

A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF SOLEDAD
REGARDING REIMBURSEMENT FROM BOND PROCEEDS
OF WATER WELL EXPENDITURES

WHEREAS, the City of Soledad (the "City") has investigated the feasibility of certain water well construction and water system improvements (the "Project") and has applied to the Farmers Home Administration for a permanent financing commitment pursuant to the Rural Development Act, and

WHEREAS, the City will need to advance certain monies either from its own resources or pursuant to payments made by the Soledad Redevelopment Agency in furtherance of the Project pending either short term or long term financing of the Project with tax-exempt obligations (the "Obligations"), and

WHEREAS, the City Council of the City wished to express at this time its intention that any and all such expenditures made in furtherance of the Project be reimbursable from the proceeds of such tax-exempt obligations

NOW, THEREFORE, BE IT RESOLVED by the City Council of the City of Soledad, as follows.

Section 1 The recitals hereof are true and correct.

Section 2. The City Council hereby declares and directs that any and all expenditures incurred by the City in furtherance of the Project described in the recitals hereof and further described in the application for funding to the Farmers Home Administration, a copy of which is on file in the office of the City Manager, are intended to be reimbursed from the proceeds of the Obligations to be issued for the Project, whether such amounts are advanced by the City directly from its own resources or pursuant to an arrangement with the Soledad Redevelopment Agency.

Section 3 The expected date of issue of the Obligations will be within one year of the later of the expenditure date or dates and the date the Project is placed in service

Section 4 Proceeds of the Obligations to be used to reimburse for Project costs are not expected to be used directly or indirectly to pay debt service with respect to any obligation (other than to pay current debt service coming due within the next succeeding one year period on any tax-exempt obligation of the City (other than the Obligations) or to be held as a reasonably required reserve or replacement fund with respect to an Obligation of the City or any entity related in any manner to the City, or to reimburse any expenditure that was originally paid with the proceeds of any Obligation, or to replace funds that are or will be used in such manner.

Section 5. This resolution is consistent with the budgetary and financial circumstances of the City, as of the date hereof. No monies from sources other than the Obligations are, or are reasonably expected to be reserved, allocated on a long-term basis, or otherwise set aside by the City (or any related party) pursuant to their budget or

financial policies with respect to the Project costs. To the best of our knowledge, this City Council is not aware of the previous adoption of official intents by the City that have been made as a matter of course for the purpose of reimbursing expenditures and for which tax-exempt obligations have not been issued.

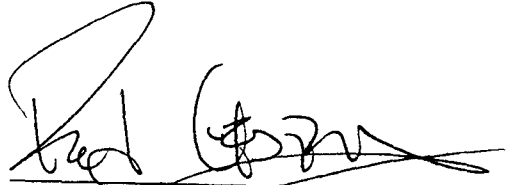
Section 6. This resolution is adopted as official action of the City in order to comply with Treasury Regulation 1.103-18 and any other regulations of the Internal Revenue Service relating to the qualification for reimbursement of City expenditures incurred prior to the date of issue of the Obligations, is part of the City's official proceedings, and will be available for inspection by the general public at the main administrative office of the City.

PASSED AND ADOPTED by the City Council of the City of Soledad at a regular meeting duly held on the 22nd day of March, 1993, by the following vote:

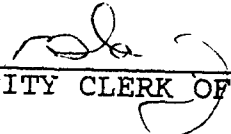
AYES, and in favor thereof, Councilmembers: John Holguin, Ben Jimenez, Jr., Richard Ortiz, Mayor Pro Tem Fabian Barrera, Mayor Fred Ledesma

NOES, Councilmembers: None

ABSENT, Councilmembers. None


MAYOR OF THE CITY OF SOLEDAD

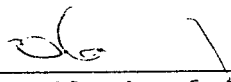
ATTEST:


CITY CLERK OF THE CITY OF SOLEDAD

STATE OF CALIFORNIA)
) ss.
COUNTY OF MONTEREY)

I, Blair King, City Clerk of the City Council of the City of Soledad, hereby certify that the above and foregoing Resolution was duly and regularly adopted by the said City Council at a regular meeting thereof held on the 22nd day of March, 1993.

IN WITNESS WHEREOF, I have hereunto set my hand and seal this 23rd day of March, 1993



City Clerk of the City Council of
the City of Soledad