

REQUEST FOR COUNCIL ACTION CITY OF SAN DIEGO				CERTIFICATE NUMBER (FOR AUDITOR'S USE ONLY)		
TO: CITY COUNCIL		FROM (ORIGINATING DEPARTMENT): City Attorney		DATE: 3/26/2014		
SUBJECT: Public Facilities Financing Authority of the City of San Diego Approval of Issuance of the Authority's Lease Revenue Bonds and Approving Certain Documents and Actions in Connection Therewith						
PRIMARY CONTACT (NAME, PHONE): Brant Will, 619-533-5684, MS 59				SECONDARY CONTACT (NAME, PHONE):		
COMPLETE FOR ACCOUNTING PURPOSES						
FUND						
FUNCTIONAL AREA						
COST CENTER						
GENERAL LEDGER ACCT						
WBS OR INTERNAL ORDER						
CAPITAL PROJECT No.						
AMOUNT	0.00	0.00	0.00	0.00	0.00	0.00
FUND						
FUNCTIONAL AREA						
COST CENTER						
GENERAL LEDGER ACCT						
WBS OR INTERNAL ORDER						
CAPITAL PROJECT No.						
AMOUNT	0.00	0.00	0.00	0.00	0.00	0.00
COST SUMMARY (IF APPLICABLE):						
ROUTING AND APPROVALS						
CONTRIBUTORS/REVIEWERS:		APPROVING AUTHORITY		APPROVAL SIGNATURE		DATE SIGNED
		ORIG DEPT.		Bamberg, Daniel		03/27/2014
		CFO				
		COO				
		CITY ATTORNEY				
		COUNCIL PRESIDENTS OFFICE		Jurado-Sainz, Diana		03/27/2014
PREPARATION OF:		<input checked="" type="checkbox"/> RESOLUTIONS		<input type="checkbox"/> ORDINANCE(S)		<input type="checkbox"/> AGREEMENT(S) <input type="checkbox"/> DEED(S)
A resolution of the Public Facilities Financing Authority of the City of San Diego authorizing the issuance of its						

Lease Revenue Bonds ("Bonds") in a principal amount not to exceed \$59,000,000, authorizing the form and content of all related legal documents and approving all actions heretofore taken by any officers, employees, agents or directors of the Authority taken in connection with the issuance, delivery or sale of the Bonds.	
STAFF RECOMMENDATIONS: Approve the resolution.	
SPECIAL CONDITIONS (REFER TO A.R. 3.20 FOR INFORMATION ON COMPLETING THIS SECTION)	
COUNCIL DISTRICT(S):	All
COMMUNITY AREA(S):	
ENVIRONMENTAL IMPACT:	
CITY CLERK INSTRUCTIONS:	

COUNCIL ACTION
EXECUTIVE SUMMARY SHEET
CITY OF SAN DIEGO

DATE: 3/26/2014

ORIGINATING DEPARTMENT: City Attorney

SUBJECT: Public Facilities Financing Authority of the City of San Diego Approval of Issuance of the Authority's Lease Revenue Bonds and Approving Certain Documents and Actions in Connection Therewith

COUNCIL DISTRICT(S): All

CONTACT/PHONE NUMBER: Brant Will/619-533-5684, MS 59

REQUESTED ACTION:

Approve the resolution authorizing the issuance of the Authority's Bonds.

STAFF RECOMMENDATION:

Approve the resolution.

EXECUTIVE SUMMARY OF ITEM BACKGROUND:

The Council of the City of San Diego has authorized and approved the issuance by the Public Facilities Financing Authority of the Authority's Lease Revenue Bonds ("Bonds") in an amount not to exceed \$130,000,000. The City Council and the Authority approved the issuance of the first series of Bonds, Series 2014A (2014 Bonds), and has requested that the Authority authorize and approve the issuance of the remaining authorized Bonds (2015 Bonds). The proceeds of the 2015 Bonds will be used to fund various capital improvement projects and the specific projects will be identified and approved by the City Council prior to the authorization to proceed with the sale of the 2015 Bonds. It is expected that the 2015 Bonds will be issued in Fiscal Year 2015, however, if funds or are not needed or the issuance is delay, the 2015 Bonds may be issued in a subsequent fiscal year and the bond series will be designated by year and letter at the time of issuance. Prior to the issuance of the 2015 Bonds, the City Council and the Authority will be asked to approve the Preliminary Official Statement and final Official Statement that will be used to market the 2015 Bonds to investors. Similarly, the City Council asked to budget the proceeds of the 2015 Bonds.

On March 11, 2014, the Authority approved the issuance of the 2014 Bonds in an amount not to exceed \$71,000,000. This action approves the balance of the Bonds authorized by the City Council in an amount not to exceed \$59,000,000.

FISCAL CONSIDERATIONS: N/A

EQUAL OPPORTUNITY CONTRACTING INFORMATION (IF APPLICABLE):

PREVIOUS COUNCIL and/or COMMITTEE ACTION (describe any changes made to the item from what was presented at committee):

This action was approved by the City Council by Ordinance No. O-20350, effective February 12, 2014.

On March 11, 2014, the City Council and the Authority approved the issuance of the Authority's Lease Revenue Bonds, Series 2014A.

COMMUNITY PARTICIPATION AND PUBLIC OUTREACH EFFORTS:

KEY STAKEHOLDERS AND PROJECTED IMPACTS:

Bamberg, Daniel
Originating Department

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: _____

NAYS: _____

ABSENT: _____

VACANT: _____

ABSTAIN: _____

PUBLIC FACILITIES FINANCING AUTHORITY
OF THE CITY OF SAN DIEGO

Todd Gloria, Chair, Board of Commissioners

Attest:

Secretary to Board of Commissioners

5500- 1/28/14

(O-2014-77)

ORDINANCE NUMBER O- 20350 (NEW SERIES)

DATE OF FINAL PASSAGE FEB 12 2014

AN ORDINANCE OF THE COUNCIL OF THE CITY OF SAN DIEGO APPROVING THE FORMS OF AND AUTHORIZING THE EXECUTION AND DELIVERY OF ONE OR MORE AMENDMENTS TO SITE LEASE, AMENDMENTS TO FACILITIES LEASE AND OFFICIAL NOTICE INVITING BIDS; AUTHORIZING THE EXECUTION, DELIVERY AND PERFORMANCE OF ONE OR MORE SUPPLEMENTAL INDENTURES BY THE PUBLIC FACILITIES FINANCING AUTHORITY OF THE CITY OF SAN DIEGO; AUTHORIZING THE CITY ATTORNEY TO APPOINT BOND COUNSEL AND DISCLOSURE COUNSEL; APPROVING AND AUTHORIZING THE ISSUANCE AND SALE IN ONE OR MORE SERIES OF THE AUTHORITY'S LEASE REVENUE BONDS; AND APPROVING OTHER DOCUMENTS AND ACTIONS IN CONNECTION THEREWITH.

WHEREAS, Article 1 of Chapter 5 of Division 7 of Title 1 of the Government Code of the State of California authorizes and empowers local agencies to form a joint powers authority and Article 4 of Chapter 5 of Division 7 of Title 1 of the Government Code of the State of California (Marks-Roos Local Bond Pooling Act of 1985) authorizes and empowers such an authority to issue bonds for the purpose of financing and refinancing public capital improvements or projects to further public purposes and effect significant public benefits, as determined by the local agency; and

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 (Joint Powers Agreement), which created and established the Public Facilities Financing Authority of the City of San Diego (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, 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 (together, the Master Indenture), each 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, pursuant to Section 2.13 of the Master Indenture, the Authority may at any time issue additional bonds pursuant to Supplemental Indentures to be secured under the Master Indenture on a parity with the Prior Bonds; and

WHEREAS, the City has determined that: (i) the issuance of Additional Bonds (defined below) by the Authority is in the public interest and will benefit the inhabitants of the City; (ii) there are significant public benefits (within the meaning of California Government Code section 6586) to be derived from securing the assistance of the Authority to finance the costs of the acquisition, design, construction, installation, improvement, replacement and equipping of certain capital improvement projects of the City (collectively, the Projects); and (iii) the Projects are or will be at various locations within the geographic boundaries of the City; and

WHEREAS, the Council of the City made the aforementioned determinations after holding a public hearing on the date thereof and hearing all interested persons desiring to be heard; and

WHEREAS, a notice of a public hearing concerning the adoption of this Ordinance was duly published once at least five days prior to such hearing in a newspaper of general circulation in the City; and

WHEREAS, the City currently contemplates selling the Additional Bonds in two separate bond sales and desires to maintain the flexibility to sell the Additional Bonds in one or more series at separate intervals as described herein; and

WHEREAS, in order to finance the Projects with net bond proceeds of \$120,000,000 and to achieve such public purposes, and to timely issue bonds when funds are needed for the Projects, the City has determined to request and approve the Authority's issuance in one or more series of not to exceed \$130,000,000 aggregate principal amount of its Public Facilities Financing Authority of the City of San Diego Lease Revenue Bonds (the Additional Bonds) pursuant to the Marks-Roos Local Bond Pooling Act of 1985 and secured by the Master Indenture, as supplemented and amended by one or more Supplemental Indentures, each by and between the Authority and the Trustee; and

WHEREAS, in order to provide for the payment of the Prior Bonds, the City has leased certain real property of the City (the Existing Property) to the Authority pursuant to the Site Lease, dated as of July 1, 2012 as amended by the First Amendment to Site Lease, dated as of July 1, 2013 (together, the Master Site Lease), and the Authority has leased to the City pursuant to the Facilities Lease, dated as of July 1, 2012 as amended by the First Amendment to Facilities

Lease, dated as of July 1, 2013 (together, the Master Facilities Lease) certain real property as described therein; and

WHEREAS, in order to provide for the payment, equally and ratably, of the Prior Bonds and the Additional Bonds, the Authority and the City will enter into one or more amendments to the Master Site Lease pursuant to which the City will add to the property leased to the Authority thereunder additional property of the City (the Additional Leased Property and, together with the Existing Property, the City Property), and one or more amendments to the Master Facilities Lease, pursuant to which the Authority will add to the property leased to the City thereunder the Additional Leased Property (together, the Leased Property) and the City will agree to make base rental payments to the Authority (the Base Rental Payments) 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 Additional Bonds when due and payable; and

WHEREAS, the City has determined that the Additional Bonds be sold by a competitive sale pursuant to an Official Notice Inviting Bids (the Notice Inviting Bids), and a summary thereof to be published as required by law, or, as and to the extent described herein, by a negotiated sale pursuant to the terms of one or more Bond Purchase Agreements (the Purchase Agreements) among the City, the Authority and the underwriters therein named; and

WHEREAS, there has been presented to this meeting the following documents relating to the issuance of the Additional Bonds; and

1. a proposed form of Second Amendment to Site Lease between the City and the Authority, a copy of which is on file in the office of the City Clerk as Document No. 00-**20350**-1, under which the City will lease the City Property to the Authority;

2. a proposed form of Second Amendment to Facilities Lease between the Authority and the City, a copy of which is on file in the office of the City Clerk as Document No. 00- ~~20350~~ under which the Authority will lease the Leased Property to the City;

3. a proposed form of Second Supplemental Indenture between the Authority and the Trustee, a copy of which is on file in the office of the City Clerk as Document No. 00- ~~20350~~ -3, under which the Authority will issue one or more series of the Additional Bonds;

4. a proposed form of Notice Inviting Bids regarding the Additional Bonds, a copy of which is on file in the office of City Clerk as Document No. 00- ~~20350~~ -4, under which the Additional Bonds will be sold at competitive sale;

5. a proposed form of Purchase Agreement regarding the Additional Bonds among the City, the Authority and the underwriters to be selected as described herein should any of the Additional Bonds be sold at a negotiated sale, a copy of which is on file in the office of City Clerk as Document No. 00- ~~20350~~ -5, under which the Additional Bonds; and

6. a proposed form of Continuing Disclosure Certificate of the City, a copy of which is on file in the office of the City Clerk as Document No. 00- ~~20350~~ -6 (the documents described in paragraphs 1 through 6, are collectively referred to as the "Financing Documents"); and

WHEREAS, pursuant to Chapter 730 of the statutes of 1976, section 16429.1 was added to the California Government Code to create a Local Agency Investment Fund in the State Treasury for the deposit of money of a local agency for purposes of investment by the State Treasurer; and

WHEREAS, the Council does hereby find that the deposit and withdrawal of the proceeds of the sale of Additional Bonds in the Local Agency Investment Fund in accordance with the provisions of California Government Code section 16429.1 for the purpose of investment as stated therein are in the best interests of the City; and

WHEREAS, the City is authorized to undertake the actions described in this Ordinance pursuant to its Charter and the Constitution and other applicable laws of the State of California;
NOW, THEREFORE,

BE IT ORDAINED by the Council of the City of San Diego, as follows:

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

Section 2. The Council hereby finds that the financing of the Projects, as described in the recitals to this Ordinance, will provide significant public benefits in accordance with the criteria specified in California Government Code section 6586.

Section 3. The form and content of the Second Amendment to Site Lease, pursuant to which the City leases the City Property to the Authority, are hereby authorized and approved. Any of the Mayor, the Chief Operating Officer or the Chief Financial Officer 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 City to execute and deliver one or more amendments to the Master Site Lease substantially in the form of the Second Amendment to Site Lease (with each amendment to be numbered sequentially) presented to and considered at this meeting, and the City Clerk or her specified designees, and each of them, are authorized and directed to attest thereto, with such additions and changes therein (including, without limitation, the description of the Additional Leased Property to be leased thereunder) as

any Authorized Signatory, in consultation with the City Attorney, 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 City, and as are approved as to form by the City Attorney or his specified designee, such approvals to be conclusively evidenced by such Authorized Signatory's execution and delivery thereof.

Section 4. The form and content of the Second Amendment to Facilities Lease, pursuant to which the Authority leases to the City the Leased Property and the City agrees to pay Base Rental Payments and other payments, are hereby authorized and approved. Each Authorized Signatory is hereby severally authorized and directed, for and in the name and on behalf of the City, to execute and deliver one or more amendments to the Master Facilities Lease substantially in the form of the Second Amendment to Facilities Lease (with each amendment to be numbered sequentially) presented to and considered at this meeting, and the City Clerk or her specified designees, and each of them, are authorized and directed to attest thereto, with such additions and changes therein (including, without limitation, the description of the Additional Leased Property to be leased thereunder) as any Authorized Signatory, in consultation with the City Attorney, 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 City, and as are approved as to form by the City Attorney or his specified designee, such approvals to be conclusively evidenced by such Authorized Signatory's execution and delivery thereof.

Section 5. The form and content of the Second Supplemental Indenture, pursuant to which the Authority will issue one or more series of Additional Bonds, and the execution, delivery and performance by the Authority of one or more Supplemental Indentures substantially in the form of the Second Supplemental Indenture (with each supplement to be numbered

sequentially) presented to and considered at this meeting, are hereby authorized and approved. Each Authorized Signatory is severally authorized and directed to take such action as is necessary or appropriate to effectuate the transactions set forth in the Supplemental Indentures 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 City, and as are approved as to form by the City Attorney or his specified designee, such approvals will be conclusively evidenced by such Authorized Signatory's execution and delivery of its approval thereof.

Section 6. The City Attorney or his specified designee is authorized to retain Stradling Yocca Carlson & Rauth, a Professional Corporation as bond counsel and disclosure counsel for the City and the Authority in connection with the issuance of the Additional Bonds under such contracts or other arrangements as the City Attorney or his specified designee shall approve and believes to be in the best interests of the City. Such contracts or other arrangements shall be in an amount not to exceed \$65,000 for the first issue of Additional Bonds and \$60,000 for each subsequent issue plus, in each case, reasonable out-of-pocket expenses not to exceed \$1,500.

