

PUBLIC FACILITIES FINANCING AUTHORITY
OF THE CITY OF SAN DIEGO

RESOLUTION NUMBER FA-2018-11

ADOPTED ON OCTOBER 30, 2018

A RESOLUTION OF THE BOARD OF COMMISSIONERS OF THE PUBLIC FACILITIES FINANCING AUTHORITY OF THE CITY OF SAN DIEGO (I) APPROVING THE FORM OF AND AUTHORIZING THE DISTRIBUTION OF THE OFFERING MEMORANDUM IN CONNECTION WITH THE ISSUANCE AND SALE OF ONE OR MORE SERIES OF THE AUTHORITY'S LEASE REVENUE COMMERCIAL PAPER NOTES FROM TIME TO TIME IN THE PRINCIPAL AMOUNT NOT TO EXCEED IN THE AGGREGATE \$88,500,000; (II) APPROVING THE FORM OF AND AUTHORIZING THE EXECUTION AND DELIVERY OF A REIMBURSEMENT AGREEMENT; AND (III) APPROVING CERTAIN OTHER DOCUMENTS AND ACTIONS IN CONNECTION THEREWITH.

WHEREAS, the City of San Diego, California (City), the City, solely in its capacity as the designated Successor Agency to the former Redevelopment Agency of the City of San Diego and the Housing Authority of the City of San Diego are parties to a Joint Exercise of Powers Agreement establishing the Public Facilities Financing Authority of the City of San Diego (Authority), a California joint exercise of powers authority duly organized to finance, acquire, construct, maintain, repair, operate, and control certain capital facilities improvements for the City; and

WHEREAS, on May 15, 2018, pursuant to Resolution No. R-311757, the City authorized the issuance and sale of one or more series of the Authority's lease revenue commercial paper notes from time to time (Commercial Paper Notes) in an aggregate principal amount not to exceed \$80,500,000 that are payable from Base Rental Payments (Base Rental Payments) to be made by the City pursuant to the Facilities Lease by and between the City and the Authority (Lease) to (i) provide short-term financing for the acquisition, design, construction, installation, improvement,

replacement, and equipping of various capital improvements related to the City, (ii) reimburse the City for eligible expenditures in accordance with applicable law, (iii) to pay principal of Commercial Paper Notes at maturity or to reimburse the related Credit Facility Provider (as defined in the Indenture herein referred to) for draws under the related Credit Facility (as defined in the Indenture herein referred to), and (iv) pay costs of issuance incurred in connection with the issuance of Commercial Paper Notes; and

WHEREAS, the City desires to provide for the issuance and sale of one or more series of the Commercial Paper Notes in the principal amount not to exceed in the aggregate \$88,500,000; and

WHEREAS, to facilitate such short-term financing, the City authorized the issuance and sale from time to time of the Commercial Paper Notes for the purposes set forth above; and

WHEREAS, the City has determined pursuant to a Resolution (City Resolution) introduced at a meeting of the City Council of the City of San Diego on October 30, 2018 that it is in the best interests of the City to request the Authority to issue its Commercial Paper Notes from time to time in one or more series or subseries payable from Base Rental Payments to be made by the City pursuant to the Lease to finance the certain capital improvement projects of the City; and

WHEREAS, the City Resolution includes a finding that the financing of various capital improvements as set forth therein will provide significant public benefits in accordance with the criteria specified in California Government Code Section 6586; and

WHEREAS, in order to finance the various capital improvements of the City, the Authority determined to enter into an Indenture (Indenture), by and between the Authority and U.S. Bank National Association, as Trustee (Trustee), providing for the issuance from time to time of its Commercial Paper Notes; and

WHEREAS, to secure payment of the Commercial Paper Notes, the Authority determined to enter into a Site Lease (Site Lease) with the City, pursuant to which the City will lease to the Authority certain real property of the City (Leased Property), and the Lease with the City, pursuant to which the Authority will lease back the Leased Property to the City and the City will agree to make Base Rental Payments in consideration of the use of the Leased Property; and

WHEREAS, in furtherance of the issuance of the Commercial Paper Notes, the Authority has determined to enter into one or more Dealer Agreements (each, a Dealer Agreement), by and between the Authority and J.P. Morgan Securities LLC and Wells Fargo Securities (each, a Dealer), as the initial Dealers; and

WHEREAS, in furtherance of the issuance of the Commercial Paper Notes, the Authority has determined to enter into a Reimbursement Agreement and related fee letter agreement (Reimbursement Agreement), by and among the City, the Authority, and Wells Fargo Bank, National Association and any other Credit Facility Agreement (as defined in the Indenture); and

WHEREAS, there has also been presented to this meeting the following other documents relating to the issuance of the Commercial Paper Notes:

- (a) the proposed form of the Offering Memorandum;
- (b) the proposed form of each Dealer Agreement; and
- (c) the proposed form of the Reimbursement Agreement.

