

CITY OF RIDGECREST

RESOLUTION NO. 77-54

RESOLUTION OF THE CITY COUNCIL CALLING
FOR BIDS ON BONDS TO BE ISSUED TO
REPRESENT UNPAID ASSESSMENTS UPON LANDS
IN AN ASSESSMENT DISTRICT.

ASSESSMENT DISTRICT NO. 11

WHEREAS, in accordance with the terms and provisions of the "Municipal Improvement Act of 1913", being Division 12 of the Streets and Highways Code of the State of California, this City Council has initiated proceedings for the construction of certain public works of improvement, together with appurtenances and acquisition, where necessary, in a special assessment district; said special assessment district is known and designated as

ASSESSMENT DISTRICT NO. 11

(hereinafter referred to as the "Assessment District"); and,

WHEREAS, this City Council has further determined that serial bonds shall be issued to finance the costs and expenses of said improvements and proceedings, and said bonds shall be issued pursuant to the terms and provisions of the "Improvement Act of 1911", being Division 7 of the Streets and Highways Code of the State of California.

NOW, THEREFORE, IT IS HEREBY RESOLVED BY THE CITY
COUNCIL OF THE

CITY OF RIDGECREST

CALIFORNIA, AS FOLLOWS:

SECTION 1. That the above recitals are all true and correct.

SECTION 2. That this City Council does hereby call for sealed bids on the bonds proposed to be issued, to be received up to the time specified in the Notice of Sale hereinafter set forth.

SECTION 3. That this City Council hereby selects and specifies as the date of the bonds representing assessments against private property, the date specified for that purpose in the Notice of Sale attached hereto; said date to be the 15th day of DECEMBER, 1977, or the 31st day after the recordation of the assessment, whichever is later.

SECTION 4. That the Notice of Sale relating to the sale of the assessment bonds for the above referenced Assessment District is hereby approved and adopted by this City Council, and a copy of said Notice is on file in the Office of the City Clerk of said City.

SECTION 5. That the City will provide, at no expense to the bidder, the unqualified legal opinion of F. MACKENZIE BROWN, Attorney at Law, attesting to the validity of the proceedings, and the enforceability of the bonds.

SECTION 6. That

F. MACKENZIE BROWN, appointed Bond Counsel, is hereby directed to mail copies of the approved Notice of Sale to all persons so determined to be prospective purchasers and interested in bidding on the bonds to be issued for these proceedings; said bonds to be issued pursuant to said "Improvement Act of 1911", being Division 7 of the Streets and Highways Code of the State of California.

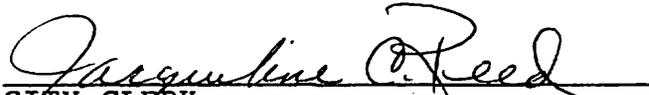
SECTION 7. That said bonds shall not exceed the legal maximum interest rate of Eight Percent (8%) and said bonds shall be subject to all of the terms and conditions and provisions relating to bonds as set forth in the "Improvement Act of 1911", and further as set forth in the Resolution of Intention for these proceedings.

APPROVED and ADOPTED this 21 day of September 1977.



MAYOR (VICE)
CITY OF RIDGECREST
STATE OF CALIFORNIA

ATTEST:



CITY CLERK
CITY OF RIDGECREST
STATE OF CALIFORNIA

CITY OF RIDGECREST

NOTICE OF SALE
ON IMPROVEMENT BONDS

ASSESSMENT DISTRICT NO. 11

NOTICE IS HEREBY GIVEN that the City of RIDGECREST, California, will receive sealed bids at the Office of the City Bond Counsel at the address below, up to the hour of 2:00 o'clock P.M., on OCTOBER 31, 1977. Said bids will be opened at said time and the results will thereafter be referred to the Council for consideration at their next regular meeting.

Mailed bids should be addressed as follows:

City Council
City of Ridgecrest
c/o F. MacKenzie Brown
Attorney at Law
1600 Dove Street, Suite 110
Newport Beach, California 92660

Re: Assessment District No. 11

BONDS. The bonds to be sold will be secured by unpaid assessments levied upon private property within said Assessment District, and are authorized by proceedings taken pursuant to the "Municipal Improvement Act of 1913", being Division 12 of the Streets and Highways Code of the State of California, and are to be issued pursuant to the provisions of the "Improvement Act of 1911", being Division 7 of said Code. Proceeds from the sale of such bonds will be used to pay the costs of the improvement project as authorized by said proceedings.

AMOUNT. The total number and aggregate of bonds to be sold can only be determined upon the expiration of the thirty (30) day cash collection payment period following the confirmation and recordation of the assessment and during said period, assessments may be paid either in whole or in part. The total estimated aggregate amount of assessments to be confirmed is \$ 253,909.06.