Section 7. The City hereby authorizes and approves, and requests the Authority to approve and authorize, the issuance and sale by the Authority of its Additional Bonds in one or more series in a total aggregate principal amount not to exceed \$130,000,000 by competitive sale, or, alternatively, under the conditions described herein, by negotiated sale, provided that: (i) the true interest cost of each series of the Additional Bonds shall not exceed 7.0%, (ii) the final maturity of each series of the Additional Bonds shall not be later than 30 years following their date of issuance, and (iii) there shall first be presented to the Disclosure Practices Working

Group and this Council for approval a form of preliminary official statement for each series of Additional Bonds. Each of the Chief Financial Officer and the Chief Operating Officer, or their designees, in consultation with the City's Financial Advisor, is hereby authorized to approve the Additional Bond pricing, the timing and number of Additional Bond issues, the redemption, maturities, interest rates, and other Additional Bond features, and to award the sale of the Additional Bonds to the winning bidder as determined under the terms set forth in the Notice Inviting Bids for each series of Additional Bonds.

Section 8. The form and content of the Notice Inviting Bids, pursuant to which the Authority is authorized to offer each series of the Additional 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 City to cause each series of the Additional Bonds to be sold by the Authority at competitive sale in accordance with the terms set forth in Section 7 above and the terms set forth in the Notice Inviting Bids for each series and to cause a summary of the Notice Inviting Bids to be published in accordance with any notice requirements imposed by law; provided, however, if an Authorized Signatory, with the advice of the City's Financial Advisor for a series of Additional Bonds, determines that a competitive sale is not in the best interests of the City due to market conditions or other factors, then that series of Additional Bonds may be sold at a negotiated sale pursuant to Section 9 below.

Section 9. The form and content of the Purchase Agreement are hereby authorized and approved. In the event that a determination is made in accordance with Section 8 above that a series of Additional Bonds is to be sold at negotiated sale, each Authorized Signatory is hereby severally authorized and directed for and in the name and on behalf of the City, to execute and deliver one or more Purchase Agreements in connection with the purchase and sale of such

Additional Bonds, substantially in the form presented to and considered at this meeting, with such changes and additions therein, including without limitation naming the underwriters for each series of Additional Bonds sold at a negotiated sale, as such Authorized Signatory shall determine are necessary and desirable and that any such Authorized Signatory believes are in the best interests of the City and as are approved as to form by the City Attorney or his specified designee, such approvals to be conclusively evidenced by the execution and delivery of each Purchase Agreement.

Section 10. The source of revenue for payment of the Additional Bonds hereby authorized is the Base Rental Payments to be made by the City under and as defined in the Master Facilities Lease.

Section 11. The form and content of the Continuing Disclosure Certificate are hereby authorized and approved. Each Authorized Signatory is hereby severally authorized and directed for and in the name and on behalf of the City, to execute and deliver one or more Continuing Disclosure Certificates in connection with the purchase and sale of the Additional Bonds, substantially in the form presented to and considered at this meeting, with such changes and additions therein as such Authorized Signatory shall determine are necessary or desirable and shall require or approve and believes to be in the best interest of the City and as are approved as to form by the City Attorney or his specified designee, such approvals to be conclusively evidenced by the execution and delivery thereof.

Section 12. Authorized officers of the City are hereby authorized and directed to pay all the fees and other costs of issuance of the Additional Bonds in accordance with the Supplemental Indentures, any Purchase Agreements and as otherwise agreed with the City and the respective parties thereto.

Section 13. All actions heretofore taken by any officers, employees or agents of the City with respect to the issuance, delivery or sale of the Additional Bonds, or in connection with or related to any of the Financing Documents or of the other documents referenced herein or related to consummating the financing of the Projects, are hereby approved, confirmed and ratified. Any Authorized Signatory and any other officers, employees or agents of the City as may be authorized by the Mayor, the Chief Financial Officer or the Chief Operating Officer, and each of them acting alone, is hereby severally authorized and directed, for and in the name and on behalf of the City: (i) to do any and all things and take any and all actions, from time to time, consistent with this Ordinance and the Financing Documents and other documents authorized by this Ordinance including, without limitation, adding or removing real property assets of the City from the Leased Property for each series of Additional Bonds and the payment of necessary and appropriate fees and expenses of bond counsel, disclosure counsel, financial advisor and other services retained by the City; and (ii) to execute and deliver any and all certificates, agreements and other documents (including, without limitation, a tax compliance certificate) required pursuant to the terms of the Notice Inviting Bids, any Purchase Agreement or any other Financing Document, or which they, or any of them, may deem necessary or advisable in order to consummate the lawful issuance and delivery of the Additional Bonds and the disbursement of proceeds thereof in accordance with this Ordinance and to consummate the transactions authorized hereby and evidenced by the Financing Documents. In addition, each of the Mayor, the Chief Financial Officer and the Chief Operating Officer is hereby authorized to approve additions and changes to the Financing Documents and the other documents authorized by this Ordinance (including, but not limited to, establishing the redemption provisions of the Additional Bonds, determining which capital improvement Projects are financed with proceeds of the

Additional Bonds, and determining which parcel or parcels of City property shall be included as Additional Leased Property for each series of Additional Bonds), which additions and changes the Mayor, the Chief Financial Officer or the Chief Operating Officer shall believe, with the advice of the City's Financial Advisor for the Additional Bonds, to be in the best interest of the City in light of the financing costs, credit and market conditions, such determination shall be conclusively evidenced by the execution and delivery of such Financing Documents and other documents by the City; and provided further that no such addition or changes may be inconsistent with limitations in Sections 7, 8 or 9 hereof.

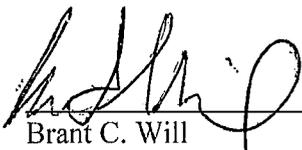
Section 14. The Council does hereby authorize the deposit and withdrawal of the proceeds of the sale of Additional Bonds, including such proceeds held by the Trustee, in the Local Agency Investment Fund in the State Treasury in accordance with the provisions of section 16429.1 of the California Government Code for the purpose of investment as stated therein, and verification by the State Treasurer's Office of all banking information provided in that regard. Any of the Mayor, Chief Operating Officer, Chief Financial Officer, City Treasurer, City Comptroller, or the Trustee on behalf of the City are hereby authorized to order the deposit or withdrawal of the proceeds of the sale of Additional Bonds in the Local Agency Investment Fund.

Section 15. The Chief Financial Officer is authorized to establish one or more special interest-bearing account(s) to deposit proceeds from the Additional Bonds.

Section 16. A full reading of this ordinance is dispensed with prior to its passage, a written or printed copy having been made available to the City Council and the public prior to the day of its passage.

Section 17. That this ordinance shall take effect and be in force on the thirtieth day from and after its final passage.

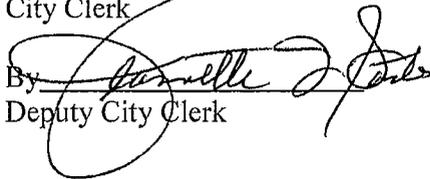
APPROVED: JAN I. GOLDSMITH, City Attorney

By 
Brant C. Will
Deputy City Attorney

BCW:jdf
12/26/2013
Or.Dept: Debt Management
Doc. No.: 696098_2

I hereby certify that the foregoing Ordinance was passed by the Council of the City of San Diego, at this meeting of JAN 28 2014.

ELIZABETH S. MALAND
City Clerk

By 
Deputy City Clerk

Approved pursuant to Charter section 265(i):

(date)

TODD GLORIA, Council President

Passed by the Council of The City of San Diego on JAN 28 2014, by the following vote:

Councilmembers	Yeas	Nays	Not Present	Recused
Sherri Lightner	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Kevin Faulconer	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Todd Gloria	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Myrtle Cole	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Mark Kersey	<input type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>
Lorie Zapf	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Scott Sherman	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
David Alvarez	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Marti Emerald	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>

Date of final passage FEB 12 2014

AUTHENTICATED BY: TODD GLORIA, COUNCIL PRESIDENT
as interim Mayor of The City of San Diego, California.

(Seal) ELIZABETH S. MALAND
City Clerk of The City of San Diego, California.
By [Signature], Deputy

I HEREBY CERTIFY that the foregoing ordinance was not finally passed until twelve calendar days had elapsed between the day of its introduction and the day of its final passage, to wit, on JAN 14 2014, and on FEB 12 2014

I FURTHER CERTIFY that said ordinance was read in full prior to passage or that such reading was dispensed with by a vote of five members of the Council, and that a written copy of the ordinance was made available to each member of the Council and the public prior to the day of its passage.

(Seal) ELIZABETH S. MALAND
City Clerk of The City of San Diego, California.
By [Signature], Deputy

Office of the City Clerk, San Diego, California
Ordinance Number O-_____

BOND PURCHASE AGREEMENT

\$ _____
**Public Facilities Financing Authority
of the City of San Diego
Lease Revenue Bonds Series _____
(Capital Improvement Projects)**

_____, 20__

Public Facilities Financing Authority of the City of San Diego
202 C Street
San Diego, California 92101

City of San Diego
202 C Street
San Diego, California 92101

Ladies and Gentlemen:

_____, on behalf of itself and as representative (the "Representative") of the other underwriter[s] set forth on the signature page hereof (collectively, with the Representative, the "Underwriters"), hereby offers to enter into this Bond Purchase Agreement (this "Bond Purchase Agreement") with the Public Facilities Financing Authority of the City of San Diego (the "Authority"), a joint exercise of powers authority duly organized and validly existing under and pursuant to the laws of the State of California (the "State"), and The City of San Diego (the "City"), a municipal corporation organized and existing under its Charter and the Constitution and laws of the State, which upon written acceptance of this offer will be binding upon the Authority, the City and the Underwriters. This offer is made subject to the Authority's and the City's written acceptance hereof on or before 5:00 p.m., California time, on the date hereof, and, if not so accepted, will be subject to withdrawal by the Underwriters upon notice delivered to the Authority and the City at any time prior to the acceptance hereof by the Authority and the City.

Capitalized terms used and not defined herein shall have the same meanings as set forth in the Indenture (as hereinafter defined).

Section 1. Purchase and Sale of the Bonds. Subject to the terms and conditions and in reliance upon the representations, warranties and agreements set forth herein, the Underwriters hereby agree to purchase from the Authority, and the Authority hereby agrees to sell and deliver to the Underwriters, all (but not less than all) of the \$ _____ aggregate principal amount of Public Facilities Financing Authority of the City of San Diego Lease Revenue Bonds Series _____ (Capital Improvement Projects) (the "Bonds"). The Bonds will be issued on the Closing Date (as hereinafter defined) in the principal amount of \$ _____. The Bonds will bear interest at the rates and will mature on the dates and in the principal amounts set forth in Schedule I attached hereto. The purchase price for the Bonds shall be \$ _____, being the principal amount of the Bonds, [plus a net original issue premium of \$ _____/less a net original discount of \$ _____] and less an Underwriters' discount of \$ _____.

The Representative represents and warrants that: (i) it has been duly authorized by and on behalf of the Underwriters to execute this Bond Purchase Agreement; and (ii) it has been duly authorized by the Underwriters to act hereunder and, as the representative of the Underwriters, to take all actions, and waive any condition or requirement, required or permitted to be taken or waived hereunder by the Underwriters. The Underwriters shall not designate any other representative except upon the approval of the City (which approval shall not be unreasonably withheld).

The Authority and the City acknowledge and agree that: (i) the primary role of the Underwriters, as underwriters, is to purchase securities, for resale to investors, in an arm's length commercial transaction among the Authority, the City and the Underwriters and the Underwriters have financial and other interests that differ from those of the Authority and/or the City; (ii) the Underwriters are acting solely as principals and are not acting as municipal advisors, financial advisors or fiduciaries to the Authority or the City and have not assumed any advisory or fiduciary responsibility to the Authority or the City with respect to the transaction contemplated hereby and the discussions, undertakings and procedures leading thereto (irrespective of whether the Underwriters have provided other services or are currently providing other services to the Authority or the City on other matters); (iii) other than as imposed by law, the only obligations the Underwriters have to the Authority and/or the City with respect to the transaction contemplated hereby expressly are set forth in this Purchase Agreement; and (iv) the Authority and the City has each consulted its own financial and/or municipal, legal, accounting and other advisors, as applicable, to the extent it has deemed appropriate.

Section 2. Description and Purpose of the Bonds. The Bonds shall be substantially in the form described in, shall be issued and secured under the provisions of, and shall be payable as provided in the Indenture, dated as of July 1, 2012 (the "Master Indenture"), as amended and supplemented by the First Supplemental Indenture (the "First Supplemental Indenture"), dated as of July 1, 2013, the Second Supplemental Indenture (the "Second Supplemental Indenture"), dated as of April 1, 2014, and the Third Supplemental Indenture, dated as of _____, 20__ (the "Third Supplemental Indenture" and, together with the Master Indenture, the First Supplemental Indenture and the Second Supplemental Indenture, the "Indenture"), by and between the Authority and Wells Fargo Bank, N.A., as Trustee (the "Trustee"). The Bonds are subject to redemption as provided in Schedule I attached hereto and the Indenture.

The Authority previously issued five series of bonds which are outstanding pursuant to the Master Indenture (together, the "Prior Bonds"). In connection therewith, the City leases to the Authority certain real property and all improvements thereon (the "Original Leased Property") pursuant to the Site Lease (the "Master Site Lease"), dated as of July 1, 2012, as amended by the First Amendment to Site Lease (the "First Amendment to Site Lease"), dated as of July 1, 2013, and the Second Amendment to Site Lease (the "Second Amendment to Site Lease"), dated as of April 1, 2014, by and between the City and the Authority. The Authority also leases certain real property (the "MTS Property") from the San Diego Metropolitan Transit System (the "MTS") pursuant to the MTS Site Lease, dated as of July 1, 2013 (the "MTS Site Lease"), by and between the Authority and the MTS. Pursuant to the Facilities Lease (the "Master Facilities Lease"), dated as of July 1, 2012, as amended by the First Amendment to Facilities Lease (the "First Amendment to Facilities Lease"), dated as of July 1, 2013, and the Second Amendment to Facilities Lease (the "Second Amendment to Facilities Lease"), dated as of April 1, 2014, by and between the Authority and the City, the City subleases the Original Leased Property and the MTS Property from the Authority.

The Bonds will be delivered as Additional Bonds (as defined in the Master Indenture) under the Indenture. In connection with the issuance of the Bonds, the City will enter into the Third Amendment to Site Lease, dated as of _____, 20__ (the "Third Amendment to Site Lease" and, together with the Master Site Lease, the First Amendment to Site Lease and the Second Amendment to Site Lease, the "Site Lease"), by and between the City and the Authority, pursuant to which the City will lease the Original Leased Property and certain other additional property and improvements thereon (collectively, the "City Property") to the Authority. The City will lease the City Property and the MTS Property (collectively, the "Leased Property") from the Authority pursuant to the Master Facilities Lease as amended by the First Amendment to Facilities Lease, the Second Amendment to Facilities Lease and the Third Amendment to Facilities Lease, dated as of _____, 20__ (the "Third Amendment to Facilities Lease" and, together with the Master Facilities Lease, the First Amendment to Facilities Lease and the Second Amendment to Facilities Lease, the "Lease"), by and between the City and the Authority.

