

CITY OF SOLEDAD

RESOLUTION NO. 2239

A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF SOLEDAD  
PROVIDING FOR THE BORROWING OF FUNDS IN ANTICIPATION  
OF THE RECEIPT OF GRANT FUNDS AND THE ISSUANCE  
AND SALE OF 1993 GRANT ANTICIPATION  
NOTES THEREFOR

WHEREAS, pursuant to the provisions of Title 5, Division 2, Part 1, Chapter 4, Article 7.7 (commencing with Section 53859) of the California Government Code (the "Grant Anticipation Note Law"), the City of Soledad (the "City"), a municipal corporation and general law city duly organized and existing under the laws of the State of California, has heretofore found and determined that moneys are needed for the requirements of the City to satisfy obligations payable in connection with the construction of certain sewer improvements (the "Project") and that it is necessary that said sum be borrowed for such purposes at this time by the issuance of temporary notes in anticipation of the receipt of loan moneys (the "Loan"), from the United States of America, Department of Agriculture, Farmers Home Administration ("FmHA"), the Loan to be in the form of the purchase by FmHA of Certificates of Participation evidencing an undivided interest of the owner thereof in certain lease purchase payments of the City water fund attributable to certain improvements to the City's water system financed in part in the proceeds of the Notes authorized hereunder;

WHEREAS, the commitment of FmHA to provide the Loan is evidenced by that certain Acknowledgement of Obligated Funds, effective as of April 8, 1993 (the "Commitment");

NOW, THEREFORE, the City Council of the City of Soledad hereby finds, determines, declares and resolves as follows:

Section 1. Authorization and Terms of Notes.

(a) Solely for the purpose of anticipating receipt of the Loan, and not pursuant to any common plan of financing, the City hereby determines to and shall borrow the principal amount of not to exceed two million five hundred ninety-three thousand dollars (\$2,593,000) by the issuance of temporary notes pursuant to the Grant Anticipation Note Law, to be designated "City of Soledad (Monterey County, California) 1993 Grant Anticipation Notes" (the "Notes"). The Notes shall be dated the date of delivery hereof, shall mature, subject to the City's option to redeem the Notes prior to redemption as described below, on June 1, 1994, and shall be in the principal amount (not exceeding \$2,593,000) and shall bear interest, payable at maturity and computed on a 30-day month/360-day year basis, at the rate not to exceed eight percent (8%) per annum, all as set

forth in the contract of purchase for the Notes, dated as of the date hereof, between George K. Baum & Company, Sacramento, California (the "Underwriter"), and the City (the "Contract of Purchase"). Both the principal of and interest on the Notes shall be payable, only upon surrender thereof, in lawful money of the United States of America, at the principal corporate trust office of Bank of America National Trust and Savings Association, in San Francisco, California (the "Paying Agent").

(b) The Notes shall be initially issued and registered in the name of "Cede & Co.," as nominee of The Depository Trust Company, New York, New York (hereinafter, "Cede & Co." and "The Depository Trust Company") and shall be evidenced by a single Note. Registered ownership of the Note, or any portion thereof, may not thereafter be transferred except as set forth in Section 2(c).

(c) The Notes shall be initially issued and registered as provided in Section 2(b) hereof. Registered ownership of such Notes, or any portions thereof, may not thereafter be transferred except:

(i) to any successor of The Depository Trust Company, or its nominee, or of any substitute depository designated pursuant to clause (ii) of this subsection (b) ("Substitute Depository"); provided that any successor of The Depository Trust Company or Substitute Depository shall be qualified under any applicable laws to provide the service proposed to be provided by it;

(ii) to any Substitute Depository not objected to by the City Manager, upon (1) the resignation of The Depository Trust Company or its successor (or any Substitute Depository or its successor) from its functions as depository, or (2) a determination by the City Manager to substitute another depository for The Depository Trust Company (or its successor) is no longer able to carry out its functions as depository; provided that any such Substitute Depository shall be qualified under any applicable laws to provide the services proposed to be provided by it; or

(iii) to any person as provided below, upon (1) the resignation of The Depository Trust Company or its successor (or any Substitute Depository or its successor) from its functions as depository, or (2) a determination by the City Manager to discontinue using a depository.

