

PUBLIC FACILITIES FINANCING AUTHORITY
OF THE CITY OF SAN DIEGO

RESOLUTION NUMBER FA-2015-2

ADOPTED ON MARCH 17, 2015

RESOLUTION OF THE BOARD OF COMMISSIONERS OF THE PUBLIC FACILITIES FINANCING AUTHORITY OF THE CITY OF SAN DIEGO AUTHORIZING THE EXECUTION AND DELIVERY OF AN AMENDED AND RESTATED SITE LEASE, AN AMENDED AND RESTATED BALLPARK FACILITY LEASE, A THIRD REAFFIRMATION OF ASSIGNMENT AGREEMENT, AN INDENTURE, AN ESCROW AGREEMENT, AND A PURCHASE AGREEMENT AND APPROVING THE ISSUANCE AND SALE OF NOT TO EXCEED \$136,000,000 OF THE AUTHORITY'S LEASE REVENUE REFUNDING BONDS, SERIES 2015 (BALLPARK REFUNDING); AND APPROVING OTHER DOCUMENTS AND ACTIONS IN CONNECTION THEREWITH.

WHEREAS, The City of San Diego ("City"), the City as 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 California Government Code, Article 4 of Chapter 5 of Division 7 of Title 1 ("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 heretofore issued its \$156,560,000 Public Facilities Financing Authority of the City of San Diego Lease Revenue Refunding Bonds, Series 2007A

(Ballpark Refunding), of which \$125,255,000 aggregate principal amount is currently outstanding (the “Series 2007A Bonds”); and

WHEREAS, the proceeds of the Series 2007A Bonds were used to refinance the \$169,685,000 Public Facilities Financing Authority of the City of San Diego Lease Revenue Bonds, Series 2002 (Ballpark Project) (the “Series 2002 Bonds”), which Series 2002 Bonds financed (i) a portion of the construction of (A) a baseball park (the “Ballpark”) for the use of the San Diego Padres (the “Padres”) major league baseball team, (B) a public park located adjacent to the Ballpark (the “Park”), and (ii) certain related infrastructure; and

WHEREAS, in connection with the issuance of the Series 2007A Bonds, the Authority and the City entered into an Amended and Restated Site Lease, dated as of March 1, 2007 (the “2007A Site Lease”), pursuant to which the City leased to the Authority certain real property and the improvements thereon and an Amended and Restated Ballpark Facility Lease, dated as of March 1, 2007 (the “2007A Facility Lease”), pursuant to which the Authority leased back to the City the same real property and the improvements thereon; and

WHEREAS, the Authority has determined that it is desirable and will result in significant public benefits to the citizens of the City, within the meaning of the Act, to assist the City in refinancing all or a portion of the Series 2007A Bonds (the portion of the Series 2007A Bonds being refunded, the “Refunded Bonds”) for interest rate savings; and

WHEREAS, in order to accomplish the refinancing of the Refunded Bonds and to achieve interest rate savings, the Authority has determined to authorize the issuance of not to exceed \$136,000,000 aggregate principal amount of its Public Facilities Financing Authority of the City of San Diego Lease Revenue Refunding Bonds, Series 2015 (Ballpark Refunding) (the

“Series 2015 Bonds”), payable from Base Rental Payments to be made by City pursuant to the Facility Lease (defined below); and

WHEREAS, to accomplish the forgoing, the Authority has determined: to enter into an Indenture, dated as of July 1, 2015 (the “Indenture”), by and between it and Wells Fargo Bank, National Association (the “Trustee”); an Amended and Restated Site Lease, dated as of July 1, 2015 (the “Site Lease”), which amends and restates the 2007A Site Lease, by and between the Authority and the City, under which the Authority will lease from the City certain real property belonging to the City, together with the portion of the improvements located thereon that are owned by the City, consisting of (i) the Ballpark exclusive of certain improvements owned by the Padres and (ii) the Park (the “Leased Property”) and an Amended and Restated Ballpark Facility Lease, dated as of July 1, 2015 (the “Facility Lease”), which amends and restates the 2007A Facility Lease, by and between the Authority and the City, under which the Authority leases the Leased Property back to the City and 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 on the Series 2015 Bonds when due and payable; and

WHEREAS, the Authority will sell the Series 2015 Bonds by negotiated sale pursuant to a Bond Purchase Agreement (a “Purchase Agreement”) among the Authority, the City and the underwriters therein named (collectively, the “Underwriters”);