The Bonds and the Prior Bonds are limited obligations of the Authority payable from and secured by Revenues held in the Revenue Fund (as defined in the Indenture) comprised primarily of all base rental payments made by the City pursuant to the Lease (the "Base Rental Payments"), prepayments, insurance proceeds and condemnation proceeds.

The proceeds of the sale of the Bonds will be used for the purpose of enabling the Authority to provide funds to (i) assist the City in financing the costs of acquisition, design, construction, installation, improvement, replacement and equipping of certain capital improvement projects in various locations in the City, and (ii) pay certain costs of issuance associated with the Bonds.

Section 3. Public Offering. The Underwriters agree to make a bona fide public offering of all the Bonds initially at prices not in excess of the public offering prices (or yields not less than the yields) set forth on Schedule I attached hereto and incorporated herein by reference. Subsequent to the initial public offering, the Underwriters reserve the right to change the public offering prices (or yields) as they deem necessary in connection with the marketing of the Bonds, provided that the Underwriters shall not change the interest rates set forth on Schedule I. The Bonds may be offered and sold to certain dealers, unit investment trusts and money market funds, certain of which may be sponsored or managed by one or more of the Underwriters, at prices lower than such initial public offering prices. In connection with the sale and delivery of the Bonds, the Representative will deliver an Issue Price Certificate substantially in the form attached hereto as Appendix D.

Section 4. Delivery of Official Statement; Continuing Disclosure.

(a) Preliminary Official Statement. The Authority and the City have delivered or caused to be delivered to the Underwriters prior to the execution of this Bond Purchase Agreement, copies, which may be electronic copies, of the Preliminary Official Statement dated _____, 20__ relating to the Bonds (the "Preliminary Official Statement"). Such Preliminary Official Statement is the official statement deemed final by the Authority and the City for purposes of Rule 15c2-12 under the Securities Exchange Act of 1934 (the "Rule") and approved for distribution by the Underwriters by resolutions of the governing boards of the Authority and of the City. The Authority and the City hereby ratify and confirm their authorization of the use by the Underwriters prior to the date hereof of the Preliminary Official Statement.

(b) Final Official Statement. Within seven (7) business days from the date hereof, and in any event not later than two (2) business days prior to the Closing Date (hereinafter

defined), the Authority and the City shall deliver to the Underwriters a final Official Statement, which may be in electronic form, executed on behalf of the Authority and the City by authorized representatives of such entities, which shall include information permitted to be omitted from the Preliminary Official Statement by paragraph (b)(1) of the Rule and with such other amendments or supplements as shall have been approved by the Authority, the City and the Representative including the cover pages, the appendices thereto and all information incorporated therein by reference (the "Official Statement"), and such additional conformed copies thereof, which may be electronic copies, as the Underwriters may reasonably request in sufficient quantities to comply with the Rule and rules of the Municipal Securities Rulemaking Board (the "MSRB") and to meet potential customer requests for copies of the Official Statement. The Authority and the City hereby agree to deliver to the Underwriters an electronic copy of the Official Statement in a form that permits the Underwriters to satisfy their obligations under the rules and regulations of the MSRB and the SEC. Electronic copies of the Official Statement shall be filed and posted on the MSRB's Electronic Municipal Market Access System ("EMMA") in connection with the offer and sale of the Bonds as provided herein, which may be in lieu of hard copies of the Official Statement (an "EMMA Filing"). The City and the Authority hereby authorize the Underwriters to use the Official Statement and the information contained therein in connection with the offering and sale of the Bonds.

(c) Continuing Disclosure Certificate. In order to enable the Underwriters to comply with the Rule, the City will execute a Continuing Disclosure Certificate, pursuant to which the City will provide annual financial information and notices of the occurrence of specified events, concurrently with issuance of the Bonds substantially in the form attached as Appendix F to the Preliminary Official Statement and the Official Statement (the "Continuing Disclosure Certificate").

Section 5. Closing. At 8:30 a.m., California time, on _____, 20___, or such other time as shall be agreed upon by the Representative and the Authority (the "Closing Date"), the Authority will deliver or cause to be delivered to the Underwriters at the offices of Stradling Yocca Carlson & Rauth, a Professional Corporation ("Bond Counsel") in Newport Beach, California (or such other location as may be designated by the Representative and approved by the Authority) the closing documents hereinafter mentioned and, in New York City, New York through the F.A.S.T. facilities of The Depository Trust Company (or such other location as may be designated by the Representative and approved by the City), the Bonds in the form of registered book-entry bonds evidenced by one certificate for each maturity and interest rate of Bonds (which may be typewritten) in denominations of \$5,000 or any multiple thereof, duly executed by the Authority and authenticated by the Trustee, and subject to the terms and conditions hereof the Underwriters will accept delivery of the Bonds in book-entry form, and the Underwriters will pay the purchase price of the Bonds set forth in Section 1 hereof by Federal Funds wire (such delivery and payment being herein referred to as "Closing").

Section 6. Representations, Warranties and Agreements of the Authority. For purposes of this Section 6, "to the best of the Authority's knowledge" means to the best knowledge of the officers thereof.

The Authority represents, warrants and covenants with the Underwriters that:

(a) the Authority is a joint exercise of powers authority duly organized and validly existing under and pursuant to the laws of the State, with full legal right, power and authority to issue, sell and deliver the Bonds to the Underwriters pursuant to the Indenture, and execute, deliver and perform its obligations, as the case may be, under this Bond Purchase Agreement, the

Bonds, the Site Lease, the MTS Site Lease, the Facilities Lease, the Indenture, and the Tax Certificate executed by the Authority and the City (the "Tax Certificate" and collectively with this Bond Purchase Agreement, the Site Lease, the MTS Site Lease, the Facilities Lease and the Indenture, the "Legal Documents") and to carry out and consummate all transactions contemplated by each of the aforesaid documents and the Preliminary Official Statement and the Official Statement, and compliance with the provisions of the Bonds and the Legal Documents will not materially conflict with or constitute a breach of or default under any applicable constitutional provision, law, administrative regulation, court order or consent decree or any applicable judgment or decree or any loan agreement, note, resolution, indenture, agreement or other instrument to which the Authority is a party or may be otherwise subject;

(b) the resolution adopted by the Authority at a regularly scheduled meeting on _____, 20__ approving and authorizing the issuance of the Bonds and the execution and delivery by the Authority of this Bond Purchase Agreement, the Third Amendment to Site Lease, the Third Amendment to Facilities Lease, the Third Supplemental Indenture and the Tax Certificate (the "Authority Resolution") was duly adopted at a meeting of the Authority called and held pursuant to law and with all public notice required by law and at which a quorum was present and acting throughout, and is in full force and effect and has not been amended or repealed;

(c) when delivered by the Authority and paid for by the Underwriters in accordance with the provisions of this Bond Purchase Agreement, the Bonds will have been duly authorized, executed and delivered and will constitute the valid and binding limited obligations of the Authority in conformity with, and entitled to the benefit and security of, the Indenture;

(d) the Authority has duly authorized and approved the execution and delivery of the Bonds, this Bond Purchase Agreement, the Third Amendment to Site Lease, the Third Amendment to Facilities Lease, the Third Supplemental Indenture and the Tax Certificate and when executed and delivered, the Bonds and the Legal Documents, assuming due authorization, execution and delivery by the other respective parties thereto, will constitute the legally valid and binding obligations of the Authority enforceable in accordance with their respective terms, except as enforcement may be limited by bankruptcy, insolvency, reorganization, moratorium or similar laws or equitable principles relating to or affecting creditors' rights generally;

(e) at the date hereof and as of the Closing Date, except as otherwise disclosed in the Preliminary Official Statement and the Official Statement, the Authority will be in compliance with the covenants and agreements contained in the Legal Documents, and no event of default and no event has occurred and is continuing which, with the passage of time or giving of notice, or both, would constitute an event of default thereunder;

(f) all approvals, consents and orders of any governmental authority or agency having jurisdiction in the matter which would constitute a condition precedent to the due performance by the Authority of its obligations under the Bonds and the Legal Documents have been duly obtained or made, and are, and will be as of the Closing Date, in full force and effect;

(g) the Authority will comply with the requirements of the Tax Certificate;

(h) any certificate signed by any officer of the Authority and delivered to the Underwriters pursuant to the Legal Documents or any document contemplated hereby or thereby

shall be deemed a representation and warranty by the Authority to the Underwriters as to the statements made therein and that such officer shall have been duly authorized to execute the same;

(i) to the best knowledge of the Authority, as of the date hereof and as of the Closing Date, there is no public vote or referendum pending or proposed, the results of which could materially adversely affect the transactions contemplated by the Legal Documents, the Preliminary Official Statement or the Official Statement or the validity or enforceability of the Bonds;

(j) the Indenture creates a valid pledge of and grant of a first priority security interest in the Revenues purported to be pledged thereby, subject to no prior pledges or security interests;

(k) the information under the headings "THE AUTHORITY" and "LITIGATION" (as it relates to the Authority) in the Preliminary Official Statement, as of the date of the Preliminary Official Statement and as of the date hereof, was true and correct in all material respects, and did not and does not contain a misstatement of any material fact or omit any statement necessary to make the statements contained therein, in the light of the circumstances in which such statements were made, not misleading;

(l) the information under the headings "THE AUTHORITY" and "LITIGATION" (as it relates to the Authority) in the Official Statement is, and at all times subsequent to the date of the Official Statement up to and including the Closing will be, true and correct in all material respects, and such information in the Official Statement contains, and up to and including the Closing will contain, no misstatement of any material fact and does not, and up to and including the Closing will not, omit any statement necessary to make the statements contained therein, in the light of the circumstances in which such statements were made, not misleading;

(m) the Authority will advise the Representative promptly of any proposal to amend or supplement the Official Statement and will not effect or consent to any such amendment or supplement without the consent of the Representative, which consent will not be unreasonably withheld. The Authority will advise the Representative promptly of the institution of any proceedings known to it by any governmental agency prohibiting or otherwise affecting the use of the Preliminary Official Statement or the Official Statement in connection with the offering, sale or distribution of the Bonds;

(n) as of the time of acceptance hereof and as of the time of the Closing, except as otherwise disclosed in the Preliminary Official Statement and the Official Statement, to the best of the Authority's knowledge the Authority is not and will not be in breach of or in default under any applicable constitutional provision, law or administrative rule or regulation of the State or the United States, or any applicable judgment or decree or any trust agreement, loan agreement, bond, note, resolution, ordinance, agreement or other instrument to which the Authority is a party or is otherwise subject, and no event has occurred and is continuing which, with the passage of time or the giving of notice, or both, would constitute a default or event of default under any such instrument which breach or default would materially adversely affect the security of the Bonds or the Authority's performance under the Legal Documents; and, as of such times, except as disclosed in the Preliminary Official Statement and the Official Statement, the authorization, execution and delivery of this Bond Purchase Agreement, the Third Amendment to Site Lease, the Third Amendment to Facilities Lease, the Third Supplemental Indenture and the Tax Certificate and the Bonds and compliance with the provisions of each of the Legal Documents and the Bonds do not and will not

conflict with or constitute a breach of or default under any applicable constitutional provision, law or administrative rule or regulation of the State or the United States or any applicable judgment, decree, license, permit, trust agreement, loan agreement, bond, note, resolution, ordinance agreement or other instrument to which the Authority (or any of its officers in their respective capacities as such) is subject, or by which it or any of its properties is bound; nor will any such authorization, execution, delivery or compliance result in the creation or imposition of any lien, charge or other security interest or encumbrance of any nature whatsoever upon any of its assets or properties or under the terms of any such law, regulation or instrument, except as may be provided by the Bonds and the Legal Documents;

(o) as of the time of acceptance hereof and the Closing, except as disclosed in Preliminary Official Statement and the Official Statement, no action, suit, proceeding, inquiry or investigation, at law or in equity, before or by any court, government agency, public board or body, is pending or to the best of the Authority's knowledge after reasonable investigation, threatened (i) in any way questioning the corporate existence of the Authority or the titles of the Commissioners, Chair, Vice-Chair or Secretary and Treasurer of the Authority to their respective offices; (ii) affecting, contesting or seeking to prohibit, restrain or enjoin the issuance, sale or delivery of any of the Bonds, or the payment or collection of any amounts pledged or to be pledged to pay the principal of and interest on the Bonds, or in any way contesting or affecting the validity of the Bonds, the Legal Documents or the consummation of the transactions contemplated thereby or hereby, or contesting the exclusion of the interest on the Bonds from gross income for federal income tax purposes or contesting the powers of the Authority or its authority to issue the Bonds; (iii) which may result in any material adverse change relating to the Authority; or (iv) contesting the completeness or accuracy of the Preliminary Official Statement or the Official Statement or any supplement or amendment thereto or asserting that the Preliminary Official Statement or the Official Statement contained any untrue statement of a material fact or omitted to state any material fact required to be stated therein or necessary to make the statements therein, in the light of the circumstances under which they were made, not misleading, nor, to the best knowledge of the Authority is there any basis for any action, suit, proceeding, inquiry or investigation of the nature described in clauses (i) through (iv) of this clause (o);

(p) for purposes of the Rule, the Authority has heretofore deemed final the Preliminary Official Statement prior to its use and distribution by the Underwriters, except for the information specifically permitted to be omitted by paragraph (b)(1) of the Rule; and

(q) except as otherwise disclosed in the Preliminary Official Statement and the Official Statement, the Authority has not previously failed to comply with any continuing disclosure obligation undertaken pursuant to the Rule.

All representations, warranties and agreements of the Authority shall remain operative and in full force and effect, regardless of any investigations made by or on the Underwriters' behalf, and shall survive the delivery of the Bonds.

Section 7. Representations, Warranties, and Agreements of the City. For purposes of this Section 7, "to the best knowledge of the City" and "to the best of the City's knowledge" means to the best knowledge of the Mayor, the Chief Financial Officer, the City Attorney and the City's Department heads.