(d) In the case of any transfer pursuant to clause (i) or clause (ii) of subsection (c) of this Section 2, upon receipt of all outstanding Notes by the Paying Agent, together with a written request of the City Manager to the Paying Agent designating the Substitute Depository, a single new Note, which

the City shall prepare or cause to be prepared, shall be executed, delivered, authenticated and registered in the name of such successor or such Substitute Depository, or its nominees, as the case may be, all as specified in such written request of the Treasurer. In the case of any transfer pursuant to clause (iii) of subsection (c) of this Section 2, upon receipt of all outstanding Notes by the Paying Agent, together with a written request of the City Manager to the Paying Agent, new Notes, which the City shall prepare or cause to be prepared, shall be executed and delivered in such denominations and registered in the names of such persons as are requested in such written request of the City Manager, subject to the limitations of Section 2 hereof, provided that the Paying Agent shall authenticate and deliver such new Notes as soon as practicable after the date of receipt of such written request from the City Manager.

(e) The City and the Paying Agent shall be entitled to treat the person whose name appears on the registration books of the Paying Agent as the owner thereof for all purposes of the Resolution and for purposes of payment of principal and interest on such Note, notwithstanding any notice to the contrary received by the Paying Agent or the City; and the City and the Paying Agent shall not have responsibility for transmitting payments to, communicating with, notifying, or otherwise dealing with any beneficial owners of the Notes. Neither the City nor the Paying Agent shall have any responsibility or obligation, legal or otherwise, to any such beneficial owners or to any other party, including The Depository Trust Company or its successor (or Substitute Depository or its successor), except to the registered owner of any Notes, and the Paying Agent may rely conclusively on its records as to the identity of the registered owners of the Notes.

(f) Notwithstanding any other provision of this Resolution and so long as all outstanding Notes are registered in the name of The Depository Trust Company or its registered assigns, the City and the Paying Agent shall cooperate with The Depository Trust Company, as sole registered owner, and its registered assigns in effecting payment of the principal of and interest on the Notes by arranging for payment in such manner that funds for such payments are properly identified and are made available on the date they are due all in accordance with the Letter of Representations on file with the City Clerk and attached hereto as Exhibit "B", the provisions of which the Paying Agent may rely upon to implement the foregoing procedures notwithstanding any inconsistent provisions herein.

(g) In the case of any transfer pursuant to clause (iii) of subsection (c) of this Section 2, any Note may, in accordance with its terms, be transferred or exchanged for a like aggregate principal amount in authorized denominations, upon the books required to be kept by the Paying Agent pursuant to the

provisions hereof, by the person in whose name it is registered, in person or by his duly authorized attorney, upon surrender of such Note for cancellation, and, in the case of a transfer, accompanied by delivery of a written instrument of transfer, duly executed in form approved by the Paying Agent.

Whenever any Note shall be surrendered for transfer or exchange, the City shall execute and the Paying Agent shall authenticate, if required, and deliver a new Note or Notes of authorized denominations for a like aggregate principal amount. The Paying Agent shall require the owner requesting such transfer or exchange to pay any tax or other governmental charge required to be paid with respect to such transfer or exchange.

(h) The Paying Agent will keep or cause to be kept, at its principal office in Los Angeles, California, sufficient books for the registration and transfer of the Note, which shall at all times, upon reasonable prior notice, be open to inspection by the City. Upon presentation for such purpose, the Paying Agent shall, under such reasonable regulations as it may prescribe, register or transfer or cause to be registered or transferred, on such books, Notes as herein before provided.

