

PUBLIC FACILITIES FINANCING AUTHORITY
OF THE CITY OF SAN DIEGO

RESOLUTION NUMBER FA-2014-2

ADOPTED ON MARCH 11, 2014

RESOLUTION OF THE BOARD OF COMMISSIONERS OF THE PUBLIC FACILITIES FINANCING AUTHORITY OF THE CITY OF SAN DIEGO AUTHORIZING THE EXECUTION AND DELIVERY OF A SECOND AMENDMENT TO SITE LEASE, A SECOND AMENDMENT TO FACILITIES LEASE, A SECOND SUPPLEMENTAL INDENTURE AND OFFICIAL NOTICE INVITING BIDS; APPROVING THE ISSUANCE AND SALE OF THE AUTHORITY'S LEASE REVENUE BONDS SERIES 2014A BY COMPETITIVE OR NEGOTIATED SALE; APPROVING THE FORM AND AUTHORIZING THE DISTRIBUTION OF THE PRELIMINARY OFFICIAL STATEMENT; AUTHORIZING THE EXECUTION, DELIVERY AND DISTRIBUTION OF THE OFFICIAL STATEMENT; AND APPROVING OTHER DOCUMENTS AND ACTIONS IN CONNECTION THEREWITH.

WHEREAS, The City of San Diego (City), the Successor Agency to the Redevelopment Agency of the City of San Diego, and the Housing Authority of the City of San Diego have heretofore entered into a Third Amended and Restated Joint Exercise of Powers Agreement dated January 1, 2013 (the Joint Powers Agreement), which created and established the Public Facilities Financing Authority of the City of San Diego (the Authority) for the purpose, among others, of issuing its bonds to be used to provide financial assistance to the City to finance and refinance public capital improvements; and

WHEREAS, pursuant to the Government Code of the State of California, Article 4 of Chapter 5 of Division 7 of Title (Act) and the Joint Powers Agreement, the Authority is authorized to issue bonds for financing and refinancing public capital improvements whenever there are significant public benefits; and

WHEREAS, the Authority has previously entered into an Indenture, dated as of July 1, 2012, as supplemented and amended by the First Supplemental Indenture, dated as of July 1, 2013 (the Master Indenture), with Wells Fargo Bank, National Association, as trustee (the Trustee), to provide

for the issuance of lease revenue bonds pursuant to the terms of the Master Indenture for the benefit of the City; and

WHEREAS, pursuant to the Master Indenture, the Authority has issued various series of bonds (the Prior Bonds) to finance certain capital projects and to refund various obligations of the City and the Authority; and

WHEREAS, in connection with the issuance of the Prior Bonds the Authority and the City entered into a Site Lease, dated as of July 1, 2012, as supplemented and amended by the First Amendment to Site Lease, dated as of July 1, 2013 (together, the Master Site Lease) pursuant to which the City leased to the Authority certain real property and the improvements thereon and a Facilities Lease, dated as of July 1, 2012, as supplemented and amended by the First Amendment to Facilities Lease, dated as of July 1, 2013 (together, the Master Facilities Lease) pursuant to which the Authority leased to the City certain real property and the improvements thereon; and

WHEREAS, the Authority has determined that it is desirable, furthers the public purpose and will result in significant public benefits to the citizens of the City, within the meaning of the Act, to assist the City in financing the costs of the acquisition, design, construction, installation, improvement, replacement and equipping of certain capital improvement projects of the City (collectively, the Projects) at various locations within the City; and

WHEREAS, in order to accomplish the financing of the Projects and to achieve such public purposes, the Authority has determined to authorize the issuance of not to exceed \$71,000,000 aggregate principal amount of its Public Facilities Financing Authority of the City of San Diego Lease Revenue Bonds, Series 2014A (Capital Improvement Projects) (the Series 2014A Bonds); and

WHEREAS, to accomplish the forgoing, the Authority has determined: to enter into a Second Supplemental Indenture, which supplements and amends the Master Indenture (the Second Supplemental Indenture, and together with the Master Indenture, the Indenture) by and between it and the Trustee; a Second Amendment to Site Lease (the Second Amendment to Site Lease, and

together with the Master Site Lease, the Site Lease) by and between the Authority and the City, and a Second Amendment to Facilities Lease (the Second Amendment to Facilities Lease, and together with the Master Facilities Lease, the Lease), by and between the Authority and the City, under which the City will agree to make Base Rental Payments to the Authority which are calculated to be sufficient to enable the Authority to pay the principal of and interest and premium (if any) on the Prior Bonds and the Series 2014A Bonds when due and payable; and

WHEREAS, the Authority will sell the Series 2014A Bonds by competitive sale, or, alternatively, under the conditions described herein, by negotiated sale pursuant to a Bond Purchase Agreement (the Purchase Agreement) among the Authority, the City and the underwriters to be selected as described herein (collectively, the Underwriters); and

WHEREAS, the City adopted Ordinance Number 20350 (the Bond Ordinance) authorizing and approving (i) the issuance of the Series 2014A Bonds, (ii) the legal documents under and pursuant to which the Series 2014A Bonds will be issued and paid with such changes as permitted by the Bond Ordinance, and (iii) the financing of the Projects, which Bond Ordinance was signed by the Mayor on February 12, 2014 and for which the 30-day referendum period ended on March 14, 2014; and