The City represents, warrants and covenants with the Underwriters that:

(a) the City is a municipal corporation organized and existing under a charter duly adopted pursuant to the provisions of the Constitution of the State, with full legal right, power, and authority to execute, deliver and perform its obligations, as the case may be, under this Bond Purchase Agreement, the Continuing Disclosure Certificate, the Site Lease, the Facilities Lease, and the Tax Certificate (collectively, the "City's Legal Documents") and to carry out and consummate all transactions contemplated by each of the City's Legal Documents, and compliance with the provisions of the City's Legal Documents will not materially conflict with or constitute a breach of or default under any applicable constitutional provision, law, charter provision, administrative regulation, court order or consent decree or any applicable judgment or decree or any loan agreement, note, resolution, indenture, agreement or other instrument to which the City is a party or may be otherwise subject;

(b) the ordinance of the City adopted on February 12, 2014 and effective as of March 14, 2014 approving and authorizing, among other things, the issuance of the Bonds and the entry into the Indenture by the Authority and the execution and delivery by the City of the Third Amendment to Site Lease, the Third Amendment to Facilities Lease, the Continuing Disclosure Certificate and this Bond Purchase Agreement, and the resolution of the City adopted on _____, 20__ and approved for final passage on _____, 20__ approving the preparation and distribution of the Preliminary Official Statement and the Official Statement (collectively, the "City Action") were duly adopted at meetings of the City Council called and held pursuant to law and with all public notice required by law and at which a quorum was present and acting throughout, and are in full force and effect and have not been amended or repealed;

(c) as of the time of acceptance hereof and the Closing, except as otherwise disclosed in the Preliminary Official Statement and the Official Statement, there is no action, suit, proceeding, inquiry or investigation at law or in equity, notice of which has been served on the City, or by or before any court, governmental agency, public board or body pending or, to the best knowledge of the City, after reasonable investigation, threatened against or affecting the City (i) which in any way contests the existence, organization or powers of the City or the title of the officers of the City to their respective offices, or (ii) affecting, contesting or seeking to prohibit, restrain or enjoin the issuance, sale or delivery of the Bonds, or the payment or collection of revenues or assets of the City pledged or to be pledged to pay the obligations of the City under the Facilities Lease or the obligations of the Authority under the Indenture, or the pledge thereof, or (iii) in any way contesting or affecting the validity or enforceability of the City's Legal Documents, or (iv) contesting the power of the City or its authority with respect to the Bonds or the City's Legal Documents, or (v) contesting the exclusion of interest on the Bonds from gross income for federal income tax purposes or (vi) contesting the completeness or accuracy of the Preliminary Official Statement or the Official Statement or any supplement or amendment thereto or asserting that the Preliminary Official Statement or the Official Statement contained any untrue statement of a material fact or omitted to state any material fact required to be stated therein or necessary to make the statements therein, in the light of the circumstances under which they were made, not misleading; nor, to the best knowledge of the City, is there any basis for any action, suit, proceeding, inquiry or investigation of the nature described in clauses (i) through (vi) of this clause (c);

(d) the execution and delivery of the Third Amendment to Site Lease, the Third Amendment to Facilities Lease, the Continuing Disclosure Certificate, the Tax Certificate and this Bond Purchase Agreement, the adoption of the City Action and compliance by the City with the

provisions of the City's Legal Documents and the City Action, under the circumstances contemplated thereby, do not and will not in any material respect conflict with or constitute on the part of the City a breach or default under any agreement or other instrument to which the City is a party or by which it is bound or any existing law, regulation, court order or consent decree to which the City is subject;

(e) the City has duly authorized the preparation and distribution of the Preliminary Official Statement and the Official Statement and the execution and delivery of the Third Amendment to Site Lease, the Third Amendment to Facilities Lease, the Continuing Disclosure Certificate, the Tax Certificate and this Bond Purchase Agreement and when executed and delivered, the City's Legal Documents, assuming due authorization, execution and delivery by the other respective parties thereto, will constitute the legally valid and binding obligations of the City enforceable in accordance with their respective terms, except as enforcement may be limited by bankruptcy, insolvency, reorganization, moratorium or similar laws or equitable principles relating to or affecting creditors' rights generally;

(f) except as otherwise disclosed in the Preliminary Official Statement and the Official Statement, to the best of the City's knowledge, the City is not in any material respect in violation or breach of or default under any applicable law or administrative regulation of the State or the United States of America, or any agency or instrumentality of either of them, or any applicable judgment or decree, or any loan agreement, indenture, bond, note, resolution, agreement or other instrument to which the City is a party or is otherwise subject, and no event has occurred and is continuing which, with the passage of time or the giving of notice or both, would constitute such a violation or a breach of or a default under any such instrument, which breach or default would materially adversely affect the security of the Bonds or the City's performance under the City's Legal Documents; and, except as disclosed in the Preliminary Official Statement and the Official Statement, the authorization, execution and delivery of the Third Amendment to Site Lease, the Third Amendment to Facilities Lease, the Continuing Disclosure Certificate, the Tax Certificate and this Bond Purchase Agreement and compliance with the provisions of the City's Legal Documents do not and will not conflict in any material respect with or constitute a material breach of or material default under any applicable constitutional provision, law or administrative rule or regulation of the State or the United States, or any applicable judgment, decree, license, permit, trust agreement, loan agreement, bond, note, resolution, ordinance, agreement or other instrument to which the City (or any of its officers in their respective capacities as such) is subject, or by which it or any of its properties is bound; nor will any such authorization, execution, delivery or compliance result in the creation or imposition of any lien, charge or other security interest or encumbrance of any nature whatsoever upon any of its assets or properties or under the terms of any such law, regulation or instrument, except as may be provided by the City's Legal Documents;

(g) as of the date hereof, the City is, and as of the Closing Date will be, except as otherwise disclosed in the Preliminary Official Statement and the Official Statement, in compliance with the covenants and agreements contained in the City's Legal Documents, and no event of default and no event has occurred and is continuing which, with the passage of time or giving of notice, or both, would constitute an event of default thereunder;

(h) all approvals, consents and orders of any governmental authority or agency having jurisdiction in the matter which would constitute a condition precedent to the preparation and distribution of the Preliminary Official Statement and the Official Statement or the due performance by the City of its obligations under the City's Legal Documents have been duly obtained or made and

are in full force and effect (excepting only the required annual appropriation by the City Council to make Base Rental Payments under the Facilities Lease);

(i) the City will comply with the requirements of the Tax Certificate;

(j) any certificate signed by any officer of the City and delivered to the Underwriters pursuant to the City's Legal Documents or any document contemplated thereby shall be deemed a representation and warranty by the City to the Underwriters as to the statements made therein and that such officer shall have been duly authorized to execute the same;

(k) to the best knowledge of the City, as of the date hereof and as of the Closing Date, there is no public vote or referendum pending or proposed, the results of which could adversely affect the transactions contemplated by the Preliminary Official Statement, the Official Statement, the City's Legal Documents or the Bonds, or the Revenues securing the Bonds, or the validity or enforceability of the Bonds;

(l) the information in the Preliminary Official Statement, as of its date and as of the date hereof, was and is true and correct in all material respects, and contained and contains no misstatement of any material fact, and did not and does not omit any statement necessary to make the statements contained therein, in the light of the circumstances in which such statements were made, not misleading, provided, however, (i) the City makes no representation or warranty with respect to the information concerning The Depository Trust Company and its book-entry system, and any statements or omissions made in reliance upon and in conformity with information relating to any Underwriter furnished to the City in writing by such Underwriter expressly for use in the Preliminary Official Statement and any amendment or supplement thereto, and (ii) the City acknowledges that the only information relating to the Underwriters furnished to the City in writing by the Underwriters expressly for use in the Preliminary Official Statement and any amendment or supplement thereto is the information under the heading "UNDERWRITING" in the Preliminary Official Statement;

(m) the information in the Official Statement is, and at all times subsequent to the date of the Official Statement up to and including the Closing Date will be, true and correct in all material respects, and the information in the Official Statement contains, and up to and including the Closing Date will contain, no misstatement of any material fact and does not, and up to and including the Closing Date will not, omit any statement necessary to make the statements contained therein, in the light of the circumstances in which such statements were made, not misleading, provided, however, (i) the City makes no representation or warranty with respect to the information concerning the Depository Trust Company and its book-entry system, and any statements or omissions made in reliance upon and in conformity with information relating to any Underwriter furnished to the City in writing by such Underwriter expressly for use in the Official Statement and any amendment or supplement thereto (collectively, the "Excluded Information"), and (ii) the City acknowledges that the only information relating to the Underwriters furnished to the City in writing by the Underwriters expressly for use in the Official Statement and any amendment or supplement thereto is the information under the heading "UNDERWRITING" in the Official Statement and the pricing information appearing on the inside front cover of the Official Statement;

(n) the City will advise the Representative promptly of any proposal to amend or supplement the Official Statement and will not effect or consent to any such amendment or supplement without the consent of the Representative, which consent will not be unreasonably withheld. The City will advise the Representative promptly of the institution of any proceedings

known to it by any governmental agency prohibiting or otherwise affecting the use of the Official Statement in connection with the offering, sale or distribution of the Bonds;

(o) for purposes of the Rule, the City has heretofore deemed final the Preliminary Official Statement prior to its use and distribution by the Underwriters, except for the information specifically permitted to be omitted by paragraph (b)(1) of the Rule;

(p) the financial statements of the City incorporated by reference in the Preliminary Official Statement and the Official Statement fairly present the financial position of the City and results of operations thereof as of the dates and for the periods therein set forth, and have been prepared in accordance with generally accepted accounting principles consistently applied; and

(q) except as otherwise disclosed in the Preliminary Official Statement and the Official Statement, the City has not within the last five calendar years failed to comply in any material respect with any continuing disclosure obligation undertaken pursuant to the Rule.

All representations, warranties and agreements of the City shall remain operative and in full force and effect, regardless of any investigations made by or on the Underwriters' behalf, and shall survive the delivery of the Bonds.

Section 8. Conditions to the Obligations of the Underwriters. The Underwriters hereby enter into this Bond Purchase Agreement in reliance upon the representations and warranties of the Authority and the City contained herein and the representations and warranties to be contained in the documents and instruments to be delivered on the Closing Date and upon the performance by the Authority, the City, and the Trustee of their respective obligations both on and as of the date hereof. Accordingly, the Underwriters' obligations under this Bond Purchase Agreement to purchase, to accept delivery of and to pay for the Bonds on the Closing Date shall be subject, at the option of the Underwriters, to the accuracy in all material respects of the representations and warranties of the Authority and the City contained herein as of the date hereof and as of the Closing Date, to the accuracy in all material respects of the statements of the officers and other officials of the Authority, the City and the Trustee made in any certificate or document furnished pursuant to the provisions hereof, to the performance by the Authority, the City, and the Trustee of their respective obligations to be performed hereunder and under the Bonds, the Legal Documents and the City's Legal Documents at or prior to the date hereof and at or prior to the Closing Date, and also shall be subject to the following additional conditions:

(a) on the Closing Date, the Legal Documents and the City's Legal Documents shall have been duly authorized, executed and delivered by the Authority and by the City where each is a party, all in substantially the forms heretofore submitted to the Representative, with only such changes as shall have been reasonably agreed to in writing by the Representative or accepted by the Representative as evidenced by its acceptance of delivery of the Bonds, and shall be in full force and effect; and there shall be in full force and effect such resolutions and ordinances of the Board of Commissioners of the Authority and the City Council as, in the opinion of Bond Counsel, shall be necessary or appropriate in connection with the transactions contemplated hereby;

(b) on the Closing Date, all necessary action of the Authority and the City relating to the issuance and sale of the Bonds will have been taken and will be in full force and effect and will not have been amended, modified or supplemented;

(c) on or prior to the Closing Date, the Underwriters shall have received the following documents, in each case reasonably satisfactory in form and substance to the Underwriters:

(i) one copy of each of the Legal Documents and the City's Legal Documents, each duly executed and delivered by the respective parties thereto;

(ii) the approving opinion, dated the Closing Date and addressed to the Authority and the City, of Bond Counsel in substantially the form of Appendix D to the Official Statement, and a letter of such counsel, dated the Closing Date, and addressed to the Underwriters to the effect that such opinion may be relied upon by the Underwriters to the same extent as if such opinion were addressed to them;

(iii) a supplemental opinion or opinions of Bond Counsel addressed to the Underwriters, in substantially the form attached hereto as Appendix A;

(iv) a letter of Stradling Yocca Carlson & Rauth, a Professional Corporation ("Disclosure Counsel"), dated the date of the Closing, addressed to the Authority and the City, with a reliance letter addressed to the Underwriters, substantially in the form attached hereto as Appendix B;

(v) an opinion of _____, counsel to the Underwriters, dated the Closing Date, and addressed to the Underwriters, substantially to the effect that: (a) based upon such firm's participation, and information disclosed to such firm in the course of its representation of the Underwriters as counsel to the Underwriters, no facts came to the attention of the attorneys of such firm rendering legal services in connection with this matter that caused the attorney of such firm to believe that the Official Statement, as of the date of the Official Statement and as of the date of the Closing Date (except for CUSIP numbers; financial statements and the Comprehensive Annual Financial Report of the City for the fiscal year ended June 30, 2013; financial, demographic, statistical and economic data and projections; assumptions; and information relating to the book-entry-only system, including information in APPENDIX E—"DTC and the Book-Entry-Only System", which are not addressed in the letter), contained or contains any untrue statement of a material fact or omitted or omits to state any material fact necessary in order to make the statements therein, in the light of the circumstances under which they were made, not misleading; (b) the Bonds are exempt from registration pursuant to the Securities Act of 1933, as amended, and the Indenture is exempt from qualification pursuant to the Trust Indenture Act of 1939, as amended, and (c) the Continuing Disclosure Certificate contains the elements required for the written agreement set forth in paragraphs (b)(5)(i), (b)(5)(ii) and (b)(5)(iv) of the Rule;

(vi) the opinion of the General Counsel to the Authority dated the Closing Date and addressed to the Underwriters, substantially to the effect that: (A) the Authority is a joint exercise of powers authority duly organized and validly existing under the laws of the State of California; (B) the resolution of the Authority approving and authorizing the execution and delivery by the Authority of this Bond Purchase Agreement, the Third Amendment to Site Lease, the Third Amendment to Facilities Lease, the Third Supplemental Indenture and the Tax Certificate and the Bonds and the preparation and distribution of the Preliminary Official Statement and the Official Statement (the "Authority Resolution") was duly adopted at a meeting of the Authority that was called and held pursuant to law and with all public notice required by law and at which a quorum was present and acting throughout, and is in full force and effect and has not been amended or repealed; (C) other than as otherwise disclosed in the Official Statement, there is no action, suit, proceeding or

investigation at law or in equity before or by any court, public board or body, pending or, to the best knowledge of such counsel after reasonable investigation, threatened against or affecting the Authority, to restrain or enjoin the execution, delivery or sale of the Bonds or the collection or payment of Revenues that are the source of security for the Bonds, or the pledge thereof, or in any way contesting or affecting the validity or enforceability of the Bonds or the Legal Documents, or in any way contesting or affecting the existence of the Authority or the title of any official of the Authority to such person's office, or contesting the power of the Authority or its authority with respect to the Bonds or the Legal Documents or contesting the exclusion of interest on the Bonds from gross income for federal income tax purposes or contesting the completeness or accuracy of the Preliminary Official Statement or the Official Statement or any supplement or amendment thereto or asserting that the Preliminary Official Statement or the Official Statement contained any untrue statement of a material fact or omitted to state any material fact required to be stated therein or necessary to make the statements therein, in the light of the circumstances under which they were made, not misleading; (D) the execution and delivery of the Bonds and the Legal Documents, the adoption of the Authority Resolution, and compliance by the Authority with the provisions of the Bonds, the Legal Documents and the Authority Resolution, under the circumstances contemplated thereby, do not and will not in any material respect conflict with or constitute on the part of the Authority a breach or default under any agreement or other instrument to which the Authority is a party (and of which such counsel is aware after reasonable investigation) or by which it is bound or by any existing law, regulation, court order or consent decree to which the Authority is subject; (E) the Legal Documents have been duly authorized, executed and delivered by the Authority and, assuming due authorization, execution and delivery by the other parties thereto, constitute legal, valid and binding agreements of the Authority enforceable in accordance with their respective terms, subject to laws relating to bankruptcy, insolvency or other laws affecting the enforcement of creditors' rights generally and the limitations on legal remedies against public agencies in the State and the application of equitable principles if equitable remedies are sought; and (F) no authorization, approval, consent, or other order of the United States of America, the State, or any other governmental authority or agency within the State having jurisdiction over the Authority is required for the valid authorization, execution, delivery and performance by the Authority of the Legal Documents or for the adoption of the Authority Resolution which has not been obtained;

(vii) the opinion of the City Attorney, dated the Closing Date and addressed to the Authority and the Underwriters, substantially in the form attached hereto as Appendix C;