Section 2. Redemption. The Notes are subject to redemption in whole prior to maturity on March 1, 1994, or on the first day of any month thereafter prior to maturity without premium, at the option of the City, from the proceeds of the Loan, if the Project is completed and the Loan has been received on or prior to the first day of the preceding month respectively, upon notice to the Paying Agent no later than the fifth day of the preceding month, respectively, of such intended redemption.

The Paying Agent, on behalf and at the expense of the City, shall mail notice of redemption no later than the fifteenth (15th) day of the month preceding a redemption date, if applicable, to owners of record as of the fifteenth day of the month preceding a redemption date at the address therefor shown on the registration books maintained by the Paying Agent; provided however, that neither failure of any Note holder to receive any such notice nor any defect therein shall affect the validity of the proceedings for the redemption of the Notes or the cessation of the accrual of interest thereon. Such notice shall state the date of the notice, the redemption date, the redemption place and the redemption price and shall designate the CUSIP numbers and the serial numbers, and shall require that such Notes be then surrendered at the principal corporate trust office of the Paying Agent in Los Angeles, California, for redemption at the redemption price, giving notice also that further interest on such Notes will not accrue from and after the redemption date.

From and after the date fixed for redemption, if funds available for the payment of the principal of and interest on the

Notes so called for redemption shall have been duly provided, such Notes so called shall cease to be entitled to any benefit under this Resolution other than the right to receive payment of the redemption price, and no interest shall accrue thereon from and after the redemption specified in such notice.

Section 3. Form of Notes. The Notes shall be issued in fully registered form, without coupons, and shall be substantially in the form and substance set forth in Exhibit A attached hereto and by reference incorporated herein, the blanks in said form to be filled in with appropriate words and figures. The Notes shall be numbered from 1 consecutively upward and shall be in the denomination of \$5,000 each or any integral multiple thereof.

"CUSIP" identification numbers shall be imprinted on the Notes, but such numbers shall not constitute a part of the contract evidenced by the Notes and any error or omission with respect thereto shall not constitute cause for refusal of any purchaser to accept delivery of and pay for the Notes. In addition, failure on the part of the City to use such CUSIP numbers in any notice to holders of the Notes shall not constitute an event of default or any violation of the City's contract with such bearers and shall not impair the effectiveness of any such notice.

Section 4. Note Proceeds Account. There is hereby created, within the City's General Fund, a special account to be designated the "1993 Grant Anticipation Note Proceeds Account" (the "Proceeds Account") and applied as directed in this Resolution. Net proceeds received by the City from the sale of the Notes to the Underwriter shall be deposited in the Proceeds Account. Moneys deposited in the Proceeds Account shall be used and expended by the City solely for the purposes for which the Loan is to be received.

Section 5. Deposit and Investment of Proceeds Account. All moneys held by the City in the Proceeds Account, if not invested, shall be held in time or demand deposits as public funds and shall be secured at all times by bonds or other obligations which are authorized by law as security for public deposits, of a market value at least equal to the amount required by law.

Moneys in the Proceeds Account shall, to the greatest extent possible, be invested by the City Treasurer directly, or through an investment agreement, in investments as permitted by the laws of the State of California as now in effect and as hereafter amended. Any interest earned on amounts deposited in the Proceeds Account shall be retained therein and shall, until the Notes shall be paid in full, be used and expended by the City solely for the purposes for which the Loan is to be received and

thereafter shall be available for any lawful purpose of the City.

Section 6. Security. The principal amount of the Notes, together with the interest thereon, shall be payable from moneys received pursuant to the Loan. As security for the payment of the principal of and interest on the Notes the City hereby pledges, and (b) a sum equal to the principal and interest due on the Notes to be received by the City with respect to the Loan not later than June 1, 1994 (such pledged amounts being hereinafter called the "Pledged Receipts"). The principal of the Notes and the interest thereon shall constitute a first lien and charge thereon and shall be payable from the Pledged Receipts. Notwithstanding the foregoing, to the extent the principal of or interest on the Notes is not paid from Pledged Receipts, as herein provided, such principal of or interest on the Notes shall be paid, to the extent permitted by law, from any taxes, income, revenue, cash receipts or other moneys of the City lawfully available therefor.

