

PUBLIC FACILITIES FINANCING AUTHORITY
OF THE CITY OF SAN DIEGO

RESOLUTION NUMBER FA-2014-4

ADOPTED ON APRIL 8, 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 THIRD AMENDMENT TO SITE LEASE, A THIRD AMENDMENT TO FACILITIES LEASE, A THIRD SUPPLEMENTAL INDENTURE AND OFFICIAL NOTICE INVITING BIDS; APPROVING THE ISSUANCE AND SALE OF THE AUTHORITY'S LEASE REVENUE BONDS BY COMPETITIVE OR NEGOTIATED SALE; 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and Restated Joint Exercise of Powers Agreement dated January 1, 2013 (the Joint Powers Agreement), which amended and superseded the prior agreements that created and established the Public Facilities Financing Authority of the City of San Diego (the Authority) for the purpose, among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 Article 4 of Chapter 5 of Division 7 of Title 1 of the Government Code of the State of California (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, on March 11, 2014, the Board of Commissioners of the Authority adopted Resolution No. FA-2014-2 to authorize the issuance of its Public Facilities Financing Authority of the City of San Diego Lease Revenue Bonds, Series 2014A (Capital Improvement Projects) (the Series 2014A Bonds) in a principal amount not to exceed \$71,000,000 and in connection therewith approved the execution and delivery of a Second Amendment to Site Lease, a Second Amendment to Facility Lease and a Second Supplemental Indenture and certain other documents; and

WHEREAS, the Authority has determined that it is desirable, furthers a 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 in addition to those to be financed with the proceeds of the Series 2014A Bonds (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 \$59,000,000 aggregate principal amount of its Public Facilities Financing Authority of the City of San Diego Lease Revenue Bonds (Capital Improvement Projects) (the Bonds) which when issued will be designated by a year and letter reference; and

WHEREAS, to accomplish the forgoing, the Authority has determined: to enter into a Third Supplemental Indenture, which supplements and amends the Master Indenture (the Third Supplemental Indenture, and together with the Master Indenture and the Second Supplemental Indenture, the Indenture) by and between it and the Trustee; a Third Amendment to Site Lease (the Third Amendment to Site Lease, and together with the Master Site Lease and the Second Amendment to Site Lease, the Site Lease) by and between the Authority and the City, and a Third Amendment to Facilities Lease (the Third Amendment to Facilities Lease, and together with the Master Facilities Lease and the Second Amendment to 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, the Series 2014A Bonds and the Bonds when due and payable; and

WHEREAS, the Authority will sell the 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);

WHEREAS, the City adopted Ordinance Number O-20350 (the Bond Ordinance) authorizing and approving (i) the issuance of the Series 2014A Bonds and the Bonds, (ii) the legal documents under and pursuant to which the Series 2014A Bonds and the 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 Bonds:

- (a) the proposed form of the Third Amendment to Site Lease;
- (b) the proposed form of Third Amendment to Facilities Lease;
- (c) the proposed form of Third Supplemental Indenture;
- (d) the proposed form of an Official Notice Inviting Bids (the Notice Inviting Bids) pursuant to which the Bonds will be offered for competitive sale; and
- (e) the proposed form of Purchase Agreement among the City, the Authority and the Underwriters; 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:

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

2. The form and content of the Third 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 Third 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 Third Amendment to Site Lease.

3. The form and content of the Third Amendment to 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 Third 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 Third Amendment to Facilities Lease.

4. The form and content of the Third Supplemental Indenture, pursuant to which the Authority will issue its 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 Third 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 Third Supplemental Indenture.

5. The Authority hereby approves and authorizes the issuance and sale of the Bonds in a principal amount not to exceed \$59,000,000 by competitive sale, or, alternatively, under the conditions described herein, by negotiated sale, provided that: (i) the true interest cost of the Bonds does not exceed 7.0% and (ii) the final maturity of the 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 Bonds substantially in the form attached to the Third 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 the Bonds.

6. The form and content of the Notice Inviting Bids, pursuant to which the Authority will offer the 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 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 Bonds to the winning bidder; provided, however, if an Authorized Signatory, with the advice of the City's Financial Advisor for the Bonds, determines that a competitive sale is not in the best interests of the City due to market conditions or other factors, then the Bonds may be sold at a negotiated sale pursuant to Section 7 below.

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 6 above to sell the 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 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.

8. 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 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 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 Bonds, establishing the redemption provisions of the Bonds, and determining which capital improvement Projects are financed with the proceeds of the 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 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.

9. This Resolution shall take effect immediately upon its adoption.

ADOPTED, SIGNED AND APPROVED this 8th day of April, 2014, by the following vote:

AYES: Lightner, Harris, Gloria, Cole, Kersey, Zapf, Sherman, Emerald;

NAYS: _____

ABSENT: Alvarez.

VACANT: _____

ABSTAIN: _____

PUBLIC FACILITIES FINANCING AUTHORITY
OF THE CITY OF SAN DIEGO



Todd Gloria, Chair, Board of Commissioners

Attest:



Secretary to Board of Commissioners