WHEREAS, the Authority is authorized to undertake the actions described in this Resolution pursuant to its Joint Exercise of Powers Agreement and the Constitution and applicable laws of the State; NOW, THEREFORE,

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

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

Section 2. The Board of Commissioners hereby authorizes and approves the issuance and sale by the Authority of one or more series of its Commercial Paper Notes in the principal amount not to exceed in the aggregate \$88,500,000 to provide funds for financing certain capital improvement projects, reimburse the City for eligible expenditures and pay costs of issuance incurred in connection with the issuance of the Commercial Paper Notes from time to time.

Section 3. The forms and content of each Dealer Agreement and the Reimbursement Agreement (collectively, the Financing Documents), each as submitted to this meeting and on file in the office of the Office of the Secretary, are hereby approved. The Chair or Vice-Chair of the Board of Commissioners of the Authority or the Treasurer of the Authority (each, an Authorized Officer), and each of them, acting alone, are hereby authorized and directed, for and in the name and on behalf of the Authority, to execute and deliver the Financing Documents, in conjunction with the issuance of Commercial Paper Notes from time to time, in one or more series or subseries, in substantially the forms submitted to this meeting, with such additions and changes therein as any Authorized Officer shall determine are necessary or desirable and approve as being in the best interests of the Authority, and as approved as to form by the City Attorney of the City of San Diego (City Attorney), as counsel to the Authority or his or her specified designee, and with such other changes that may be required or requested by Hawkins Delafield & Wood LLP, as Bond Counsel (Bond Counsel), such approval to be conclusively evidenced by the execution and delivery thereof.

Section 4. The form and content of the proposed Offering Memorandum substantially in the form presented to and considered at this meeting, are hereby approved, with such changes thereto as an Authorized Officer shall determine are necessary or desirable and may require or

approve, such approval to be conclusively evidenced by the delivery of the Offering Memorandum for release to prospective purchasers of the Commercial Paper Notes. The distribution of electronic or physical copies of the Offering Memorandum to persons who may be interested in the purchase of the Commercial Paper Notes is hereby authorized and approved. The Authorized Officers are hereby authorized and directed, jointly and severally, for and in the name of and on behalf of the City, to amend or supplement the Offering Memorandum from time to time and cause the distribution thereof, subject to the prior review and approval of the Offering Memorandum, as amended or supplemented, by the City's Disclosure Practices Working Group.

Section 5. The Authorized Officers, and each of them, acting alone, are hereby authorized and directed to take all actions and execute any and all documents which they may deem necessary or advisable in order to consummate, carry out, give effect to and comply with the terms and intent of this Resolution and the consummation of the transactions contemplated hereby. Any actions heretofore taken by such officers in furtherance of any of the transactions authorized herein are hereby ratified, confirmed, and approved.

Section 6. The Authorized Officers, and each of them, acting alone, are hereby authorized and directed, for and in the name of and on behalf of the Authority, to do any and all things and take any and all actions, from time to time, consistent with this Resolution and the documents approved herein and other documents authorized by this Resolution, including, without limitation, payment of necessary and appropriate fees and expenses of bond counsel, disclosure counsel, municipal advisor and other professionals retained by the Authority, and execute and deliver any and all certificates, agreements and other documents (including, but not limited to, the tax compliance certificate) which they, or any of them, may deem necessary or advisable to consummate the transactions evidenced by the documents referenced herein in accordance with

this Resolution. In addition, any Authorized Officer, in consultation with the City's municipal advisor, is hereby authorized to amend, supplement, or restate any Credit Facility Agreement in connection with any extension of the term of any Credit Facility or any increase or decrease in the maximum principal amount of Commercial Paper Notes secured by any Credit Facility, and to execute and deliver any additional replacement or successor Credit Facility Agreement, as such Authorized Officer shall determine are necessary or desirable and in the best interests of the Authority, such determination being conclusively evidenced by the execution and delivery of such amendment, supplement or restatement of, or additional, replacement or successor, Credit Facility Agreement by the Authority.

Section 7. This Resolution shall take effect immediately upon its adoption.

ADOPTED, SIGNED AND APPROVED this 30th day of October 2018, by the following vote:

AYES: Bry, Zapf, Ward, Cole, Kersey, Cate, Alvarez, Gómez.

NAYS: _____

ABSENT: Sherman.

VACANT: _____

ABSTAIN: _____

PUBLIC FACILITIES FINANCING AUTHORITY
OF THE CITY OF SAN DIEGO

By: Myrtle Cole
Chair, Board of Commissioners

Attest:

Elizabeth M. O'Connell
Secretary to Board of Commissioners