Said bonds shall be issued for all unpaid assessments or portions thereof which amount to Fifty Dollars (\$50.00) or over and shall be in the respective amounts as set forth in the confirmed and recorded assessment for said District. Said bonds will be dated the 15th day of DECEMBER, 1977 or the 31st day after the recording of the assessment, whichever is later, and shall bear interest at a rate to be determined at the sale thereof; provided, however, that said rate shall be the same for all bonds, shall not exceed the maximum rate of eight percent (8%) per annum.

Said bonds and the coupons thereof shall be issued substantially in the form authorized for the issuance of bonds under Division 7 of the Streets and Highways Code of the State of California, and shall extend over a period ending FOURTEEN (14) years from the second day of January next succeeding the next September first following their date, and an even annual proportion of the principal sum thereof shall be payable, by coupon, on the second day of January every year after the next September first following their date, until the whole is paid, and the interest shall be payable semi-annually, by coupon, on the second days of January and July, respectively, of each year following the date of the bonds.

BID. Said bonds will be sold for cash only to the bidder whose bid, in the opinion of the City Council, will best serve the interests of owners of land included in the Assessment District.

Bids will be accepted on a flat basis, with no requirement of payment of accrued interest and bidders shall state separately the premium, if any, and the rate of interest offered for said bonds. Any premium offered will not be taken into consideration in determining the best bid except for the purpose of breaking a tie between two bids stating the same net interest cost. A bidder may offer a premium, but such premium will be payable only if such premium is used to break a tie between that bid and some other bid or bids stating the same net interest cost. Each bid shall be for the entire amount of the bonds to be issued at a single rate of interest, and any bids for less than the entire amount of said securities or for varying rates of interest will be rejected. No bid will be considered for less than NINETY-TWO percent of par. In determining the lowest net effective interest cost for the bonds all computations including discounts will be based on and computed on the amount of assessment to be confirmed.

PAYMENT. Said bonds and the interest thereon are payable in lawful money of the United States of America at the office of the City Treasurer of said City.

LEGAL OPINION. The unqualified opinion of F. MacKenzie Brown, Attorney, approving the validity of said bonds will be furnished to the successful bidder upon delivery of the securities at the expense of the City. The cost of printing securities will be paid by the City and will not be payable by the successful bidder.

SECURITY DEPOSIT. A certified or cashier's check for the sum of \$ 10,000.00 payable to the order of said City must accompany every bid as a guaranty that the bidder, if successful, will accept and pay for the securities described in the accepted bid in accordance with the terms of his bid, and said check shall remain in the possession of the City Council until payment for said securities has been received. The City Council reserves the right to reject any and all bids. The City Council also reserves the right to disregard insubstantial irregularities and technical defects in bids.

AWARD. The bonds will be sold for cash only. All bids must be for not less than all of the bonds hereby offered for sale. Each bidder should 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. For purposes of this computation, bidders are to assume that the maximum aggregate amount of bonds shall be issued.

The City will consider making an action on award on the bonds or rejecting all bids at the next regular meeting of the City Council following the opening of the bids; however, the award may be made after the expiration of the specified time if the bidder shall not have given to said City Council notice in writing of the withdrawal of such proposal.

DELIVERY OF SECURITIES. Delivery of said bonds shall be made to the successful bidder at the City Hall, or at any other place agreed upon by the City and the successful bidder. Payment shall be made in cash or Federal Reserve Bank funds.

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.

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 and certificates.

ASSESSMENT DESCRIPTION AND AMOUNTS. For a description of the respective lots, pieces and parcels of land upon which the several assessments and bonds are issued, and for other information, reference is hereby made to the assessment presently on file in the Office of the City Clerk, and upon confirmation to be recorded in the Office of the Superintendent of Streets of said City.

BOND REDEMPTION. The bonds further shall provide a redemption premium of five percent (5%) on the unmatured principal if the bonds are redeemed or discharged prior to their maturity.

RESCISSION OF AWARD. If the bonds are not available for delivery with a legal opinion and Certificate of No Litigation within Forty Five (45) days after the date of bonds, the City or the successful bidder on the bonds may, upon delivering written notice to the other party, rescind any award relating to the sale of these bonds and there will be no liability or obligation on either party by reason of said rescission. If no written notice is given to either party, the award shall remain in full force and effect.

DATED: 22 September 1977


CITY CLERK
CITY OF RIDGECREST
STATE OF CALIFORNIA

BONDS AND SECURITY FOR BONDS

AUTHORITY:

The proceedings for the works of improvement and the levy of the special assessment are pursuant to the terms and provisions of the "Municipal Improvement Act of 1913", being Division 12 of the Streets and Highways Code of the State of California. There has been substantial compliance with the proceedings of Division 4 of the Streets and Highways Code, the "Special Assessment Investigation, Limitation and Majority Protest Act of 1931." The bonds to issue to finance the works of improvements are issued pursuant to the terms and provisions of the "Improvement Act of 1911", being Division 7 of the Streets and Highways Code, and specifically pursuant to Chapter 4 of Part 5 of said Division 7.