WHEREAS, the City adopted an Ordinance (the “Bond Ordinance”) authorizing and approving (i) the issuance by the Authority of the Series 2015 Bonds, (ii) the execution and delivery by the City and the Authority, as the case may be, of the legal documents under and pursuant to which the Series 2015 Bonds will be issued and paid with such changes as permitted by the Bond Ordinance, and (iii) the refunding of the Refunded Bonds, which Bond Ordinance

will be signed by the Mayor and for which the 30-day referendum period will end on the 31st day following the Mayor's execution thereof; and

WHEREAS, there has been presented to this meeting the following documents relating to the issuance of the Series 2015 Bonds:

- (a) the proposed form of the Site Lease;
- (b) the proposed form of Facility Lease;
- (c) the proposed form of Assignment Agreement (defined below);
- (d) the proposed form of Indenture;
- (e) the proposed form of Purchase Agreement among the City, the Authority and the Underwriters;
- (f) the proposed form of Escrow Agreement (defined below) (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 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 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 are necessary or desirable and shall require or approve and that such Authorized Signatory 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 Site Lease.

Section 3. The form and content of the Facility 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 Facility 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 are necessary or desirable and shall require or approve and that such Authorized Signatory 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 Facility Lease.

Section 4. The form and content of a Third Reaffirmation of Assignment Agreement (the "Assignment Agreement"), by and between the Authority and the Trustee, pursuant to which the Authority reaffirms its assignment to the Trustee for the benefit of bondholders of its rights under the Site Lease and the Facility 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 Assignment Agreement 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 are necessary or desirable and shall require or approve and that such Authorized Signatory 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 Assignment Agreement.

Section 5. The form and content of the Indenture, pursuant to which the Authority will issue its Series 2015 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 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 are necessary or desirable and shall require or approve and that such Authorized Signatory 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 Indenture.

Section 6. The Authority hereby approves and authorizes the issuance and sale of the Series 2015 Bonds in a principal amount not to exceed \$136,000,000 by negotiated sale provided that: the Chief Financial Officer of the City or the Chief Operating Officer of the City determines that either: (A) there is an economic benefit in the form of aggregate net present value savings of

at least 4 percent, expressed as a percentage of the par amount of the Refunded Bonds; or (B) 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 Series 2015 Bonds substantially in the form attached to the 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 shall determine are necessary or desirable and shall require or approve and that such Authorized Signatory believes to be in the best interests of the Authority, such approvals to be conclusively evidenced by the execution of said Series 2015 Bonds.

Section 7. The form and content of an Escrow Agreement (the "Escrow Agreement"), by and between the Authority and the Trustee, as escrow agent (the "Escrow Agent") pursuant to which the Authority will instruct the Escrow Agent to hold, invest, and apply monies for the redemption of the Refunded 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 Escrow Agreement in substantially the form presented to and considered at this meeting, with such additions and changes therein (including, the purchase of certain escrow securities) as any Authorized Signatory shall determine are necessary or desirable and shall require or approve and that such Authorized Signatory 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 Escrow Agreement.

Section 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 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 2015 Bonds, substantially in the form presented to and considered at this meeting, with such changes and additions therein as any Authorized Signatory shall determine are necessary or desirable and shall require or approve and that such Authorized Signatory 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 will be conclusively evidenced by such Authorized Signatory's execution and delivery of the Purchase Agreement.

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 2015 Bonds, or in connection with or related to any of the Financing Documents or of the other documents referenced herein or related to the refunding of the Refunded Bonds, 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 2015 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 2015 Bonds, and establishing the redemption provisions of the Series 2015 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 2015 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 any Authorized Signatory shall determine are necessary or desirable and shall require or approve and that such Authorized Signatory 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 Section 6.

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

ADOPTED, SIGNED AND APPROVED this 17 day of March, 2015, by the following vote:

AYES: Lightner, Zapf, Gloria, Cole, Kersey, Cate, Sherman, Alvarez, Emerald.


NAYS: _____

ABSENT: _____

VACANT: _____

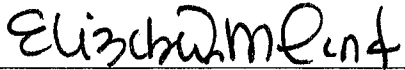
ABSTAIN: _____

PUBLIC FACILITIES FINANCING AUTHORITY
OF THE CITY OF SAN DIEGO



Sherri Lightner, Chair, Board of Commissioners

Attest:



Secretary to Board of Commissioners