WHEREAS, there has been presented to this meeting the following documents relating to the issuance of the Series 2014A Bonds:

- (a) the proposed form of the Second Amendment to Site Lease;
- (b) the proposed form of Second Amendment to Facilities Lease;
- (c) the proposed form of Second Supplemental Indenture;
- (d) the proposed form of an Official Notice Inviting Bids (the Notice Inviting Bids) pursuant to which the Series 2014A Bonds will be offered for competitive sale;

- (e) the proposed form of Purchase Agreement among the City, the Authority and the Underwriters; and
- (f) the proposed form of Preliminary Official Statement (Preliminary Official Statement), for use in selling the Series 2014A Bonds (the documents described in paragraphs (a) through (f) are collectively referred to as the Financing Documents); and

WHEREAS, the Authority is authorized to undertake the actions described in this Resolution pursuant to the laws of the State of California; NOW, THEREFORE,

BE IT RESOLVED by the Board of Commissioners of the Public Facilities Financing Authority of the City of San Diego as follows:

Section 1. The Authority hereby finds and determines that the statements set forth above in the recitals to this Resolution are true and correct.

Section 2. The form and content of the Second Amendment to Site Lease are hereby authorized and approved. Any of the Chair of the Authority or Vice Chair of the Authority and each of them or any of their respective designees (each, an Authorized Signatory) are hereby severally authorized and directed, for and in the name and on behalf of the Authority, to execute and deliver the Second Amendment to Site Lease in substantially the form presented to and considered at this meeting, and the Secretary of the Authority or her specified designees, and each of them, are authorized and directed to attest thereto, with such additions and changes therein as any Authorized Signatory shall determine to be necessary and desirable and shall require or approve and believes to be in the best interests of the Authority, and as are approved as to form by the General Counsel to the Authority or his specified designee, such approvals to be conclusively evidenced by such Authorized Signatory's execution and delivery of the First Amendment to Site Lease.

Section 3. The form and content of the Second Amendment Facilities Lease are hereby authorized and approved. Each Authorized Signatory is hereby severally authorized and directed, for and in the name and on behalf of the Authority, to execute and deliver the Second Amendment to Facilities Lease in substantially the form presented to and considered at this meeting, and the Secretary of the Authority or her specified designees, and each of them, are authorized and directed to attest thereto, with such additions and changes therein as any Authorized Signatory shall require or approve as being in the best interests of the Authority, and as are approved as to form by the General Counsel to the Authority or his specified designee, such approvals to be conclusively evidenced by such Authorized Signatory's execution and delivery of the Second Amendment to Facilities Lease.

Section 4. The form and content of the Second Supplemental Indenture, pursuant to which the Authority will issue its Series 2014A Bonds, are hereby authorized and approved. Each Authorized Signatory is hereby severally authorized and directed, for and in the name and on behalf of the Authority, to execute and deliver the Second Supplemental Indenture in substantially the form presented to and considered at this meeting, and the Secretary of the Authority or her specified designees, and each of them, are authorized and directed to attest thereto, with such additions and changes therein as any Authorized Signatory shall determine to be necessary and desirable and shall require or approve and believes to be in the best interests of the Authority, and as are approved as to form by the General Counsel to the Authority or his specified designee, such approvals to be conclusively evidenced by such Authorized Signatory's execution and delivery of the Second Supplemental Indenture.

Section 5. The Authority hereby approves and authorizes the issuance and sale of its Series 2014A Bonds in a principal amount not to exceed \$71,000,000 by competitive sale, or, alternatively, under the conditions described herein, by negotiated sale, provided that: (i) the true interest cost of the Series 2014A Bonds does not exceed 7.0% and (ii) the final maturity of the Series 2014A Bonds shall not be later than 30 years following their date of issuance, all as previously

approved by the City Council in the Bond Ordinance. Each Authorized Signatory is authorized to execute and deliver, for and in the name and on behalf of the Authority, the Series 2014A Bonds substantially in the form attached to the Second Supplemental Indenture presented to and considered at this meeting, and the Secretary of the Authority or her specified designees, and each of them, are authorized and directed to attest thereto and affix the seal of the Authority thereon, with such additions and changes as any Authorized Signatory determines to be necessary and desirable and requires or approves and believes to be in the best interests of the Authority, such approvals to be conclusively evidenced by the execution of said Series 2014A Bonds.

Section 6. The form and content of the Notice Inviting Bids, pursuant to which the Authority will offer its Series 2014A Bonds for competitive sale, are hereby authorized and approved. Each Authorized Signatory is hereby severally authorized and directed for and in the name and on behalf of the Authority to cause the Series 2014A Bonds to be sold at competitive sale in accordance with the terms set forth in the preceding paragraph and the terms set forth in the Notice Inviting Bids, to cause a summary of the Notice Inviting Bids to be published in accordance with any notice requirements imposed by law and to award the sale of the Series 2014A Bonds to the winning bidder; provided, however, if an Authorized Signatory, with the advice of the City's Financial Advisor for the Series 2014A Bonds, determines that a competitive sale is not in the best interests of the City due to market conditions or other factors, then the Series 2014A Bonds may be sold at a negotiated sale pursuant to Section 7 below.