(viii) a certificate of a duly authorized official of the Authority, dated the Closing Date, in form and substance reasonably satisfactory to the Representative, to the effect that (A) the Authority's representations and warranties contained in the Legal Documents are true and correct on and as of the Closing Date with the same effect as if made on the Closing Date; and (B) no event has occurred since the date of the Official Statement which either makes untrue or incorrect in any material respect as of the Closing Date any statement or information contained under the headings "THE AUTHORITY" or "LITIGATION" (as it relates to the Authority) in the Official Statement, as then supplemented or amended or is not reflected in such statements or information in the Official Statement but should be reflected therein in order to make the statements therein, in the light of the circumstances under which they were made, not misleading in any material respect;

(ix) a certificate of a duly authorized official of the City, dated the Closing Date, in form and substance reasonably satisfactory to the Representative, to the effect that (A) the City's representations and warranties contained in the City's Legal Documents are true and correct

on and as of the Closing Date with the same effect as if made on the Closing Date; and (B) no event has occurred since the date of the Official Statement which either makes untrue or incorrect in any material respect as of the Closing Date any statement or information contained in the Official Statement, as then supplemented or amended or is not reflected in the Official Statement but should be reflected therein in order to make the statements therein, in light of the circumstances under which they were made, not misleading in any material respect; provided, however, the City makes no representation or warranty with respect to the Excluded Information;

(x) a certificate of a duly authorized official of the Trustee, dated the Closing Date, to the effect that: (A) the Trustee is a national banking association organized and existing under and by virtue of the laws of the United States, having the full power and being qualified to enter into and perform its duties under the Indenture and to authenticate and deliver the Bonds to the Underwriters; (B) the Trustee is duly authorized to enter into the Indenture and to authenticate and deliver the Bonds to the Underwriters pursuant to the Indenture; (C) when delivered to and paid for by the Underwriters at the Closing, the Bonds will have been duly authenticated and delivered by the Trustee; (D) the execution and delivery of the Indenture and compliance with the provisions on the Trustee's part contained in the Indenture, will not conflict with or constitute a breach of or default under any law, administrative regulation, judgment, decree, loan agreement, indenture, note, resolution, agreement or other instrument to which the Trustee is a party or is otherwise subject (except that no representation, warranty or agreement is made with respect to any federal or state securities or blue sky laws or regulations), which conflict, breach or default would materially impair the ability of the Trustee to perform its obligations under the Indenture, nor will any such execution, delivery, adoption or compliance result in the creation or imposition of any lien, charge or other security interest or encumbrance of any nature whatsoever upon any of the properties or assets held by the Trustee pursuant to the lien created by the Indenture under the terms of any such law, administrative regulation, judgment, decree, loan agreement, indenture, bond, note, resolution, agreement or other instrument, except as provided by the Indenture; and (E) to the best of the knowledge of the Trustee, it has not been served with any action, suit, proceeding, inquiry or investigation in law or in equity, before or by any court, governmental agency, public board or body, nor is any such action or other proceeding threatened against the Trustee, affecting the existence of the Trustee, or the titles of its officers to their respective offices or seeking to prohibit, restrain, or enjoining the execution and delivery of the Bonds or the Indenture or the collection of revenues to be applied to pay the principal of and interest on the Bonds, or the pledge thereof, or in any way contesting or affecting the validity or enforceability of the Indenture, or contesting the powers of the Trustee or its authority to enter into, adopt or perform its obligations under any of the foregoing to which it is a party, wherein an unfavorable decision, ruling or funding would materially adversely affect the validity or enforceability of the Indenture or the power and authority of the Trustee to enter into and perform its duties under the Indenture and to authenticate and deliver the Bonds to or upon the order of the Underwriters;

(xi) the opinion of counsel to the Trustee, dated the Closing Date and addressed to the Underwriters, the Authority and the City, of Counsel to the Trustee, to the effect that: (A) the Trustee has been duly incorporated as a national banking association under the laws of the United States and is in good standing under the laws of the State of California, duly qualified to do business and to exercise trust powers therein, having full power and authority to enter into and to perform its duties as Trustee under the Indenture; (B) the Trustee has duly authorized, executed and delivered the Indenture, and by all proper corporate action has authorized the acceptance of the trusts of the Indenture; (C) the Indenture constitutes the legally valid and binding agreement of the Trustee,

enforceable against the Trustee in accordance with its terms, and (D) the Bonds have been validly authenticated and delivered by the Trustee;

(xii) one certified copy of the general resolution of the Trustee authorizing the execution and delivery of the Indenture;

(xiii) one certified copy of the Authority Resolution;

(xiv) one certified copy of the City Action;

(xv) evidence that the federal tax information form 8038-G has been prepared for filing;

(xvi) a copy of the Notice of Proposed Sale and Report of Final Sale required to be delivered to the California Debt and Investment Advisory Commission pursuant to Section 8855(g) of the California Government Code;

(xvii) evidence that the Bonds have been rated “__” by Standard & Poor’s Ratings Services, a Standard & Poor’s Financial Services LLC business (“S&P”), and “__” by Fitch Ratings (“Fitch”);

(xviii) a CLTA title insurance policy insuring the Authority’s leasehold title to the Leased Property in an amount at least equal to the combined principal amount of the Bonds and all Additional Bonds outstanding;

(xix) a certified copy of the joint exercise of powers agreement pursuant to which the Authority was created;

(xx) Notice of Joint Exercise of Powers Agreement from the Secretary of State certifying that the joint exercise of powers agreement pursuant to which the Authority was created was duly filed; and

(xxi) such additional legal opinions, certificates, instruments or evidences thereof and other documents as the counsel to the Underwriters or Bond Counsel may reasonably request to evidence the due authorization, execution and delivery of the Bonds and the conformity of the Bonds, the Legal Documents and the City’s Legal Documents with the terms of the Bonds and the descriptions thereof in the Official Statement;

(d) the Underwriters shall have the right to terminate this Bond Purchase Agreement, without liability therefor, by notification to the Authority and the City if at any time between the date hereof and the Closing:

(i) any event shall occur or facts are discovered which causes any statement contained in the Official Statement to be materially misleading or results in a failure of the Official Statement to state a material fact necessary in order to make the statements in the Official Statement, in the light of the circumstances under which they were made, not misleading, provided, however, the Underwriters shall not terminate this Bond Purchase Agreement if prior to the Closing and prior to the distribution of the Official Statement to any public investor the City and the Underwriters agree to and shall have amended or supplemented the Official Statement so that the Official Statement as so amended or supplemented will not contain an untrue statement of a material

fact or omit to state a material fact necessary in order to make the statements made in the light of the circumstances in which they were made, not misleading, and, in the sole judgment of the Underwriters, such amendment or supplement shall not have an adverse effect on the market price of the Bonds or the ability of the Underwriters to enforce contracts with investors for the sale of the Bonds; or

(ii) the marketability of the Bonds or the market price thereof, in the reasonable opinion of the Representative, has been materially adversely affected by an amendment to the Constitution of the United States or by any legislation in or by the Congress of the United States or by the State, or the amendment of legislation pending as of the date of this Bond Purchase Agreement in the Congress of the United States, or the recommendation to Congress or endorsement for passage (by press release, other form of notice or otherwise) of legislation by the President of the United States, the Treasury Department of the United States, the Internal Revenue Service or the Chairman or ranking minority member of the Committee on Finance of the United States Senate or the Committee on Ways and Means of the United States House of Representatives, or the proposal for consideration of legislation by either such Committee or by any member thereof, or the presentment of legislation for consideration as an option by either such Committee, or by the staff of the Joint Committee on Taxation of the Congress of the United States, or the favorable reporting for passage of legislation to either House of the Congress of the United States by a Committee of such House to which such legislation has been referred for consideration, or any decision of any federal or State court or any ruling or regulation (final, temporary or proposed) or official statement on behalf of the United States Treasury Department, the Internal Revenue Service or other federal or State authority, which in any case has a materially adverse effect on the federal or State tax status of the City or the Authority, or the interest on bonds or notes or obligations of the general character of the Bonds; or

(iii) any legislation, ordinance, rule or regulation shall be introduced in, or be enacted by any governmental body, department or agency of the State, or a decision by any court of competent jurisdiction within the State or any court of the United States shall be rendered which, in the reasonable opinion of the Representative, materially adversely affects the market price of the Bonds; or

(iv) legislation shall be enacted by the Congress of the United States, or a decision by a court of the United States shall be rendered, or a stop order, ruling, regulation or official statement by, or on behalf of, the Securities and Exchange Commission or any other governmental agency having jurisdiction of the subject matter of the Bonds shall be issued or made to the effect that the issuance, offering or sale of obligations of the general character of the Bonds, or the issuance, offering or sale of the Bonds, including all underlying obligations, as contemplated hereby or by the Official Statement, is in violation or would be in violation of, or that obligations of the general character of the Bonds, or the Bonds, are not exempt from registration under, any provision of the federal securities laws, including the Securities Act of 1933, as amended and as then in effect, or that the Indenture needs to be qualified under the Trust Indenture Act of 1939, as amended and as then in effect; or

(v) there shall have occurred any outbreak or escalation of hostilities or terrorist activities or other local, national or international calamity or crisis, or a default with respect to the debt obligations of, or the institution of proceedings under the federal bankruptcy laws by or against, any state of the United States or agency thereof, or any city in the United States having a population of over one million, in any case the effect of which on the financial markets of the United

States will be such as in the Representative's reasonable judgment, makes it impracticable for the Underwriters to market the Bonds or enforce contracts for the sale of the Bonds; or

(vi) any rating of the Bonds shall have been downgraded, suspended or withdrawn by S&P or Fitch which, in the Representative's reasonable opinion, materially adversely affects the marketability or market price of the Bonds; or

(vii) the commencement of any action, suit or proceeding described in Sections 6(n) or 7(c) hereof which, in the reasonable judgment of the Representative, materially adversely affects the market price of the Bonds; or

(viii) the declaration of a general banking moratorium by federal, New York or California authorities, the general suspension of trading on any national securities exchange or a material disruption in securities settlement, payment or clearance services, which event, in the reasonable judgment of the Representative, would materially adversely affect the market price of the Bonds; or

(ix) the imposition by the New York Stock Exchange or other national securities exchange, or any governmental authority, of any material restrictions not now in force with respect to obligations of the general character of the Bonds or securities generally, or the material increase of any such restrictions now in force, including those relating to the extension of credit by, or the charge to net capital requirements of, the Underwriters, which, in the reasonable judgment of the Representative, would materially adversely affect the market price of the Bonds; or

(x) there shall have been any materially adverse change in the affairs of the Authority or the City which (A) requires an amendment to the Official Statement under Section 10(a) or (b) hereof and (B) in the Representative's reasonable judgment materially adversely affects the ability of the Underwriters to market the Bonds.

If the City or the Authority shall be unable to satisfy the conditions contained in this Bond Purchase Agreement, or if the obligations of the Underwriters shall be terminated for any reason permitted by this Bond Purchase Agreement, this Bond Purchase Agreement shall terminate and neither the Underwriters, the City nor the Authority shall be under further obligation hereunder, except as further set forth in Sections 9 and 10 hereof.

Section 9. Expenses. The Underwriters shall be under no obligation to pay, and the Authority and the City shall pay or cause to be paid the expenses incident to the performance of the obligations of the Authority and the City hereunder including but not limited to (a) the costs of the preparation and printing, or other reproduction (for distribution on or prior to the date hereof) of the Legal Documents, the City's Legal Documents and the cost of preparing, printing, issuing and delivering the definitive Bonds, (b) the fees and disbursements of any counsel, financial advisors, accountants, verification agents or other experts or consultants retained by the Authority or the City, (c) the fees and disbursements of Bond Counsel, (d) the fees and disbursements of Disclosure Counsel, (e) the fees and disbursements of the Trustee, (f) the cost of preparation and printing of the Preliminary Official Statement and any supplements and amendments thereto and the cost of preparation and printing of the Official Statement and any supplements and amendments thereto, including the requisite number of copies thereof for distribution by the Underwriters, and (g) charges of rating agencies for the rating of the Bonds. The Authority, the City and the Underwriters intend that the Authority and the City will pay all expenses of the Authority and City's employees that are

incidental to implementing this Bond Purchase Agreement, including, but not limited to, meals, transportation, and lodging, of those employees, and the Authority and the City shall reimburse the Underwriters if the Underwriters pay for any of such expenses on behalf of the Authority or City.

All out-of-pocket expenses of the Underwriters, including the California Debt and Investment Advisory Commission fee, fees of Underwriters' counsel, and other expenses (except as provided above), shall be paid by the Underwriters from the Underwriters' discount set forth in Section 1 hereof. Certain expenses of the Underwriters may be in the form of inclusion in the expense component of the Underwriters' discount.

Section 10. Covenants of Authority and City. The Authority and the City covenant with the Underwriters that:

(a) until the earlier of (i) the date which is twenty-five (25) days after the City delivers the Bonds to the Representative, or (ii) the date the Underwriters do not retain, directly or as a member of an underwriting syndicate, any unsold balance of the Bonds for sale to the public (the "End of the Underwriting Period"), if any event shall occur of which the Authority or the City is aware, as a result of which it may be necessary to supplement the Official Statement in order to make the statements in the Official Statement, in light of the circumstances existing at such time, not misleading, the Authority or the City shall forthwith notify the Representative of any such event of which it has knowledge and shall cooperate fully in furnishing any information available to it for any supplement to the Official Statement necessary or desirable, in the Representative's or City's opinion, so that the statements therein as so supplemented will not be misleading in light of the circumstances existing at such time and the Authority or the City shall promptly furnish to the Underwriters electronic copies of such supplement; provided that the Representative agrees to deliver written notice to the City in accordance with this provision at or prior to the Closing Date specifying a date (if other than the Closing Date) to be deemed the "End of the Underwriting Period" and the Representative agrees to notify the City in writing of the date on which the Underwriter does not retain, directly or as a member of an underwriting syndicate, any unsold balance of the Bonds for sale to the public;

(b) if the information contained in the Official Statement is amended or supplemented pursuant to subparagraph (a) of this Section 10, at the time of such supplement or amendment thereto and (unless subsequently again supplemented or amended pursuant to such subparagraph) at all times subsequent thereto up to and including the date that is the earlier of (i) the date which is twenty-five (25) days after the City delivers the Bonds to the Representative, or (ii) the Underwriters do not retain, directly or as a member of an underwriting syndicate, any unsold balance of the Bonds for sale to the public, the portions of the Official Statement so supplemented or amended (including any financial and statistical data contained therein), excluding the Excluded Information, will not contain any untrue statement of a material fact or omit to state a material fact necessary in order to make such information therein, in the light of the circumstances under which it was made, not misleading;

(c) the Authority and the City will advise the Representative immediately of receipt by the Authority or the City of any notification with respect to the suspension of the qualification of the Bonds for sale in any jurisdiction or the initiation or threat of any proceeding for that purpose;

(d) the Authority and the City will furnish such information, execute such instruments and take such other action in cooperation with the Underwriters as the Underwriters may reasonably request to qualify the Bonds for offer and sale under the Blue Sky or other securities laws and regulations of such states and other jurisdictions of the United States as the Underwriters may designate; provided, however, that the Authority and the City shall not be required to register as a dealer or broker or foreign corporation in any such state or jurisdiction or consent to service of process therein; and

(e) the Authority and the City will perform all actions as may be requested by the Underwriters (including delivery of an appropriate certificate with respect to the Preliminary Official Statement) in order for the Underwriters to comply with the applicable provisions of the Rule.

