RESOLUTION NO. 2888

RESOLUTION OF THE CITY COUNCIL OF THE CITY OF REDLANDS, CALIFORNIA, DIRECTING THE CITY CLERK TO PUBLISH NOTICE INVITING SEALED PROPOSALS FOR 1971 WATER REVENUE BONDS IN THE PRINCIPAL AMOUNT OF $1,500,000.

WHEREAS, a resolution providing for the issuance of water revenue bonds of the City of Redlands in the principal amount of $1,500,000 has been adopted by the City Council of said City; and

WHEREAS, it is desirable that said bonds be sold;

NOW, THEREFORE, the City Council of the City of Redlands, California, DOES HEREBY RESOLVE, DETERMINE AND ORDER as follows:

Section 1. That said bonds be sold and sealed bids or proposals for the purchase of said bonds be received up to the time stated in the notice hereinafter set forth in Section 4 of this resolution.

Section 2. That the City Clerk be and hereby is authorized and directed to publish said notice once in the REDLANDS DAILY FACTS, a newspaper of general circulation published in said City, said publication to be at least seven days prior to the date set for receiving bids.

Section 3. That the City Clerk be and is hereby authorized and directed to cause to be furnished to prospective bidders copies of said notice and of an official statement relating to the properties, operations and finances of the waterworks system of the City, but 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.

Section 4. That said notice inviting sealed bids or proposals shall be in form substantially as follows:

NOTICE INVITING BIDS ON $1,500,000
WATER REVENUE BONDS OF THE CITY OF
REDLANDS, CALIFORNIA

NOTICE IS HEREBY GIVEN that sealed proposals for the purchase of $1,500,000 par value water revenue bonds of the City of Redlands, California, will be received by the City Council of the City at the place and up to the time below specified:

TIME:	Tuesday, July 6, 1971 at 4:00 o'clock P.M.
PLACE:	Office of the City Clerk City Clerk 30 Cajon Street Redlands, California
MAILED BIDS:	Mailed bids should be addressed to: City of Redlands c/o Mrs. Peggy A. Moseley, City Clerk City Hall Cajon and Vine Post Office Box 280 Redlands, California 92373

OPENING OF BIDS: The bids will be received and publicly opened by the City Council at the meeting of said City Council to be held July 6, 1971, at 7:00 o'clock P.M., at the Safety Hall, 212 Brookside Avenue, Redlands, California.

ISSUE: $1,500,000 designated "1971 WATER REVENUE BONDS," consisting of 300 bonds, numbered 1 to 300, both inclusive, of the denomination of $5,000 each, dated August 1, 1971.

MATURITIES: The bonds will mature in consecutive numerical order on August 1 in each year of maturity in the amounts for each of the several years as follows:

Years	Bonds Maturing
1972-1974	$ 25,000
1975-1976	30,000
1977-1978	35,000
1979-1981	40,000
1982-1983	45,000
1984	50,000
1985-1986	55,000
1997	925,000

The bonds maturing in the years 1972 to 1986, inclusive, are herein sometimes referred to as "serial bonds." The bonds maturing in the year 1997 are herein sometimes referred to as "term bonds."

INTEREST: The bonds shall bear interest at a rate or rates to be fixed upon the sale thereof but not to exceed 7% per annum, payable semiannually.

PAYMENT: Said bonds and the interest thereon will be payable in lawful money of the United States of America at the main office of Bank of America National Trust and Savings Association, in Los Angeles, California, or San Francisco, California (or collectible through any of its branches in California) or, at the option of the holder, at the office of the City Treasurer or at any paying agent of the City of Chicago, Illinois, or in New York, New York.

REGISTRATION: The bonds will be coupon bonds registrable only as to both principal and interest, and may be dischared from registration all in accordance with the provisions in the resolution providing for the issuance of the bonds.

REDEMPTION: The bonds maturing on or prior to August 1, 1986, shall not be subject to call or redemption prior to maturity. The bonds maturing on August 1, 1997, may be called before maturity and redeemed, at the option of the City, on August 1, 1984, or on any interest payment date thereafter prior to maturity, at a redemption price for each redeemable bond equal to the principal amount thereof, plus a premium of one-quarter of one percent of said principal amount for each year or fraction thereof remaining between the redemption date and the maturity date of such bond, said premium not to exceed a maximum of three per cent (3%) of said principal amount. All or any of the bonds subject to call may be called for redemption at any one time. If less than all of the bonds are redeemed at any one time, such bonds shall be redeemed only by lot. A sinking fund with a compulsory redemption provision for the term bonds maturing on August 1, 1997 has been established in the resolution providing for the issuance of the bonds.

PURPOSE OF ISSUE: Said bonds were authorized for the acquisition, construction and financing of additions to the waterworks system of the City of Redlands.

