

RESOLUTION NO. 87-96

RESOLUTION OF THE CITY OF EL PASO DE ROBLES
RESCINDING RESOLUTION NO. 87-68 AND ADOPTING
THIS RESOLUTION 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 Council adopted Resolution No. 87-68 providing for the sale of the Bonds and now desires to change the terms of said sale; 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.

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:

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 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 December 1, 1987.

By *Jerry Bartston*
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 December, 1987.

Mike Russell
Mayor of the City of El Paso De
Robles

(SEAL)

ATTEST:

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

APPROVED AS TO FORM:

Michael W. Webb

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 December, 1987, and that it was so adopted by the following vote:

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

NOES: Members None

ABSENT: Members None

ABSTAIN: Members None

Jerry Bankston
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. 87-96, of said City, and that the same has not been amended or repealed.

DATED: Dec. 1, 1987

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

NOTICE OF SALE

\$6,155,000

**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 December 15, 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 Six Million One Hundred Fifty-Five Thousand Dollars (\$6,155,000).

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 December 1 in each of the years 1988 to 2007. Interest will be paid semiannually on June 1 and December 1 of each year commencing June 1, 1988. The Bonds are subject to optional redemption on June 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. December 15, 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 December 1, 1987.

*subject to change

11/30/87
7862k/2435/01

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

<u>Maturity Date</u> <u>December 1</u>	<u>Principal</u> <u>Amount</u>
1988	\$ 140,000.00
1989	\$ 155,000.00
1990	\$ 165,000.00
1991	\$ 175,000.00
1992	\$ 185,000.00
1993	\$ 200,000.00
1994	\$ 215,000.00
1995	\$ 230,000.00
1996	\$ 250,000.00
1997	\$ 270,000.00
1998	\$ 290,000.00
1999	\$ 310,000.00
2000	\$ 335,000.00
2001	\$ 360,000.00
2002	\$ 390,000.00
2003	\$ 420,000.00
2004	\$ 455,000.00
2005	\$ 495,000.00
2006	\$ 535,000.00
2007	\$ 580,000.00

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 June 1, 1988, and semiannually thereafter on December 1 and June 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 December 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 December 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>
December 1, 1995 and June 1, 1996	102 $\frac{3}{4}$
December 1, 1996 and June 1, 1997	101-1/2
December 1, 1997 and June 1, 1998	101
December 1, 1998 and June 1, 1999	100-1/2
December 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 June 1, 1988, and semiannually thereafter on December 1 and June 1 of each year. Each rate bid must be a multiple of one-twentieth of one percent (1/20%). All Bonds of the same maturity must carry the same interest rate. The rate on any maturity or group of maturities shall not be lower than the interest rate on any previous maturity or group of maturities. No Bond may bear more than one interest rate, and each Bond must bear interest at the rate specified in the bid from its date 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 that the bidder offers accrued interest to the date of delivery, the purchase price, which shall not be less than ninety-eight and one-half percent (98.5%) of principal, and the interest rate, or rates, as the case may be, not to exceed that specified herein, at which the bidder offers to buy the Bonds. Each bidder is requested to state in his bid the total net interest cost in dollars and the average net interest rate determined thereby, which shall be considered informative only and not a part of the bid.

HIGHEST BIDDER; BOND PRINTING: The Bonds will be awarded to the highest responsible bidder or bidders considering the interest rate specified and the discount bid, if any, or premium offered, if any. The highest bid will be determined by deducting the amount of the premium bid (if any) from and adding the amount of the discount bid (if any) to the total amount of interest which the City would be required to pay from the date of the Bonds to the maturity dates thereof at the rate or rates specified in the bid, and the award will be made on the basis of the lowest net interest cost to the City. If two or more bids provide the same lowest net interest cost, the City shall determine by lot which bid shall be accepted, and such determination shall be final. The purchaser must pay accrued interest from the date of the Bonds to the date of delivery thereof computed on a 360-day year basis. 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 notice in writing of the withdrawal of such bid. Notice of the award will be given promptly to the successful bidder.

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.

INSURANCE: The City has applied for a municipal bond insurance commitment. If the Bonds qualify for issuance of any policy of municipal bond insurance or commitment therefor at the option of the bidder, any purchase of such insurance or commitment therefor shall be at the sole option and expense of the bidder and any increased costs if otherwise paid, shall be paid by such bidder. Any failure of the Bonds to be so insured or of any such policy of insurance to be issued shall not in any way relieve the purchaser of his contractual obligations arising from the acceptance of his proposal for the purchase of the Bonds.

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.