PRINTING: The Bonds will be awarded to the highest responsible bidder and the highest bid (if any) or interest rate specified in the bid, if any, or from and deducting the amount of the premium bid (if any) to total amount of interest to the City would be at the rate adding the amount of the bid, and the award thereof to pay from the date of the Bonds shall be final. The purchaser must pay or rates specified in the bid, and the award thereof to pay from the date of the Bonds shall be final. The purchaser must pay or more bids determine the lowest bid net to the date of delivery thereof computed on a 360-day year to the date of such determination shall be borne by the City. The cost of printing the Bonds will be borne by the City.

RIGHT OF REJECTION: The City reserves the right, in its discretion, to reject any and all bids and, to the extent not prohibited by law, to waive any irregularity or informality in any bid.

PROMPT AWARD: The City will take action awarding the Bonds or rejecting all bids not later than twenty-six (26) hours after the time herein prescribed for the receipt of bids; provided that the award may be made after the expiration of the specified time if the bidder shall not have given to the City the notice in writing of the withdrawal of such bid. Notice of award will be given promptly to the successful bidder.

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FORM OF BID; MAXIMUM DISCOUNT: All bids must be for not less than all of the bonds hereby offered for sale and for not less than ninety-eight and one-half percent (98.5%) of the par value thereof and accrued interest thereon to the delivery date. Each bid, together with the bid check, must be in a sealed envelope, addressed to the City, with the envelope and bid clearly marked "Bid for City of El Paso De Robles, California, Sewer Revenue Bonds, Series A." Each bid must be unconditional and in accordance with the terms and conditions set forth herein, or permitted herein, and must be submitted on, or in substantial accordance with, bid forms provided by the City.

CUSIP NUMBERS: It is anticipated that CUSIP identification numbers may be imprinted on the Bonds, but such numbers shall not constitute a part of the contract evidenced by the Bonds and no liability shall attach to the City or any of the officers or agents thereof because of or on account of said numbers. Any error or omission with respect to said numbers shall not constitute cause for refusal by the successful bidder to accept delivery of and pay for the Bonds.

DELIVERY AND PAYMENT: Delivery of the bonds will be made to the successful bidder at the offices of Stradling, Yocca, Carlson & Rauth in Newport Beach, California, or at any other place acceptable to the City and the Purchaser. Payment for the Bonds must be made in immediately available funds to the City in the City of El Paso De Robles, California.

PROMPT DELIVERY, CANCELLATION FOR LATE DELIVERY: The Bonds are scheduled to be delivered to the successful bidder within thirty (30) days following the sale thereof. If the City shall fail to execute the Bonds and tender them for delivery by twelve o'clock noon on the 60th day following the date of sale or the first business day thereafter if said 60th day is not a business day, the successful bidder may (subject to the conditions set forth below under the heading "Bid Check"), on that day or any time thereafter until delivery of the Bonds, withdraw his bid by serving notice of cancellation, in writing, on the undersigned, in which event the City shall promptly return the good faith deposit. The City expects to make such delivery in the form of definitive bonds, but reserves the right to make such delivery in the form of temporary bonds, exchangeable for definitive bonds, at no cost to the purchaser. Accrued interest to the date of delivery of the Bonds shall be paid by the purchaser at the time of delivery.

BID CHECK: A certified or cashier's check drawn on a responsible bank or trust company in the amount of fifty thousand dollars (\$50,000) payable to the order of the City, must accompany each bid as a guaranty that the bidder, if successful, will accept and pay for the Bonds in accordance with the terms of his bid. No interest shall be allowed on the good faith checks, and checks of the unsuccessful bidders will be promptly returned to each bidder's representative by hand delivery or registered mail. The check accompanying any accepted bid shall be cashed and the proceeds thereof applied to the purchase price. If such bid is accepted but not performed, unless such failure or performance shall be caused by any act or omission of the City, the proceeds of the check accompanying any accepted bid shall be retained by the City.

STATEMENT OF NET INTEREST RATE: Each bidder is requested but not required, to state in its bid the total net interest cost and the percentage net interest rate represented by the bid, which shall be considered as informative only and not binding on either the bidder or the City.

CALIFORNIA DEBT ADVISORY COMMISSION: The City has duly notified the California Debt Advisory Commission of the proposed sale of the Bonds. Payment of all fees to the California Debt Advisory Commission in connection with the sale and issuance of the Bonds shall be the sole responsibility of the successful bidder, and not of the City.

NO LITIGATION: There is no litigation pending, concerning the validity of the Bonds, the corporate existence of the City or the City of El Paso De Robles or the entitlement of the officers thereof to their respective offices, and the successful bidder will be furnished a no-litigation certificate certifying to the foregoing as of and at the time of the delivery of the Bonds.

CHANGE IN TAX EXEMPT STATUS: At any time before the Bonds are tendered for delivery, the successful bidder may disaffirm and withdraw the bid if the interest received by private holders from bonds of the same type and character of the Bonds shall be declared to be includable in the gross income under present federal income tax laws, either by a ruling of the Internal Revenue Service or by a decision of any federal court, or shall be declared taxable by the terms of any federal income tax law enacted subsequent to the date of this notice.

LEGAL OPINION: The opinion of Stradling, Yocca, Carlson & Rauth, approving the validity of the Bonds and stating that assuming compliance by the City of certain covenants contained in the Resolution, interest on the Bonds is excluded from federal gross income under present federal income tax laws and

that such interest is also exempt from personal income taxes of the State of California under present State income tax laws, will be furnished the successful bidder at or prior to the time of delivery of the Bonds at the expense of the City. A copy of such opinion, certified by an officer of the City by his facsimile signature, will be printed on the back of each Bond. No charge will be made to the purchaser for such opinion, printing or certification.

CLOSING DOCUMENTS: In addition to the opinion of Bond Counsel referred to above, at the time of payment for the delivery of the Bonds, the City will furnish the successful bidder the following documents, all to be dated as of the date of delivery:

1. **Arbitrage Certificate --** A certificate of an appropriate officer of the City certifying that, on the basis of facts, estimates and circumstances in effect at the time of delivery of the Bonds, it is not expected that the proceeds of the Bonds will be used in a manner that will cause the Bonds to be arbitrage bonds. In order to calculate "Yield" under present federal tax laws, the successful bidder will be required to execute a certificate informing the City as to the resale price of the Bonds.
2. **No Litigation Certificate --** A certificate of an appropriate officer of the City, certifying that there is no litigation pending or, to the best of such officer's knowledge, threatened against the City affecting the validity of the Bonds.
3. **Signature Certificate --** A certificate of appropriate officers of the City indicating that they have signed the Bonds by manual or facsimile signature and that they were duly authorized to execute the same.
4. **Fiscal Agent's and Treasurer's Receipts --** The receipts of the Fiscal Agent and the Treasurer of the City showing that the purchase price of the Bonds, including accrued interest to the date of delivery, if any, has been received by the City and the Fiscal Agent, respectively.
5. **Certificate Concerning Official Statement --** A certificate of an appropriate officer of the City, acting in such person's official and not personal capacity, to the effect that at the time of the sale of the Bonds and at all times subsequent thereto up to and including the time of delivery of the Bonds, the