SECURITY: Said bonds are issued pursuant to the Revenue Bond Law of 1941 (Government Code 54300, et seq.) and Section 53541 of the Government Code. Said bonds are equally secured by a pledge, charge and lien upon the gross revenues of the waterworks system of the City of Redlands (defined as the "enterprise" in the resolution providing for the issuance of the bonds), together with all additions and improvements to said system hereafter made. The principal of and interest on the bonds and any premiums upon the redemption of any thereof are not a debt of the City of Redlands nor a legal or equitable pledge, charge, lien or encumbrance upon any of its property or upon any of its income, receipts or revenues, except the gross revenues of said waterworks system which are under the terms of the resolution of issuance, and said Revenue Bond Law of 1941, pledged to the payment of said bonds and interest. The general fund of the City of Redlands is not liable for the payment of the bonds or their interest, nor is the credit or the taxing power of the city pledged. The holder of the bonds or coupons shall not compel the exercise of the taxing power by the City of Redlands or the forfeiture of any of its property.

TERMS OF SALE

Interest Rate: The maximum rate bid may not exceed 7% per annum, payable semiannually. Each rate bid must be a multiple of 1/20th of 1%. No bond shall bear more than one interest rate, and all bonds of the same maturity shall bear the same rate. Each bond must bear interest at the rate specified in the bid from its date to its fixed maturity date. Only one coupon will be attached to each bond for each installment of interest thereon, the bids providing for additional or supplemental coupons will be rejected. The rate on any maturity or group of maturities shall not be more than 2% higher than the interest rate on any other maturity or group of maturities.

Award: The bonds shall be sold for cash only. All bids must be for not less than all of the bonds hereby offered for sale and each bid shall state that the bidder offers par and accrued interest to the date of delivery, the premium, if any, and the interest rate or rates not to exceed those specified herein, at which the bidder offers to buy said bonds. Each bidder shall 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: The bonds will be awarded to the highest responsible bidder or bidders considering the interest rate or rates specified and the premium offered, if any. The highest bid will be determined by deducting the amount of the premium bid (if any) from the total amount of interest which the city would be required to pay from the date of said bonds to the respective maturity dates thereof at the coupon 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. The purchaser must pay accrued interest from the date of the bonds to the date of delivery 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 proposals; provided that the award may be made after the expiration of the specified time if the bidder shall not have given to the City Council notice in writing of the withdrawal of such proposal.

Place of Delivery: Delivery of said bonds will be made to the successful bidder at:

Jeffries Banknote Company
1330 West Pico Boulevard
Los Angeles, California 90015

or at any other place agreeable to both the City and the successful bidder. Payment for said bonds shall be made in cash, certified Federal Reserve Bank funds which are immediately available to the City, or other comparable funds.

Prompt Delivery; Cancellation for Late Delivery: It is expected that said bonds will be delivered to the successful bidder within 30 days from the date of sale thereof. The successful bidder shall have the right, at his option, to cancel the contract of purchase if the city shall fail to execute the bonds and tender them for delivery within 60 days from the date herein fixed for the receipt of bids, and in such event the successful bidder shall be entitled to the return of the check accompanying his bid.

Form of Bid: Each bid, together with the bid check, must be in a sealed envelope, addressed to the city with the envelope and bid clearly marked "Proposal for City of Redlands 1971 Water Revenue Bonds."

Bid Check: A certified or cashier's check on a responsible bank or trust company in the amount of $20,000 payable to the order of the city must accompany each proposal as a guaranty that the bidder, if successful, will accept and pay for said bonds in accordance with the terms of his bid. The check accompanying any accepted proposal shall be applied on the purchase price, or, if such proposal is accepted but not performed unless such failure of performance shall be caused by any act or omission of the city, shall then be cashed and the proceeds retained by the city. The check accompanying each unaccepted proposal will be returned promptly.

Change in Tax Exempt Status: At any time before the bonds are tendered for delivery, the successful bidder may disaffirm and withdraw the proposal if the interest received by private holders from bonds of the same type and character shall be declared to be taxable 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 unqualified opinion of O'Melveny & Myers, attorneys, approving the validity of said bonds 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 printing or certification.

No Litigation Certificate: At the time of payment for and delivery of said bonds, the city will furnish the successful bidder a certificate that there is no litigation pending affecting the validity of the bonds.

INFORMATION AVAILABLE: Requests for information concerning the city should be addressed to:

Stone & Youngberg
1541 Wilshire Boulevard
Room 302
Los Angeles, California 90017

GIVEN by order of the City Council of the City of Redlands, California, adopted June 1, 1971.

Peggy A. Moseley
City Clerk of the City of Redlands

ADOPTED, SIGNED AND APPROVED this 1st day of June, 1971.

Jack B. Cummings
Mayor of the City of Redlands, California

ATTEST:

Peggy A. Moseley
City Clerk of the City of Redlands, California.

(SEAL)

STATE OF CALIFORNIA
COUNTY OF SAN BERNARDINO } ss.
CITY OF REDLANDS

I, PEGGY A. MOSELEY, City Clerk of the City of Redlands, California, DO HEREBY CERTIFY that the foregoing resolution was duly adopted by the City Council of said city and was approved by the Mayor of said city at a ______ regular meeting of said City Council held on the 1st day of June, 19 71, and that it was so adopted as follows:

AYES: Councilmen DeMirjyn, Knudsen, Miller, Mayor Cummings

NOES: Councilmen None

ABSENT: Councilmen Sewall

Peggy A Moseley
City Clerk of the City of
Redlands, California

(SEAL)