Section 11. Notices. Any notice or other communication to be given to the Authority or the City under this Bond Purchase Agreement may be given by delivering the same in writing at the Authority's and the City's addresses, respectively, set forth above and any such notice or other communication to be given to the Underwriters shall be delivered to the following address:

Attention: _____

Section 12. Parties in Interest. This Bond Purchase Agreement is made solely for the benefit of the Authority, the City and the Underwriters and no other person shall acquire or have any right hereunder or by virtue hereof. All the representations and warranties of the parties hereto contained in this Bond Purchase Agreement shall remain operative and in full force and effect regardless of any investigation made by or on behalf of the Underwriters, the City or the Authority until the earlier of (a) delivery of and payment for the Bonds hereunder, and (b) any termination of this Bond Purchase Agreement.

Section 13. Counterparts. This Bond Purchase Agreement may be executed in any number of counterparts, each of which shall be an original, and all of which shall constitute but one and the same instrument.

Section 14. Effectiveness. This Bond Purchase Agreement shall become effective and binding upon the respective parties hereto upon the execution of the acceptance hereof by the duly authorized officers of the Authority and the City and shall be valid and enforceable as of the time of such acceptance.

Section 15. Choice of Law. The validity, interpretation and performance of this Bond Purchase Agreement shall be governed by the laws of the State, without regard to conflicts of law.

Section 16. Severability. In the event any provision of this Bond Purchase Agreement shall be held invalid or unenforceable by any court of competent jurisdiction, such holding shall not invalidate or render unenforceable any other provision hereof.

Section 17. Entire Agreement. The Bond Purchase Agreement, when accepted by the Authority and the City in writing as heretofore specified, shall constitute the entire agreement among the Authority, the City and the Underwriters.

Section 18. Headings. The headings of the sections of this Bond Purchase Agreement are inserted for convenience only and shall not be deemed to be part hereof.

Section 19. No Assignment. The rights and obligations created by this Bond Purchase Agreement shall not be subject to assignment by the Underwriters, the City or the Authority without the prior written consent of the other parties hereto.

IN WITNESS WHEREOF, the parties hereto, by their officers thereunto duly authorized, have executed and delivered this Bond Purchase Agreement, effective as of the day and year first above written.

_____,
for itself and as Representative of

By: _____
Managing Director

Accepted as of the date hereof:

PUBLIC FACILITIES FINANCING
AUTHORITY OF THE CITY OF
SAN DIEGO

By: _____
Name: _____
Title: Chair

CITY OF SAN DIEGO

By: _____
Name: _____
Title: Chief Financial Officer

APPROVED AS TO FORM:

Jan I. Goldsmith, City Attorney

By: _____
Deputy City Attorney

[Signature Page to Bond Purchase Agreement]

SCHEDULE I

MATURITY SCHEDULE AND REDEMPTION PROVISIONS

\$ _____
Public Facilities Financing Authority of the City of San Diego
Lease Revenue Bonds, Series _____
(Capital Improvement Projects)

Maturity Schedule

<i>Maturity Date</i> <i>(October 15)</i>	<i>Principal</i> <i>Amount</i>	<i>Interest Rate</i>	<i>Yield</i>	<i>Price</i>
---	-----------------------------------	----------------------	--------------	--------------

_____ call date at par.

Redemption Provisions

Optional Redemption. The Bonds maturing on or before October 15, 20__ are not subject to optional redemption prior to their respective stated maturities. The Bonds maturing on or after October 15, 20__, shall be subject to optional redemption, in whole or in part, on any date on or after October 15, 20__, from any available source of funds of the City, at a redemption price equal to the principal amount of the Bonds to be redeemed, together with accrued interest thereon to the date fixed for redemption, without premium.

Special Mandatory Redemption From Insurance or Condemnation Proceeds of Bonds. The Bonds shall also be subject to redemption as a whole, or in part on any date, to the extent the Trustee has received hazard or title insurance proceeds or condemnation proceeds not used to repair or replace any portion of the Leased Property damaged, destroyed or taken and elected by the City to be used for such purpose as provided in Section 5.05 of the Master Indenture, at a redemption price equal to the principal amount thereof, together with interest accrued thereon to the date fixed for redemption, without premium.

Mandatory Sinking Fund Redemption. The Bonds maturing on October 15, 20__ are also subject to mandatory redemption prior to their stated maturity, in part by lot, from sinking account payments derived from scheduled Base Rental Payments made by the City and deposited in the Series ____ Bonds Sinking Account, on each sinking fund redemption date commencing October 15, 20__, at a redemption price equal to the principal amount thereof to be redeemed and interest accrued thereon to the dates fixed for mandatory redemption, without premium, according to the following schedule:

<i>Sinking Fund Redemption Date</i>	<i>Principal Amount to be Redeemed or Purchased</i>
	\$

*

* Maturity date.

The Bonds maturing on October 15, 20__ are also subject to mandatory redemption prior to their stated maturity, in part by lot, from sinking account payments derived from scheduled Base Rental Payments made by the City and deposited in the Series ____ Bonds Sinking Account, on each sinking fund redemption date commencing October 15, 20__, at a redemption price equal to the principal amount thereof to be redeemed and interest accrued thereon to the dates fixed for mandatory redemption, without premium, according to the following schedule:

*Sinking Fund
Redemption Date*

*Principal Amount to be
Redeemed or Purchased*

\$

*

* Maturity date.

APPENDIX A

BOND COUNSEL SUPPLEMENTAL OPINION

_____, 20__

City of San Diego
San Diego, California

Public Facilities Financing Authority of the City of San Diego
San Diego, California

_____, as Representative
of the Underwriters
_____, California

On the date hereof, as Bond Counsel to The City of San Diego (the "City"), we have rendered to the City our final legal opinion (the "Approving Opinion") concerning the validity of (a) \$_____ aggregate principal amount of Public Facilities Financing Authority of the City of San Diego Lease Revenue Bonds Series ____ (Capital Improvement Projects) (the "Bonds"). This supplemental opinion is rendered pursuant to Section 8(c)(iii) of the Bond Purchase Agreement, dated _____, 20__ ("Purchase Agreement"), among the City, the Public Facilities Financing Authority of the City of San Diego (the "Authority") and the Underwriters therein mentioned. All terms used in this supplemental opinion and not defined herein shall have the same meaning as assigned in the Purchase Agreement. You may rely upon our Approving Opinion as if it were addressed to you.

In arriving at the opinions and conclusions hereinafter expressed, we have examined: the Site Lease, dated as of July 1, 2012, as amended by the First Amendment to Site Lease, dated as of July 1, 2013, the Second Amendment to Site Lease, dated as of April 1, 2014, and the Third Amendment to Site Lease, dated as of _____, 20__ (collectively, the "Site Lease"), by and between the City and the Authority; the MTS Site Lease, dated as of July 1, 2013 (the "MTS Site Lease"), by and between the Authority and the San Diego Metropolitan Transit System (the "MTS"); the Facilities Lease, dated as of July 1, 2012, as amended by the First Amendment to Facilities Lease, dated as of July 1, 2013, the Second Amendment to Facilities Lease, dated as of April 1, 2014, and the Third Amendment to Facilities Lease, dated as of _____, 20__ (collectively, the "Facilities Lease"), by and between the Authority and the City; the Indenture, dated as of July 1, 2012, as amended and supplemented by the First Supplemental Indenture, dated as of July 1, 2013, the Second Supplemental Indenture, dated as of April 1, 2014, and the Third Supplemental Indenture, dated as of _____, 20__ (collectively, the "Indenture"), by and between the Authority and Wells Fargo Bank, N.A., as trustee (the "Trustee"); the Continuing Disclosure Certificate of the City, dated as of the date hereof (the "Continuing Disclosure Certificate"); a Tax Certificate of the Authority and the City with exhibits, dated the date hereof (collectively the "Tax Certificate"); opinions of the City Attorney, counsel to the Authority and counsel to the Trustee; certificates of the City, the Trustee, the Authority and others; and such other documents, opinions and matters to the extent we deemed necessary to render the opinions and conclusions set forth herein. We have also examined the Official Statement, dated _____, 20__, relating to the Bonds (the "Official

Statement”). We have printed an electronic version of the Official Statement and assume that all versions of the Official Statement are identical in all respects to the version we printed.

We have assumed, but not independently verified, that the signatures on all documents, letters, opinions, certificates and instructions which we have examined are genuine, that all documents submitted to us are authentic and were duly and properly executed by the parties thereto and that all representations made in the items that we have reviewed are true and accurate.

Based upon and subject to the foregoing, as of the date hereof and under existing law, we are of the following opinions or conclusions:

(1) The Purchase Agreement has been duly authorized, executed and delivered by the Authority and the City, and the Purchase Agreement constitutes a valid and binding obligation of the Authority and the City, except as the same may be limited by bankruptcy, insolvency, moratorium or other laws affecting creditors’ rights, by equitable principles and by the exercise of judicial discretion in appropriate cases and by the limitation on legal remedies against public agencies in the State of California, provided, however, we express no opinion as to the enforceability of provisions as to indemnification, penalty, contribution, choice of law, choice of forum or waiver contained therein.

(2) The statements contained in the Official Statement under the captions “THE SERIES 2014 BONDS” (other than information relating to DTC and its book-entry only system, as to which no opinion is expressed), “SECURITY AND SOURCES OF PAYMENT FOR THE SERIES 2014 BONDS,” “TAX MATTERS,” and in Appendix C—“SUMMARY OF LEGAL DOCUMENTS” thereto, insofar as such statements expressly summarize certain provisions of the Indenture, the Facilities Lease, the Site Lease, the Bonds and the Legal Opinion concerning certain tax matters relating to the Bonds, are accurate in all material respects. Other than as set forth above, we express no view as to the accuracy, completeness or fairness of any portion of the Official Statement.

(3) The Bonds are exempt from registration pursuant to the Securities Act of 1933, as amended, and the Indenture is exempt from qualification pursuant to the Trust Indenture Act of 1939, as amended.

The opinions expressed herein are based upon our analysis and interpretation of existing laws, regulations, rulings and judicial decisions and cover certain matters not directly addressed by such authorities. This opinion is limited to matters governed by the laws of the State of California and federal securities laws, and we assume no responsibility with respect to the applicability or the effect of the laws of any other jurisdiction.

Except as expressly set forth in the Approving Opinion, we express no opinion regarding any tax consequences with respect to the Bonds. No opinion is expressed herein with respect to the compliance with, or applicability of, any “blue sky” laws of any state as they relate to the offer or sale of the Bonds.

We call attention to the fact that the foregoing opinions may be affected by actions taken (or not taken) or events occurring (or not occurring) after the date hereof. We have not undertaken to determine, or to inform any person, whether such actions or events are taken (or not taken) or occur (or do not occur), and we expressly disclaim any responsibility to advise you as to events occurring after the date hereof with respect to the Bonds or other matters discussed in the Official Statement.

This letter is furnished by us as Bond Counsel to the City. No attorney-client relationship has existed or exists between our firm and the Underwriter in connection with the Bonds or by virtue of this letter. This letter is delivered to you solely for your benefit and is not to be used, circulated, quoted or otherwise referred to or relied upon for any other purpose or by any other person. This letter is not intended to be relied upon by owners of the Bonds or any beneficial interest therein.

Our engagement with respect to the Bonds terminates as of the date hereof, and we have not undertaken any duty, and expressly disclaim any responsibility, to advise you as to events occurring after the date hereof with respect to the Bonds or other matters discussed herein or in the Official Statement.

Respectfully submitted,

APPENDIX B

DISCLOSURE COUNSEL LETTER

_____, 20__

City of San Diego
San Diego, California

Public Facilities Financing Authority of the City of San Diego
San Diego, California

_____, as Representative
of the Underwriters
_____, California

We have acted as Disclosure Counsel to the City of San Diego (the "City") in connection with the issuance and sale by the Public Facilities Financing Authority of the City of San Diego (the "Authority") of (a) \$_____ aggregate principal amount of the Public Facilities Financing Authority of the City of San Diego Lease Revenue Bonds Series ____ (Capital Improvement Projects) (the "Bonds"). Capitalized terms used but not defined herein shall have the meanings ascribed to them in the Bond Purchase Agreement, dated _____, 2014, among the City, the Authority and the Underwriters therein mentioned.

As Disclosure Counsel, we have examined and relied upon: the Preliminary Official Statement, dated _____, 20__, relating to the Bonds (the "Preliminary Official Statement"); the Official Statement, dated _____, 20__, relating to the Bonds (the "Official Statement"); the Site Lease, dated as of July 1, 2012, as amended by the First Amendment to Site Lease, dated as of July 1, 2013, the Second Amendment to Site Lease, dated as of April 1, 2014, and the Third Amendment to Site Lease, dated as of _____, 20__ (collectively, the "Site Lease"), by and between the City and the Authority; MTS Site Lease, dated as of July 1, 2013 (the "MTS Site Lease"), by and between the Authority and the San Diego Metropolitan Transit System (the "MTS"); the Facilities Lease, dated as of July 1, 2012, as amended by the First Amendment to Facilities Lease, dated as of July 1, 2013, the Second Amendment to Facilities Lease, dated as of April 1, 2014, and the Third Amendment to Facilities Lease, dated as of _____, 20__ (collectively, the "Facilities Lease"), by and between the Authority and the City; the Indenture, dated as of July 1, 2012, as amended and supplemented by the First Supplemental Indenture, dated as of July 1, 2013, the Second Supplemental Indenture, dated as of April 1, 2014, and the Third Supplemental Indenture, dated as of _____, 20__ (collectively, the "Indenture"), by and between the Authority and Wells Fargo Bank, N.A., as trustee (the "Trustee"); a Tax Certificate of the Authority and the City with exhibits, dated the date hereof (collectively the "Tax Certificate"); opinions of the City Attorney, counsel to the Authority and counsel to the Trustee; certificates of the City, the Trustee, the Authority and others; and the other documents contained in the transcript of proceedings for the Bonds. In addition, we have examined and relied upon originals or copies, certified or otherwise identified to our satisfaction, of such other resolutions, documents, instruments and corporate or public records, and have made such investigation of law, as we have deemed necessary for the purpose of this letter. As Disclosure Counsel, we have printed electronic versions of the Preliminary

Official Statement and the Official Statement and assume that all versions of the Preliminary Official Statement and the Official Statement are identical in all respects to the versions we printed.

We have assumed, but not independently verified, that the signatures on all documents, letters, opinions and certificates which we have examined are genuine, that all documents submitted to us are authentic and were duly and properly executed by the parties thereto and that all representations made in the documents that we have reviewed are true and accurate.

Except as expressly set forth in our final approving opinion with respect to the Bonds issued the date hereof, we express no opinion regarding any tax consequences with respect to the Bonds. No opinion is expressed herein with respect to the compliance with, or applicability of, any "blue sky" laws of any state as they relate to the offer or sale of the Bonds.