Section 7. The form and content of the Purchase Agreement are hereby authorized and approved. In the event that a determination is made as described in Section 5 above to sell the Series 2014A Bonds at a negotiated sale, then each Authorized Signatory is hereby severally authorized and directed for and in the name and on behalf of the Authority, to select one or more underwriters from the City's approved list of underwriters to execute and deliver the Purchase Agreement in connection with the purchase and sale of the Series 2014A Bonds, substantially in the form presented to and

considered at this meeting, with such changes and additions therein as such Authorized Signatory shall determine to be necessary and desirable and shall require or approve and believes to be in the best interests of the City and as are approved as to form by the General Counsel to the Authority or his specified designee, such approvals will be conclusively evidenced by such Authorized Signatory's execution and delivery of the Purchase Agreement.

Section 8. The form and content of the proposed Preliminary Official Statement substantially in the form presented to and considered at this meeting, are hereby approved, with such changes thereto as any Authorized Signatory may require or approve, such approval to be conclusively evidenced by the execution of the certificate described below by an Authorized Signatory. Each Authorized Signatory is hereby severally authorized and directed, for and in the name of and on behalf of the Authority, to execute and deliver an official statement with respect to the Series 2014A Bonds (the Official Statement), in substantially the form of the final Preliminary Official Statement, with such changes thereto as such Authorized Signatory executing and delivering such document shall determine to be necessary and desirable and shall require or approve and believes to be in the best interests of the Authority and the City, such requirement or approval to be conclusively evidenced by the execution and delivery thereof. The use and distribution of electronic or physical copies of the Preliminary Official Statement and the Official Statement to persons who may be interested in the purchase of Series 2014A Bonds is hereby authorized and approved. Each Authorized Signatory, acting alone, is hereby authorized to certify on behalf of the Authority that the Preliminary Official Statement is deemed final as of its date, within the meaning of Rule 15c2-12 promulgated by the Securities and Exchange Commission (except for the omission of certain information as permitted by such Rule).

Section 9. All actions heretofore taken by any Authorized Signatory or by any officers, employees, agents or directors of the Authority with respect to the issuance, delivery or sale of the Series 2014A Bonds, or in connection with or related to any of the Financing Documents or of the

other documents referenced herein or related to financing the Projects, are hereby approved, confirmed and ratified. Any Authorized Signatory, the Secretary of the Authority, the General Counsel to the Authority and other officers, employees, agents and directors of the Authority are, and each of the foregoing acting alone or through their specified designee, is hereby authorized and directed, for and in the name and on behalf of the Authority, to do any and all things, take any and all actions, and execute and deliver such documents, agreements and certificates (including, but not limited to, the tax compliance certificate), which they, or any of them, may deem necessary or advisable to effectuate the purposes of this Resolution or of the Financing Documents or the lawful issuance and delivery of the Series 2014A Bonds and to consummate the transactions authorized hereby and evidenced by the Financing Documents. In addition, any Authorized Signatory is hereby authorized to approve additions and changes to the Financing Documents and the other documents authorized by this Resolution (including, but not limited to, establishing or changing the size of any reserve fund securing the Series 2014A Bonds, establishing the redemption provisions of the Series 2014A Bonds, and determining which capital improvement Projects are financed with the proceeds of the Series 2014A Bonds, if believed by the Chief Operating Officer of the City or the Chief Financial Officer of the City, with the advice of the City's Financial Advisor for the Series 2014A Bonds, to be in the best interest of the City in light of market conditions, such determination to be conclusively evidenced by the execution and delivery of the Financing Documents by the City), as such Authorized Signatory shall determine to be necessary and desirable and require or approve and believes to be in the best interests of the Authority, such determination shall be conclusively evidenced by the execution and delivery of such Financing Documents and other documents by the Authority; and provided further that no such addition or changes may be inconsistent with limitations in Sections 5, 6 and 7 hereof.

Section 10. This Resolution shall take effect immediately upon its adoption.

ADOPTED, SIGNED AND APPROVED this 11th day of March, 2014, by the following vote:

AYES: Lightner, Gloria, Kersey, Zapf, Sherman, Alvarez, Emerald;

NAYS: None;

ABSENT: Cole;

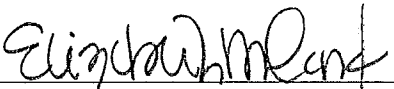
VACANT: District 2;

ABSTAIN: None.

PUBLIC FACILITIES FINANCING AUTHORITY
OF THE CITY OF SAN DIEGO


Todd Gloria, Chair, Board of Commissioners

Attest:


Secretary to Board of Commissioners

I, Elizabeth S. Maland, Clerk of the City of San Diego, California, hereby certify that this is a true copy of papers on file and of record in the office of the Clerk of said city.

ELIZABETH S. MALAND, City Clerk
By Tracy Stevens, Deputy
Dated 4-14-2014