SECURITY:

An individual assessment bond will be issued to represent each individual unpaid assessment within the boundaries of the assessment district and said assessment and bond constitute a direct lien and obligation against the particular parcel of benefited property described therein. Should default be made in any payment upon principal or interest thereon, the owner of said bond is entitled to initiate foreclosure proceedings in the manner and form as authorized by law. Neither the public agency issuing the bonds or any officer thereof is in any way liable for the payment of the principal or interest on the bonds and the payment of said bonds is solely payable from the redemption fund created under the proceedings.

PRIORITIES:

The assessment bonds will have priority over any private debt such as a judgment, deed of trust or mortgage, regardless of the time imposed. The assessment lien and obligation is on a parity with general property taxes and also will have priority over any subsequently issued special assessment fixed lien obligations but will be subordinate and inferior to any previously imposed special assessment debt levied on the particular parcel of property.

AMOUNT:

The bonds can issue in any amount in excess of \$50.00 and will issue in the exact amount of the assessment remaining unpaid on the particular parcel of property. An assessment bond will issue for each parcel of property and the bond represents the direct amount of the lien obligation on said particular parcel of property.

INTEREST RATE:

The maximum interest rate allowable by law for this type of security is eight percent (8%) per annum. Assessment bonds may also be sold at a discount or at a premium.

DELINQUENCIES:

In the event that there is a default or a delinquency in the payment of any principal or interest coupon by the property owner on said bonds, the bond holder is entitled, as of January 2 or July 2, as the case may be, to immediately declare the entire

amount of the unpaid assessment to be due and payable or to direct or have the lot or parcel advertised in the manner and form as provided by the "Improvement Act of 1911". The foreclosure proceedings can be either pursuant to a sale procedure through the Office of the agency's Treasurer or through a judicial foreclosure through the Superior Court. The bonds and the assessments are payable to the Treasurer on each October 15, and April 15, as the case may be and, on the next June 1 or December 1, if the assessment coupon remains unpaid, a penalty is immediately added in the amount of one percent (1%) of the delinquent amount. A similar penalty of one percent (1%) is then added for each succeeding month as long as the assessments remain unpaid.

FORECLOSURE:

The holder of the bond has a sole remedy in case of default or delinquency, which is through a foreclosure action initiated either by the Treasurer of the local agency or by a Court action through the local Superior Court. Under both foreclosure proceedings, the property owner upon the issuance of the Certificate of Sale, has a one year period of redemption. The property owner also, up to the time of the sale of said property, has the right of either reinstatement of the delinquent bond or, of course, redemption. Upon the end of the one year period of redemption, the Certificate of Sale holder has right to make application to the Treasurer for a deed to the property. The Certificate of Sale will bear interest at the rate of one percent (1%) per month on the amounts included in the Certificate of Sale up to the time that the deed is to be issued.

DISCHARGE OF OBLIGATION:

The property owner, at any time during the life of the bond, has the right to pay off the unpaid assessment by generally paying the unpaid principal amount, together with interest to the next coupon period (January 2 or July 2, as the case may be). The City Council also has the discretion as to whether or not to include in the Resolution of Intention the provision for a five percent (5%) redemption premium and if the Resolution of Intention did so provide, then the property owner must also pay five percent (5%) redemption on the unpaid principal at the time of the discharge of the obligation. If the payments are not made in the time as allowed by law, then penalties are applicable to said proceedings at the rate of one percent (1%) per month on the unpaid amount.

BOND REDEMPTION:

These bonds will provide a redemption premium of five percent (5%) on the unmatured principal if the bonds are redeemed or discharged prior to their maturity.

STATE OF CALIFORNIA)
COUNTY OF KERN) ss.
CITY OF RIDGECREST)

I, JACQUELINE REED, City Clerk of the City of RIDGECREST California, DO HEREBY CERTIFY that the foregoing Resolution, being Resolution No. 77-54, was duly passed, approved and adopted by said City Council, approved and signed by the Mayor, and attested by the City Clerk, all at a Regular meeting of said City Council held on the 21 day of September, 1977, and that the same was passed and adopted by the following vote, to wit:

AYES: Vice-Mayor Chieze COUNCILMEN: Green and Karlberg

NOES: None COUNCILMEN:

ABSENT: Mayor Edwards COUNCILMEN: Smith

DATED this 22 day of September, 1977.

Jacqueline C. Reed
CITY CLERK OF THE CITY OF
RIDGECREST, STATE OF CALIFORNIA

(SEAL)