We are not passing upon and have not undertaken to determine independently or to verify the accuracy or completeness of the statements contained in the Official Statement and are, therefore, unable to make any representation to you in that regard. Based on our participation in conferences and communications with representatives of the Underwriters, the Authority and the City, Public Financial Management, Inc., as Financial Advisor to the City and others, during which conferences the contents of the Official Statement and related matters were discussed, and in reliance thereon and on certain oral and written statements and representations of the Authority and the City and on certain documents reviewed by us, including the documents, letters, certificates and opinions described above, and our understanding of applicable law, we advise you, as a matter of fact but not opinion, that no information has come to the attention of the attorneys of our firm representing the City with respect to the issuance of the Bonds which caused us to believe that the Official Statement as of its date contained, or as of the date hereof contains, any untrue statement of a material fact or as of its date omitted, or as of the date hereof omits, to state any material fact necessary to make the statements therein, in the light of the circumstances under which they were made, not misleading (except that we express no view with respect to any financial, statistical or economic or demographic data or forecasts, numbers, charts, tables, graphs, estimates, projections, assumptions or expressions of opinion therein, any information about CUSIP numbers, the book-entry system or The Depository Trust Company therein, or either of Appendices B and E thereto). We advise you that, other than reviewing the various certificates and opinions delivered pursuant to the Bond Purchase Agreement regarding the Official Statement, we have not taken any steps since the date of the Official Statement to verify the accuracy of the statements contained in the Official Statement as of the date hereof.

By acceptance of this letter you acknowledge that the preceding paragraph is neither a legal opinion nor a guarantee regarding the Official Statement; rather it is a statement of negative assurance regarding factual information that did not come to the attention of the attorneys in our firm working on this matter during the limited activities that we performed as Disclosure Counsel to the City. Further, in accepting this letter, the City and the Authority recognize and acknowledge that (i) the scope of those activities performed by us were inherently limited and do not encompass all activities that the City and the Authority may be responsible to undertake in preparing the Official Statement, (ii) those activities performed by us relied substantially on representations, warranties, certifications and opinions made by representatives of the City and the Authority and others, and are otherwise subject to the matters set forth in this letter, and (iii) while such statements of negative assurance are customarily given to underwriters of municipal bonds to assist them in discharging their responsibilities under federal securities laws, the responsibilities of the City and the Authority under those laws may differ from those of underwriters in material respects, and the preceding

paragraph may not serve the same purpose or provide the same utility to the City and the Authority as it would to the underwriters.

This letter is furnished by us as Disclosure Counsel to the City. No attorney-client relationship has existed or exists between our firm and you in connection with the Bonds or by virtue of this letter. This letter is solely for your benefit and is not to be used, circulated, quoted or otherwise referred to or relied upon for any other purpose without our prior written consent. This letter is not intended to and may not be relied upon by owners of Bonds or any beneficial interest therein.

Our engagement with respect to the Bonds terminates as of the date hereof, and we have not undertaken any duty, and expressly disclaim any responsibility, to advise you as to events occurring after the date hereof with respect to the Bonds or other matters discussed herein or in the Official Statement.

Respectfully submitted,

APPENDIX C

CITY ATTORNEY OPINION

_____, 20__

Public Facilities Financing Authority
202 C Street
San Diego, California 92101

_____, as Representative
of the Underwriters
_____, California

Re: \$_____ Public Facilities Financing Authority of the City of San Diego Lease Revenue
Bonds Series ____ (Capital Improvement Projects)

Ladies and Gentlemen:

This opinion is rendered as counsel to the City of San Diego (the "City") in accordance with the requirements of Section 8(c)(vii) of the Bond Purchase Agreement dated _____, 20__ (the "Bond Purchase Agreement"), by and among the Public Facilities Financing Authority of the City of San Diego (the "Authority"), the City and _____, as representative of the Underwriters named therein, with respect to \$_____ aggregate principal amount of the Public Facilities Financing Authority of the City of San Diego Lease Revenue Bonds Series ____ (Capital Improvement Projects) (the "Bonds"). All capitalized terms used herein and not otherwise defined shall have the meanings given to such terms in the Bond Purchase Agreement.

The Bonds are issued pursuant to (i) Ordinance No. 20350 of the City Council of the City ("Council") adopted on February 12, 2014 and effective as of March 14, 2014 Approving the Forms of and Authorizing the Execution and Delivery of One or More Amendments to Site Lease, Amendments to Facilities Lease and Official Notice Inviting Bids; Authorizing the Execution, Delivery and Performance of One or More Supplemental Indentures by the Public Facilities Financing Authority of the City of San Diego; Authorizing the City Attorney to Appoint Bond Counsel and Disclosure Counsel; Approving and Authorizing the Issuance and Sale in One or More Series of the Authority's Lease Revenue Bonds; and Approving Other Documents and Actions in Connection Therewith ("Ordinance"); (ii) Resolution R-_____ of the Council adopted on _____, 20__ and approved for final passage on _____, 20__, Approving the Form and Authorizing the Distribution of the Preliminary Official Statement and Authorizing the Execution, Delivery and Distribution of the Official Statement in Connection with the Issuance and Sale by the Public Facilities Financing Authority of the City of San Diego of Its Lease Revenue Bonds, and (iii) a Resolution of the Board of Commissioners of the Authority adopted on _____, 20__, 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 (collectively, items (ii) and (iii) of this paragraph are referred to as the "Resolutions").

In rendering this opinion, we have examined certified copies of proceedings for the issuance of the Bonds, including: (i) the Ordinance, (ii) the Resolutions, (iii) the Continuing Disclosure Certificate, (iv) the Site Lease, (v) the Facilities Lease, (vi) the Bond Purchase Agreement and (vii) the form of Bonds and such other records, documents, certificates, opinions and other matters as are in our judgment necessary or appropriate to enable us to render the opinions expressed herein. As to relevant factual matters, we have relied upon, among other things, the City's factual representations contained in the City Legal Documents (as defined below) and the Official Statement. Collectively, the Bond Purchase Agreement, the Site Lease, the Facilities Lease and the Continuing Disclosure Certificate are referred to herein as the "City Legal Documents." The Ordinance and the Resolutions are collectively referred to as the "City Action."

We have assumed the genuineness of all signatures, the authenticity of all documents submitted to us as originals and the conformity with originals of all documents submitted to us as copies. To the extent the City's obligations depend on the enforceability of the City Legal Documents against the other parties thereto, we have assumed that the City Legal Documents are enforceable against such other parties.

From such examination, on the basis of our reliance upon the assumptions in this opinion and our consideration of those questions of law we considered relevant, and subject to the limitations and qualifications in this opinion, we are of the opinion that:

1. The City is duly organized and existing under its charter and the laws of the State of California.

2. The City Action was duly adopted at meetings of the City Council that were called and held pursuant to applicable law and with all public notice required by applicable law and at which a quorum, was present and acting throughout, and is in full force and effect and has not been amended or repealed.

3. To the best of our knowledge, no action, suit, proceeding, or investigation at law or in equity before or by any court, public board or body is pending in which service of process has been completed, or is threatened against or affecting the City: (a) to restrain or enjoin the execution, delivery or sale of the Bonds; or (b) the collection or payment of revenues or assets of the City to be used to pay the obligations of the City under the Facilities Lease, or the pledge thereof by the Authority; or (c) in any way contesting or materially affecting the validity or enforceability of the Bonds or the City Legal Documents; or (d) in any way contesting or affecting the existence of the City or the title of any executive officer of the City to such executive officer's office; or (e) contesting the power of the City or its authority with respect to the Bonds or the City Legal Documents; or (f) contesting the exclusion of interest on the Bonds from gross income for federal income tax purposes; or (g) contesting the completeness or accuracy of the Preliminary Official Statement or the Official Statement or any supplement or amendment thereto or asserting that the Preliminary Official Statement or the Official Statement contained any untrue statement of a material fact or omitted to state any material fact necessary in order to make the statements made therein, in the light of the circumstances in which they were made, not misleading.

4. The execution and delivery of the City Legal Documents, the adoption of the City Action and compliance by the City with the provisions of the foregoing under the circumstances contemplated thereby, do not and to the best of our knowledge will not in any material respect conflict with or constitute on the part of the City a violation or breach of, or constitute a default

under, (a) any agreement or other instrument to which the City is a party or by which it is bound (and of which we are aware after a reasonable investigation) and with respect to such conflict, breach or default would materially adversely affect the ability of the City to pay Base Rental Payments under the Facilities Lease, or (b) any existing law, regulation, court order or consent decree to which the City is subject and that we have, in the exercise of customary professional diligence, recognized as applicable to the City and the transactions contemplated by the City Legal Documents. If any such agreement or other instrument to which the City is a party or by which it is bound as described in this paragraph 4 is governed by the laws of a jurisdiction other than the State of California, we have assumed that such agreement or other instrument is governed by the laws of the State of California. We express no opinion as to the effect of the City's performance of its obligations under the City Legal Documents or the City's compliance with financial covenants in such other agreements or material instruments.

5. The City Legal Documents have been duly authorized, executed and delivered by the City and assuming due authorization, execution and delivery by the other parties thereto including the Representative, the City Legal Documents constitute legal, valid and binding obligations of the City, enforceable against the City in accordance with their respective terms, subject to bankruptcy, insolvency, reorganization, moratorium, fraudulent conveyance and other laws relating to or affecting creditors' rights generally, to the exercise of judicial discretion in appropriate cases, to the limitations on legal remedies against municipal corporations in the State of California and to the application of equitable principles if equitable remedies are sought.

6. No authorization, approval, consent or other order of the United States of America, the State of California, or other governmental authority or agency within the State of California having jurisdiction over the City is required for the valid execution, delivery or performance by the City of the City Legal Documents or for the adoption of the City Action which has not been obtained, except for such actions as may be necessary to be taken to qualify the Bonds for offer and sale under the Blue Sky or other securities laws and regulations of any state or jurisdiction of the United States of America, as to which no opinion is expressed.

The matters set forth in paragraphs 3 and 4 (other than with respect to conflicts) are factual confirmations and not legal opinions. For purposes of the matters set forth in paragraph 4, we have assumed that the City will not in the future take any discretionary action (including a decision not to act) permitted by the City Legal Documents that would cause the adoption by the Council of the City Action or the execution and delivery by the City of the City Legal Documents to violate any State of California or City constitutional provision, existing State of California law, charter, ordinance, regulation, decree, order or resolution, or conflict in any material respect with, or constitute a violation or breach of or default under any agreement, or other instrument to which the City is subject to or by which it is bound, or require an approval, consent or authorization to be obtained from a State of California or City governmental authority.

We express no opinion with respect to any indemnification, contribution, penalty, choice of law, choice of forum, choice of venue, severability or waiver provisions contained in the City Legal Documents.

We express no opinion as to any provision requiring written amendments or waivers insofar as it suggests that oral or other modifications, amendments or waivers could not be effectively agreed upon by the parties or that the doctrine of promissory estoppel might not apply.

A court may refuse to enforce a provision of the City Legal Documents if it deems that such provision is in violation of public policy. No opinion is being given as to the availability of any particular remedy.

The law covered by this opinion is limited to the present laws of the State of California and we express no opinion as to the laws of any other jurisdiction.

The opinions expressed herein are matters of professional judgment and are not a guaranty or warranty of any result whatsoever.

This opinion may be relied on by you only in connection with the issuance of the Bonds. It may not be used or relied upon for any other purpose or by any other person, nor may copies be delivered to any other person, without in each instance our prior written consent, provided however, that it may be included in the transcript of record of proceedings relating to the issuance of the Bonds. This opinion is expressly limited to the matters set forth above, and we render no opinion, whether by implication or otherwise, as to any other matters. This letter speaks only as of the date hereof and we assume no obligation to update or supplement this opinion to reflect any facts or circumstances that arise after the date of this opinion and come to our attention, or any future changes in laws, rules or regulations.

This opinion is given in an official capacity only, and not personally, and no personal liability shall derive or result from this opinion.

Sincerely yours,

JAN I. GOLDSMITH, City Attorney

APPENDIX D

ISSUE PRICE CERTIFICATE OF THE REPRESENTATIVE

This Certificate is furnished by _____ (the "Representative"), as representative of itself and _____ (collectively, the "Underwriters"), in connection with the issuance by the Public Facilities Financing Authority (the "Authority") of \$_____ aggregate principal amount of Public Facilities Financing Authority of the City of San Diego Lease Revenue Bonds Series ____ (Capital Improvement Projects) (the "Series ____ Bonds") on _____, 20____, and the Representative hereby certifies and represents the following, based upon information available to us:

1. Based on our assessment of the then prevailing market conditions, the Representative reasonably expected when it agreed to purchase the Series ____ Bonds on _____, 20____ (the "Sale Date") that the first prices at which at least 10% of each maturity of the Series ____ Bonds would be sold by the Underwriters to the general public (excluding bond houses, brokers or similar persons or organizations acting in the capacity of underwriters or wholesales) (the "Public") would be prices not higher than, or, in the case of obligations sold on a yield basis, at yields not lower than, those listed for each maturity on Schedule A hereto (the "Initial Offering Prices").

2. As of the Sale Date, all of the Series ____ Bonds were reasonably expected to be offered and have actually been offered to the Public in a bona fide public offering at prices not higher than, or, in the case of obligations sold on a yield basis, at yields not lower than, the Initial Offering Prices.

3. The first price, or yield in the case of the obligations sold on a yield basis, at which at least ten percent (10%) of each maturity of the Series ____ Bonds has been sold to the Public was at a price not higher than, or, in the case of obligations sold on a yield basis, at a yield not lower than, the Initial Offering Prices [except for the Series ____ Bonds with the following maturities:]. [For the Series ____ Bonds maturing on _____ 1, 20____, the Representative had no reason to believe that such maturity would be initially sold to the Public at an initial offering price greater than the respective Initial Reoffering Price.] [Further explanation of this failure.]

4. The Representative had no reason to believe that any of the Initial Offering Prices of the Series ____ Bonds exceeded the expected fair market value of the Series ____ Bonds as of the Sale Date.

5. The aggregate of the initial offering prices of the Series ____ Bonds was not greater than \$_____, taking into account net premium on the Series ____ Bonds.

We understand that the foregoing information will be relied upon by the Authority and The City of San Diego (the "City") with respect to certain of the representations set forth in the Tax Certificate and by Stradling Yocca Carlson & Rauth, a Professional Corporation, in connection with rendering its opinion to the Authority and the City that the interest on the Series ____ Bonds is not includable in gross income of the owners thereof for federal income tax purposes. The undersigned is certifying only as to facts in existence on the date hereof. Nothing herein represents the undersigned's interpretation of any laws; in particular the regulations under the Internal Revenue Code of 1986, or the application of any laws to these facts. The certifications contained herein are

not necessarily based on personal knowledge, but may instead be based on either inquiry deemed adequate by the undersigned or institutional knowledge (or both) regarding the matters set forth herein. Although certain information furnished in this Certificate has been derived from other purchasers, bond houses and brokers and cannot be independently verified by us, we have no reason to believe it to be untrue in any material respect.

_____,
on behalf of itself and as Representative of the
Underwriters

By: _____
[Name]
[Title]

Dated: _____, 20__

RECORDING REQUESTED BY AND
WHEN RECORDED MAIL TO:

Attn: Robert J. Whalen
Stradling Yocca Carlson & Rauth, a Professional
Corporation
660 Newport Center Drive, Suite 1600
Newport Beach, CA 92660

(Space above for Recorder's Use)

This document is recorded for the benefit of the City of San Diego and the recording is fee-exempt under Section 6103 of the California Government Code.

