

PUBLIC FACILITIES FINANCING AUTHORITY  
OF THE CITY OF SAN DIEGO

RESOLUTION NUMBER FA-2013-2

ADOPTED ON JUNE 18, 2013

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 FIRST AMENDMENT TO SITE LEASE, AN MTS SITE LEASE, A FIRST AMENDMENT TO FACILITIES LEASE, A FIRST SUPPLEMENTAL INDENTURE AND ONE OR MORE PURCHASE AGREEMENTS; APPROVING THE ISSUANCE AND SALE OF ONE OR MORE SERIES OF THE AUTHORITY'S LEASE REVENUE BONDS AND LEASE REVENUE REFUNDING BONDS; 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 City of San Diego solely as Designated 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 as of January 1, 2013 ("Joint Powers Agreement"), which Joint Powers Agreement created and established the Public Facilities Financing Authority of the City of San Diego ("Authority") for the purpose, among others, of issuing bonds to finance and refinance public capital improvements to further public purposes and for the benefit of the City; 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 (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 its Lease Revenue Bonds, Series 2012A (Capital Improvement Projects) in the aggregate principal amount of \$72,000,000 to finance certain capital projects (the “Series 2012A Bonds”) and its Lease Revenue Refunding Bonds, Series 2012B (Fire and Life Safety Facilities Refunding) in the aggregate principal amount of \$18,745,000 to refund various obligations of the City and the Authority (the “Series 2012B Bonds,” and together with the Series 2012A Bonds, the “Prior Bonds”); 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, construction, installation and equipping of certain capital improvement projects of the City (collectively, the “Projects”) at various locations within the City, and to refinance the City’s Certificates of Participation (1993 Balboa Park/Mission Bay Refunding) (the “2003 Certificates of Participation”) and The City of San Diego/MTDB Authority’s 2003 Lease Revenue Refunding Bonds (San Diego Old Town Light Rail Transit Extension Refunding) (the “2003 Old Town Light Rail Refunding Bonds,” and together with the 2003 Certificates of Participation, the “Refunded Bonds”) for interest rate savings (the “Refunding”); 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 \$36,500,000 aggregate principal amount of its Public Facilities Financing Authority of the City of San Diego

Lease Revenue Bonds (the “Additional Bonds”) payable from Base Rental Payments (defined below) to be made by City pursuant to the Lease (defined below); and

WHEREAS, in order to accomplish the refunding of the Refunded Bonds and to achieve interest rate savings, the Authority has determined to authorize the issuance of not to exceed \$15,500,000 aggregate principal amount of its Public Facilities Financing Authority of the City of San Diego Lease Revenue Refunding Bonds (the “Additional Refunding Bonds,” and together with the Additional Bonds, the “Bonds”), payable from Base Rental Payments to be made by City pursuant to the Lease; and

WHEREAS, the City and the Authority have determined that the first two series of Bonds to be issued shall be (i) the Authority’s Lease Revenue Bonds and Lease Revenue Refunding Bonds, Series 2013 (Capital Improvement Projects and Old Town Light Rail Extension Refunding) (the “Series 2013A Bonds”) for the purpose of financing the Projects and refunding the 2003 Old Town Light Rail Refunding Bonds, and (ii) the Authority’s Lease Revenue Refunding Bonds, Series 2013B (Balboa Park/Mission Bay Park Refunding) (the “Series 2013B Bonds,” and together with the Series 2013A Bonds, the “Series 2013 Bonds”) for the purpose of refunding the 2003 Certificates of Participation; and

WHEREAS, to accomplish the forgoing, the Authority has determined: to enter into a First Supplemental Indenture, which supplements and amends the Master Indenture (the “First Supplemental Indenture,” and together with the Master Indenture, the “Indenture”); to lease from the City certain interests in real property of the City (the “City Property”) pursuant to and as described in a Site Lease, dated as of July 1, 2012 (the “Master Site Lease”), as supplemented and amended by the First Amendment to Site Lease (the “First Amendment to Site Lease,” and together with the Master Site Lease, the “City Site Lease”), each by and between the City and the

Authority; to lease from the San Diego Metropolitan Transit System (“MTS”) certain interest in real property of MTS (the “MTS Property,” and together with the City Property, the “Leased Property”) pursuant to and as described in a MTS Site Lease (the “MTS Site Lease”), by and between MTS and the Authority; and to lease the Leased Property to the City pursuant to a Facilities Lease, dated as of July 1, 2012 (the “Master Facilities Lease”), as supplemented and amended by the First Amendment to Facilities Lease (the “First Amendment to Facilities Lease,” and together with the Master Facilities Lease, the “Lease”), each 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 2013 Bonds when due and payable; and