Section 7. Paying Agent. The Paying Agent is hereby appointed to act as the paying agent and depository of the City for the purpose of receiving the payments of principal and interest made by the City on the Notes at maturity or prior redemption as set forth herein, to hold, allocate, use and apply said payments and to perform such other duties and powers of the Paying Agent as are prescribed in this Resolution.

The Paying Agent may become the owner of any of the Notes in its own or any other capacity with the same rights it would have if it were not Paying Agent.

The recitals of facts, covenants and agreements herein and in the Notes shall be taken as statements, covenants and agreements of the City, and the Paying Agent assumes no responsibility for the correctness of the same, nor makes any representations as to the validity or sufficiency of this Resolution or of the Notes, nor shall incur any responsibility in respect thereof, other than as set forth in this Resolution. The Paying Agent shall not be liable in connection with the performance of its duties hereunder, except for its own negligence or willful misconduct.

In the absence of bad faith, the Paying Agent may conclusively rely, as to the truth of the statements and the correctness of the opinions expressed therein, upon certificates or opinions furnished to the Paying Agent and conforming to the requirements of this Resolution; but in the case of any such certificates or opinions by which any provision hereof are specifically required to be furnished to the Paying Agent, the Paying Agent shall be under a duty to examine the same to determine whether or not they conform to the requirements of this Resolution.

The Paying Agent shall not be liable for any error of judgment made in good faith by a responsible officer unless it shall be proved that the Paying Agent was negligent in ascertaining the pertinent facts.

No provision of this Resolution shall require the Paying Agent to expend or risk its own funds or otherwise incur any financial liability in the performance of any of its duties hereunder, or in the exercise of any of its rights or powers, if it shall have reasonable grounds for believing that repayment of such funds or adequate indemnity against such risk or liability is not reasonably assured to it.

The Paying Agent may execute any of the powers hereunder or perform any duties hereunder either directly or by or through agents or attorneys and the Paying Agent shall not be responsible for any misconduct or negligence on the part of any agent or attorney appointed with due care by it hereunder.

Whenever in the administration of its duties under this Resolution the Paying Agent shall deem it necessary or desirable that a matter be proved or established prior to taking or suffering any action hereunder, such matter (unless other evidence in respect thereof be herein specifically prescribed) may, in the absence of bad faith on the part of the Paying Agent, be deemed to be conclusively proved and established by a certificate of the City, and such certificate shall be full warrant to the Paying Agent for any action taken or suffered under the provisions of this Resolution upon the faith thereof, but in its discretion the Paying Agent may, in lieu thereof, accept other evidence of such matter or may require such additional evidence as to it may seem reasonable.

The City shall pay to the Paying Agent, from time to time, reasonable compensation for all services rendered under this Resolution, and also all reasonable expenses, charges, counsel fees and other disbursements, including those of their attorneys, agents and employees, incurred in and about the performance of their powers and duties under this Resolution. The City further agrees to indemnify and save the Paying Agent harmless against any liabilities which it may incur in the exercise and performance of its powers and duties hereunder which are not due to its negligence or willful misconduct.

Section 8. Repayment Account. There is hereby created, within the City's General Fund, a special account to be designated the "1993 Grant Anticipation Note Repayment Account" (the "Repayment Account") and applied as directed in this Resolution. Any money placed in the Repayment Account shall be for the benefit of the holders of the Notes and, until the Notes and all interest thereon are paid or until provision has been made for the payment of the Notes at maturity with interest to

maturity, the moneys in the Repayment Account shall be applied solely for the purposes for which the Repayment Account is created; provided, however, that, any interest earned on amounts deposited in the Repayment Account shall periodically be transferred to the City's General Fund.

As received, the City shall deposit all Pledged Receipts in the Repayment Account. On or prior to May 30, 1994, or at least one day prior to an earlier redemption date, if applicable, the City shall transfer to the Paying Agent the moneys in the Repayment Account necessary to pay the principal of and interest on the Notes. Any moneys remaining in the Repayment Account after the Notes and the interest thereon have been paid, or provision for such payment has been made, shall be transferred to the City for deposit in the City's General Fund.

Section 9. Deposit and Investment of Repayment Account. All moneys held by the City in the Repayment Account, if not invested, shall be held in time or demand deposits as public funds and shall be secured at all times by bonds or other obligations which are authorized by law as security for public deposits, of a market value at least equal to the amount required by law.

Moneys in the Repayment Account shall, to the greatest extent possible, be invested by the City Treasurer directly, or through an investment agreement, in investments as permitted by the laws of the State of California as now in effect and as hereafter amended, and the proceeds of any such investments shall be deposited in the Repayment Account.

Section 10. Execution of Notes. The Mayor of the City, the City Manager or the Finance Director/Treasurer is hereby authorized to execute the Notes by manual or facsimile signature, and the City Clerk of the City is hereby authorized to countersign the same by manual or facsimile signature (except that at least one of said signatures shall be manual) and to affix the seal of the City thereto by facsimile impression thereof, and said officers are hereby authorized to cause the blank spaces thereof to be filled in as may be appropriate. Upon written direction of the City, the Paying Agent shall authenticate the Notes and deliver them to or at the direction of the initial purchaser thereof.

Section 11. Temporary Notes. The Notes may be initially issued in temporary form exchangeable for definitive Notes when ready for delivery. The temporary Notes may be printed, lithographed or typewritten, shall be of such denominations as may be determined by the City, and may contain such reference to any of the provisions of this Resolution as may be appropriate. Every temporary Note shall be executed by the City upon the same conditions and in substantially the same

manner as the definitive notes. If the City issues temporary Notes it will execute and furnish definitive Notes without delay, and thereupon the temporary Notes may be surrendered, for cancellation, in exchange therefor and the City shall deliver in exchange for such temporary Notes an equal aggregate principal amount of definitive Notes of authorized denominations. Until so exchanged, the temporary Notes shall be entitled to the same benefits pursuant to this Resolution as definitive Notes executed and delivered hereunder.

Section 12. Notes Mutilated, Lost, Destroyed or Stolen. If any Note shall become mutilated the City, at the expense of the holder of said Note, shall execute and deliver a new Note of like maturity and principal amount in exchange and substitution for the Note so mutilated, but only upon surrender to the City of the Note so mutilated. Every mutilated Note so surrendered to the City shall be cancelled by it and delivered to, or upon the order of, the City. If any Note shall be lost, destroyed or stolen, evidence of such loss, destruction or theft may be submitted to the City and, if such evidence be satisfactory to the City and indemnity satisfactory to it shall be given, the City, at the expense of the holder, shall execute and deliver a new Note of like maturity and principal amount in lieu of and in substitution for the Note so lost, destroyed or stolen. The City may require payment of a sum not exceeding the actual cost of preparing each new Note issued under this Section 12 and of the expenses which may be incurred by the City in the premises. Any Note issued under the provisions of this Section 12 in lieu of any Note alleged to be lost, destroyed or stolen shall constitute an original additional contractual obligation on the part of the City whether or not the Note so alleged to be lost, destroyed or stolen be at any time enforceable by anyone, and shall be equally and proportionately entitled to the benefits of this Resolution with all other Notes issued pursuant to this Resolution.