WHEREAS, the Authority will sell the Series 2013 Bonds by negotiated sale pursuant to one or more Bond Purchase Agreements (each a “Purchase Agreement”) among the Authority, the City and the underwriters therein named (collectively, the “Underwriters”); and

WHEREAS, the City adopted Ordinance No. O-20249 (the “Bond Ordinance”) authorizing and approving (i) the issuance of the Series 2013 Bonds, (ii) the legal documents under and pursuant to which the Series 2013 Bonds will be issued and paid with such changes as permitted by the Bond Ordinance, (iii) the financing of the Projects, and (iv) the refunding of the Refunded Bonds, which Bond Ordinance was signed by the Mayor on April 11, 2013 and for which the 30-day referendum period ended on May 12, 2013; and

WHEREAS, the City has by resolution approved the form and content of the proposed Preliminary Official Statement, authorized the preparation of the final official statement, and authorized the distribution of the Preliminary Official Statement and final official statement by the Underwriters to persons interested in purchasing the Series 2013 Bonds; and

WHEREAS, there has been presented to this meeting the following documents relating to the issuance of the Series 2013 Bonds:

a. a proposed form of First Amendment to Site Lease between the City and the Authority under which the City will lease the City Property to the Authority;

b. a proposed form of MTS Site Lease between MTS and the Authority under which MTS will lease the MTS Property to the Authority;

c. a proposed form of First Amendment to Facilities Lease between the Authority and the City under which the Authority will lease the Leased Property to the City;

d. a proposed form of First Supplemental Indenture between the Authority and the Trustee under which the Authority will issue the Series 2013 Bonds;

e. a proposed form of Purchase Agreement among the City, the Authority and the Underwriters; and

f. a proposed form of Preliminary Official Statement (“Preliminary Official Statement”), which the Underwriters will use in marketing the Series 2013 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:

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 First Amendment to Site Lease, pursuant to which the City leases the City Property to the Authority, 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 First 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.

3. The form and content of the MTS Site Lease, pursuant to which MTS leases the MTS Property to the Authority, 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 MTS 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 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 MTS Site Lease.

4. The form and content of the First Amendment Facilities Lease, pursuant to which the Authority leases the Leased Property to the City, 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 First 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 First Amendment to Facilities Lease.

5. The form and content of the First Supplemental Indenture, pursuant to which the Authority will issue its Series 2013 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 First 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 First Supplemental Indenture.

6. The Authority hereby approves and authorizes the issuance and sale of its Additional Bonds in a principal amount not to exceed \$36,500,000 by negotiated sale provided

that: (i) the true interest cost of the Additional Bonds does not exceed 7% and (ii) the final maturity of the Additional 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 Additional Bonds substantially in the form attached to the First 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 Additional Bonds.

7. The Authority hereby approves and authorizes the issuance and sale of its Additional Refunding Bonds in a principal amount not to exceed \$15,500,000 by negotiated sale provided that: the Chief Financial Officer of the City or the Chief Operating Officer of the City determines that either: (i) there is an economic benefit in the form of aggregate net present value savings of at least 3 percent, expressed as a percentage of the par amount of the Refunded Bonds refunded; or (ii) the Chief Financial Officer of the City or the Chief Operating Officer of the City determines that refunding all or a portion of the Refunded Bonds is in the best financial interest of the City, 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 Additional Refunding Bonds substantially in the form attached to the First 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 Additional Refunding Bonds.

8. The form and content of the Purchase Agreement 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 one or more Purchase Agreements in connection with the purchase and sale of the Series 2013 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.

9. 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 delivery of the Preliminary Official Statement to the Underwriters. 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 2013 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, such requirement or approval to be conclusively evidenced by the execution and delivery thereof. The distribution by the Underwriters 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 2013 Bonds is hereby authorized and approved. The Authorized Signatories are, and each of them acting alone is, hereby authorized to certify to the Underwriters 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).

10. 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 2013 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 or the Refunding, 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 2013 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 2013 Bonds, establishing the redemption provisions of the Series 2013 Bonds, and determining which capital improvement

Projects are financed with the proceeds of the Additional 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 2013 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 6 and 7 hereof.

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

*Motion by Faulconer / 2<sup>nd</sup> by Kersey to approve the resolution.*

ADOPTED, SIGNED AND APPROVED this 18 day of June, 2013, by the following vote:

AYES: Lightner, Faulconer, Gloria, Cole, Kersey, Sherman, Alvarez, Emerald  
NAYS: N/A  
ABSENT: Zapf  
VACANT: N/A  
ABSTAIN: N/A

PUBLIC FACILITIES FINANCING AUTHORITY  
OF THE CITY OF SAN DIEGO

  
Todd Gloria, Chair, Board of Commissioners

Attest:

  
Secretary to Board of Commissioners