Section 13. Covenants and Warranties. It is hereby covenanted and warranted by the City that all representations and recitals contained in this Resolution are true and correct, and that the City and its appropriate officials have duly taken all proceedings necessary to be taken by them, and will take any additional proceedings necessary to be taken by them, for carrying out the provisions of this Resolution. In addition, it is hereby covenanted by the City that the City will (a) proceed to complete, with all practicable dispatch, the construction and acquisition of the Project, (b) not make or cause or permit to be made any application of the proceeds of the Notes or of any moneys in the Repayment Account except in accordance with this Resolution, (c) comply in all respects with the terms and provisions of the Commitment and with all applicable state and federal laws and regulations governing implementation of the Commitment, (d) take all actions necessary to preserve its right to receive reimbursements under the Commitment, (e) apply or

continue to apply the appropriated local share and any other available funds to pay those costs not expected to be reimbursed from Pledged Receipts until all such costs have been paid, and (f) promptly request each reimbursement to which it has become entitled under the Commitment.

Section 14. Private Business Use Limitation. The City shall assure that:

(a) not in excess of ten percent (10%) of the face amount of the Notes, plus accrued interest and premium, if any, less original issue discount, if any (the "Proceeds"), is used, directly or indirectly, in a trade or business carried on by a natural person or in any activity carried on by a person of than a natural person, excluding, however, use by a governmental unit and use as a member of the general public ("Private Business Use") if, in addition, the payment of the principal of, or the interest on more than ten percent (10%) of the Proceeds of the Notes is (under the terms of the Notes or any underlying arrangement) directly or indirectly, (i) secured by any interest in property, or payments in respect of property, used or to be used for a Private Business Use, or (ii) to be derived from payments (whether or not to the City) in respect of property, or borrowed money, used or to be used for a Private Business Use; and

(b) in the event that in excess of five percent (5%) of the Proceeds of the Notes is used for a Private Business Use, and, in addition, the payment of the principal of, or the interest on, more than five percent (5%) of the Proceeds of the Notes is, (under the terms of the Notes or any underlying arrangement) directly or indirectly, secured by any interest in property, or payments in respect of property, used or to be used for said Private Business Use or is to be derived from payments (whether or not to the City) in respect of property, or borrowed money, used or to be used for a Private Business Use, then, (A) said excess over said five percent (5%) of the Proceeds of the Notes which is used for a Private Business Use shall be used for a Private Business Use related to a government use of such Proceeds and (B) each such Private Business use over five percent (5%) of the Proceeds of the Notes which is related to a government use of such Proceeds shall not exceed the amount of such Proceeds which is used for the government use of Proceeds to which such Private Business Use is related.

Section 15. Private Loan Limitation. The City shall assure that not in excess of five percent (5%) of the Proceeds of the Notes is to be used, directly or indirectly, to make or finance loans (other than loans constituting Nonpurpose Investments and other than loans which enable the borrower to finance any governmental tax or assessment of general application for a specific essential governmental function) to persons other

than state or local government units.

Section 16. Federal Guarantee Prohibition. The City shall not take any action or permit or suffer any action to be taken if the result of the same would be to cause the Notes to be "federally guaranteed" within the meaning of section 149(b) of the Internal Revenue Code of 1986 (the "Code") and the regulations promulgated thereunder.

Section 17. No Arbitrage. The City shall not take, or permit or suffer to be taken by the Paying Agent or otherwise, any action with respect to the Proceeds of the Notes which if such action had been reasonably expected to have been taken, or had been deliberately and intentionally taken, on the date upon which there is a physical delivery of the Notes in exchange for the amount representing the purchase of the Notes by the original purchasers thereof would have caused the Notes to be "arbitrage bonds" within the meaning of section 148(a) of the Code and the regulations promulgated thereunder.

Section 18. Small Issuer Exemption from Rebate Requirements. In accordance with section 148(f)(4)(C) of the Code, the City covenants that it is a governmental unit with general taxing powers; that the Notes are not private activity bonds as defined in section 141 of the Code; that ninety-five (95%) or more of the Proceeds of the Notes are to be used for local governmental activities of the City (or of a governmental unit the jurisdiction of which is entirely within the jurisdiction of the City); and that the aggregate face amount of all tax-exempt obligations issued by the City (including all subordinate entities of the City and all entities which may issue obligations on behalf of the City) during the calendar year 1990 will not exceed \$5,000,000, excluding, however, private activity bonds, as defined in section 141 of the Code and current refunding obligations having a principal amount not in excess of the refunded obligation.

Section 19. Smaller Issuer Exemption from Bank Nondeductibility Restriction. The City hereby designates the Notes for purposes of paragraph (3) of section 265(b) of the Code and covenants that the Notes do not constitute private activity bonds as defined in section 141 of the Code and that the aggregate face amount of all tax-exempt obligations issued by the City (including all subordinate entities of the City and all entities which may issue obligations on behalf of the City) during the calendar year 1990 will not exceed \$10,000,000, excluding, however, private activity bonds, as defined in section 141 of the Code (other than qualified 501(c)(3) bonds as defined in section 145 of the Code) and current refunding obligations having a principal amount not in excess of the refunded obligation.

Section 20. Official Statement. The facts contained in the official statement prepared with respect to the Notes (the "Official Statement") are true and correct in all material respects and the Official Statement contains no untrue statement of a material fact necessary to make a statement therein not misleading in the light of the circumstances under which it was made.

The Mayor or other qualified officer of the City is authorized to approve corrections and addition to the Official Statement by supplement or amendment thereto, or otherwise as appropriate, provided that any such correction or additions shall be necessary to cause the information contained therein to conform with facts material to the Notes or to the proceedings of the City or such corrections or additions are in form rather than substance.

The distribution by the Underwriter of the Official Statement in the offering and sale of the Notes is hereby approved.

The Mayor, the City Manager or the Finance Director/Treasurer is authorized and directed to execute the Official Statement and a statement that the facts contained in the 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 Notes, true and correct in all material respects and that the Official Statement did not, on the date of sale of the Notes, and does not, as of the date of delivery of the Notes, contain any untrue statement of a material fact with respect to the City or omit to state material facts with respect to the City required to be stated where necessary to make any statement made therein not misleading in the light of the circumstances under which it was made. The Mayor, the City Manager or the Finance Director/Treasurer shall take such further actions prior to the signing of the Official Statement as are deemed necessary or appropriate to verify the accuracy thereof.

Section 21. Sale of Notes. The Contract of Purchase, which has been filed with the City Clerk and has been reviewed by City staff, be and is hereby approved, and the Mayor, the City Manager or the Finance Director/Treasurer is hereby authorized and directed to execute said agreement, with such changes, insertions and omissions as may be approved by such official; provided, however, in no event shall the interest rate on the Notes exceed 8 % per annum or shall the discount allowed to the Underwriter exceed 2 %.


Section 22. Preparation of Notes; Official Action. Stradling, Yocca, Carlson & Rauth, a Professional Corporation, as Bond Counsel, is directed to cause suitable Notes to be prepared

showing on their face that the same bear interest at the rate specified in the Contract of Purchase, and to cause the blank spaces therein to be filled in to comply with the provisions of this Resolution, and to procure their execution and authentication by the proper officers, and to cause the Notes to be delivered when so executed to the Underwriter.

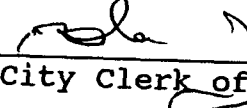
The Mayor, the City Manager, the Finance Director/Treasurer and the City Clerk, or any of them, are further authorized and directed to make, execute and deliver such certificates, agreements and other closing documents as are necessary to consummate the transactions contemplated by this Resolution.

PASSED AND ADOPTED by the City Council of the City of Soledad at a regular meeting duly held on the 10th day of May, 1993, by the following vote:

AYES:	Councilmembers, John Holguin, Ben Jimenez, Jr., Richard Ortiz, Mayor Pro Tem Fabian Barrera, Mayor Fred Ledesma
NOES:	None
ABSENT:	None
ABSTAIN:	None

  
 Mayor of the City of Soledad

ATTEST:

  
 City Clerk of the City of Soledad