THIRD AMENDMENT TO FACILITIES LEASE

Dated as of _____, 20__
amending and supplementing the

FACILITIES LEASE

Dated as of July 1, 2012
as amended as of July 1, 2013 and April 1, 2014
and _____, 20__

by and between

**PUBLIC FACILITIES FINANCING AUTHORITY
OF THE CITY OF SAN DIEGO**

and

THE CITY OF SAN DIEGO

Relating to the

§ _____
**PUBLIC FACILITIES FINANCING AUTHORITY OF THE CITY OF SAN DIEGO
LEASE REVENUE BONDS
SERIES _____
(CAPITAL IMPROVEMENT PROJECTS)**

TABLE OF CONTENTS

	Page
ARTICLE I DEFINITIONS.....	2
Section 1.01 Definitions	2
Section 1.02 Actions by Authority and City	4
ARTICLE II AMENDMENTS	4
Section 2.01 Amendment to Leased Property in Exhibit A	4
Section 2.02 Amendment to Base Rental Payment Schedule in Exhibit B.....	4
Section 2.03 Amendment to Base Rental Payments Attributable to Ground Lease Sites in Exhibit C.....	4
ARTICLE III REPRESENTATIONS, COVENANTS AND WARRANTIES	5
Section 3.01 Representations, Covenants and Warranties of the City	5
Section 3.02 Representations, Covenants and Warranties of the Authority.....	6
ARTICLE IV USE OF PROCEEDS; TAX COVENANTS.....	7
Section 4.01 Use of Proceeds of the Series ____ Bonds	7
Section 4.02 Continuing Disclosure for the Series ____ Bonds	7
Section 4.03 Tax Covenants for the Series ____ Bonds	8
ARTICLE V MISCELLANEOUS	9
Section 5.01 Survival of Master Facilities Lease	9
Section 5.02 Binding Effect	9
Section 5.03 Third Party Beneficiaries.....	9
Section 5.04 Partial Invalidity	9
Section 5.05 California Law.....	9
Section 5.06 Section Headings	9
Section 5.07 Execution in Counterparts	9
EXHIBIT A LEGAL DESCRIPTION	A-1-1
EXHIBIT B BASE RENTAL PAYMENT SCHEDULE	B-1
EXHIBIT C BASE RENTAL PAYMENTS ATTRIBUTABLE TO GROUND LEASE SITES	C-1

THIRD AMENDMENT TO FACILITIES LEASE

This Third Amendment to Facilities Lease (the "Third Amendment to Facilities Lease"), dated as of _____, 20__, is by and between the PUBLIC FACILITIES FINANCING AUTHORITY OF THE CITY OF SAN DIEGO, a joint exercise of powers entity duly organized and existing under and by virtue of the laws of the State of California (the "Authority"), as sublessor, and THE CITY OF SAN DIEGO, a municipal corporation duly organized and existing under its charter and laws of the State of California (the "City"), as sublessee, and supplements and amends the Facilities Lease, dated as of July 1, 2012 (the "Master Facilities Lease"), as amended and supplemented by the First Amendment to Facilities Lease, dated as of July 1, 2013 (the "First Amendment to Facilities Lease"), and the Second Amendment to Facilities Lease, dated as of April 1, 2014 (the "Second Amendment to Facilities Lease"), by and between the Authority and the City (together, as supplemented and amended by this Third Amendment to Facilities Lease, the "Lease"). The Master Facilities Lease was recorded in the Official Records of the County of San Diego on July 2, 2012 as Instrument No. 2012-0382823, the First Amendment to Facilities Lease was recorded on July 10, 2013 as Instrument No. 2013-0430508 and the Second Amendment to Facilities Lease was recorded on _____, 2014 as Instrument No. _____. (Capitalized terms used in the Whereas clauses and not defined therein shall have the meanings provided in the Master Lease and in Section 1.01 hereof.)

WITNESSETH:

WHEREAS, the Authority and Wells Fargo Bank, National Association, as trustee (the "Trustee"), have entered into an Indenture, dated as of July 1, 2012 (the "Master Indenture"), as supplemented by the First Supplemental Indenture (the "First Supplemental Indenture"), dated as of July 1, 2013, and the Second Supplemental Indenture (the "Second Supplemental Indenture"), dated as of April 1, 2014, providing for the issuance of various series of bonds secured on a parity thereunder (the "Prior Bonds"); and

WHEREAS, in order to provide for the payment of the Prior Bonds, the City and the Authority have entered into the Site Lease (the "Master Site Lease"), dated as of July 1, 2012, as amended and supplemented by the First Amendment to Site Lease (the "First Amendment to Site Lease"), dated as of July 1, 2013, and the Second Amendment to Site Lease (the "Second Amendment to Site Lease"), dated as of April 1, 2014, pursuant to which the City leased to the Authority certain real property belonging to the City, together with the City owned improvements located thereon, as described in Exhibit A thereto (collectively, the "Original Leased Property"), and the Master Facilities Lease pursuant to which the Authority leased to the City the Original Leased Property and the MTS Property; and

WHEREAS, pursuant to Section 2.13 of the Master Indenture, the Authority may at any time issue Additional Bonds pursuant to a Supplemental Indenture; and

WHEREAS, the City has determined it is in the public interest and will benefit the inhabitants of the City that the City finance the costs of the acquisition, design, construction, installation, improvement, replacement and equipping of certain capital improvement projects of the City (collectively, the "20__ Project"); and

WHEREAS, to finance the 20__ Project, the City and the Authority will enter into a Third Amendment to Site Lease, dated as of even date herewith (the "Third Amendment to Site Lease"),

which supplements and amends the Master Site Lease (as amended and supplemented by the First Amendment to Site Lease, the Second Amendment to Site Lease and the Third Amendment to Site Lease, the "Site Lease"), pursuant to which the City will lease to the Authority the Original Leased Property and certain additional real property belonging to the City, together with the City owned improvements located thereon (collectively, the "City Property"), and into this Third Amendment to Facilities Lease pursuant to which the Authority will sublease the City Property and the MTS Property (together, the "Leased Property" as more particularly described in Exhibit A hereto) to the City and the City is required to make Base Rental Payments sufficient to pay debt service on the Prior Bonds and the Authority's \$ _____ Lease Revenue Bonds, Series ____ (Capital Improvement Projects) (the "Series ____ Bonds"); and

WHEREAS, to provide funds to finance the 20__ Project, the City has requested the Authority to issue the Series ____ Bonds pursuant to the Master Indenture, as supplemented and amended by a Third Supplemental Indenture (the "Third Supplemental Indenture," and, together with the Master Indenture, the First Supplemental Indenture and the Second Supplemental Indenture, the "Indenture"), each by and between the Authority and the Trustee; and

WHEREAS, in recognition of the additional real property included in the Leased Property hereunder the Base Rental Payments shall be increased from those set forth in the Master Facilities Lease; and

WHEREAS, the City is authorized by its Charter and other applicable law to lease the City Property to the Authority pursuant to the Site Lease, and to lease the Leased Property from the Authority pursuant to this Lease and to consummate the financing of the 20__ Project; and has determined that the 20__ Project and the lease of the Leased Property is a necessary and proper public purpose; and

WHEREAS, all acts, conditions and things required by law to exist, to have happened and to have been performed precedent to and in connection with the execution and entering into of this Third Amendment to Facilities Lease do exist, have happened and have been performed in a regular and due time, form and manner as required by law, and the parties hereto are now duly authorized to execute and enter into this Third Amendment to Facilities Lease.

NOW, THEREFOR, IN CONSIDERATION OF THE PREMISES AND OF THE MUTUAL AGREEMENTS AND COVENANTS CONTAINED HEREIN AND FOR OTHER VALUABLE CONSIDERATION, THE RECEIPT OF WHICH IS HEREBY ACKNOWLEDGED, THE PARTIES HERETO DO HEREBY AGREE AS FOLLOWS:

ARTICLE I

DEFINITIONS

Section 1.01 Definitions. Except as otherwise provided in Section 1.01 of this Third Amendment to Facilities Lease, all terms used herein which are defined in the Master Facilities Lease as amended by the First Amendment to Facilities Lease and the Second Amendment to Facilities Lease shall have the meanings assigned to them therein. Unless the context otherwise requires, the terms defined in this Section shall for all purposes hereof and of any supplement and amendment of the Lease have the meanings herein specified. All other capitalized terms used herein without definition shall have the meanings as set forth in the Indenture.

“20__ Project” means the financing of the costs of the acquisition, construction, installation and equipping of certain capital improvement projects of the City.

“Base Rental Payment Schedule” means the schedule of Base Rental Payments attached hereto as Exhibit B, as from time to time amended as permitted in the Lease.

“Bonds” means the Prior Bonds, the Series 2014A Bonds, the Series ____ Bonds, and all Additional Bonds.

“Closing Date” means, with respect to the Series ____ Bonds, the date the Series ____ Bonds are issued and delivered to the initial purchasers thereof.

“Expiry Date” means _____, 20__, except as extended or sooner terminated or extended pursuant to Sections 4.01 or 6.04 of the Master Facilities Lease, or such other date or dates as set forth in an amendment to the Lease.

“Indenture” means the Master Indenture, as originally executed and as it may from time to time be amended or supplemented in accordance with the terms thereof, including as supplemented and amended by the First Supplemental Indenture, the Second Supplemental Indenture and the Third Supplemental Indenture.

“Lease” means the Facilities Lease, dated as of July 1, 2012, by and between the Authority and the City, as initially executed and as it may from time to time be amended or supplemented in accordance with the terms hereof, including as supplemented and amended by the First Amendment to Facilities Lease, the Second Amendment to Facilities Lease and this Third Amendment to Facilities Lease.

“Lease Payment Date” means, with respect to the Series ____ Bonds, April 10 and October 10 of each year commencing _____, 20__.

“Lease Year” means, with respect to the Series ____ Bonds, the period from April 16 to and including the following April 15, during the term hereof; except that the initial Lease Year means the period from the respective Closing Date to and including _____, 20__.

“MTS Property” means the real property of the San Diego Metropolitan Transit System leased to the Authority pursuant to the MTS Site Lease.

“MTS Site Lease” means the Site Lease, dated as of July 1, 2013, by and between the Authority and MTS, under which MTS leases the MTS Property to the Authority, as originally executed and as it may from time to time be amended or supplemented in accordance with the terms thereof.

“Prior Bonds” means the Series 2012 Bonds, the Series 2013 Bonds and the Series 2014A Bonds.

“Series 2012 Bonds” means, collectively, the Series 2012A Bonds and the Series 2012B Bonds.

“Series 2012A Bonds” means the Authority’s Lease Revenue Bonds, Series 2012A (Capital Improvement Projects).

“Series 2012B Bonds” means the Authority’s Lease Revenue Refunding Bonds, Series 2012B (Fire and Life Safety Facilities Refunding).

“Series 2013 Bonds” means, collectively, the Series 2013A Bonds and the Series 2013B Bonds.

“Series 2013A Bonds” means the Authority’s Lease Revenue Bonds and Lease Revenue Refunding Bonds, Series 2013A (Capital Improvement Projects and Old Town Light Rail Extension Refunding).

“Series 2013B Bonds” means the Authority’s Lease Revenue Refunding Bonds, Series 2013B (Balboa Park/Mission Bay Park Refunding).

“Series 2014A Bonds” means the Authority’s Lease Revenue Bonds, Series 2014A (Capital Improvement Projects).

“Series ____ Bonds” means the Authority’s Lease Revenue Bonds, Series ____ (Capital Improvement Projects).

“Site Lease” means that the Site Lease, dated as of July 1, 2012, by and between the City and the Authority, under which the City leases the City Property to the Authority, as originally executed and as it may from time to time be amended or supplemented in accordance with the terms thereof, including as supplemented and amended by the First Amendment to Site Lease, the Second Amendment to Site Lease and the Third Amendment to Site Lease.

“Tax Certificate” means, with respect to the Series ____ Bonds, the tax certificate of the Authority and City.

Section 1.02 Actions by Authority and City. Except as otherwise expressly provided herein, for all purposes of the Lease and the Site Lease, the Authorized Representative of the Authority shall be authorized to act upon behalf of the Authority, and the Authorized Representative of the City shall be authorized to act upon behalf of the City.

ARTICLE II

AMENDMENTS

Section 2.01 Amendment to Leased Property in Exhibit A. The Leased Property as shown in Exhibit A of the Master Facilities Lease is hereby amended and supplemented by deleting Exhibit A in its entirety and substituting the attached Exhibit A therefor.

Section 2.02 Amendment to Base Rental Payment Schedule in Exhibit B. The Base Rental Schedule as shown in Exhibit B of the Master Facilities Lease is hereby amended and supplemented by deleting Exhibit B in its entirety and substituting the attached Exhibit B therefor.

Section 2.03 Amendment to Base Rental Payments Attributable to Ground Lease Sites in Exhibit C. The Base Rental Payments Attributable to Ground Lease Sites as shown in Exhibit C of the Master Facilities Lease is hereby amended and supplemented by deleting Exhibit C in its entirety and substituting the attached Exhibit C therefor.

ARTICLE III

REPRESENTATIONS, COVENANTS AND WARRANTIES

Section 3.01 Representations, Covenants and Warranties of the City. The City makes the following representations, covenants and warranties to the Authority as of the date of the execution and delivery of this Third Amendment to Facilities Lease:

(a) The City is a municipal corporation and chartered city duly organized and validly existing under the laws of the State of California.

(b) The City's Charter and other applicable laws of the State of California authorize the City to enter into this Third Amendment to Facilities Lease and the Third Amendment to Site Lease and to enter into the transactions contemplated by and to carry out its obligations under each of the aforesaid agreements, and by proper action the City has duly authorized and executed each of the aforesaid agreements in accordance with the City's Charter and other applicable laws of the State of California.

(c) The representatives of the City executing this Third Amendment to Facilities Lease and the Third Amendment to Site Lease have been fully authorized to execute the same pursuant to an ordinance duly adopted by the City Council of the City.

(d) The Lease and the Site Lease have been duly authorized, executed and delivered by the City and constitute the legal, valid and binding obligations of the City enforceable against the City in accordance with their respective terms.

(e) The execution and delivery of this Third Amendment to Facilities Lease and the Third Amendment to Site Lease, the consummation of the transactions herein and therein contemplated and the fulfillment of or compliance with the terms and conditions hereof and thereof, do not and will not conflict with or constitute a violation or breach of or default (with due notice or the passage of time or both) under any applicable law or administrative rule or regulation, or any applicable court or administrative decree or order, or any indenture, mortgage, deed of trust, lease, contract or other agreement or instrument to which the City is a party or by which it or its properties are otherwise subject or bound, or result in the creation or imposition of any prohibited lien, charge or encumbrance of any nature whatsoever upon any of the property or assets of the City, which conflict, violation, breach, default, lien, charge or encumbrance would have consequences that would materially and adversely affect the consummation of the transactions contemplated by this Third Amendment to Facilities Lease and the Third Amendment to Site Lease, or the financial condition, assets, properties or operations of the City.

(f) No consent or approval of any trustee or holder of any indebtedness of the City or of the voters of the City, and no consent, permission, authorization, order or license of, or filing or registration with, any governmental authority is necessary in connection with the execution and delivery of this Third Amendment to Facilities Lease and the Third Amendment to Site Lease, or the consummation of any transactions herein or therein contemplated, except as have been obtained or made and as are in full force and effect.

(g) There is no action, suit, proceeding, inquiry or investigation before or by any court or federal, state, municipal or other governmental authority pending or, to the knowledge of the City

after reasonable investigation, threatened against or affecting the City or the assets, properties or operations of the City which, if determined adversely to the City or its interests, would have a material and adverse effect upon the consummation of the transactions contemplated by or the validity of this Third Amendment to Facilities Lease, the Third Amendment to Site Lease, or the Third Supplemental Indenture, or upon the financial condition, assets, properties or operations of the City, and the City is not in default with respect to any order or decree of any court or any order, regulation or demand of any federal, state, municipal or other governmental authority, which default might have consequences that would materially and adversely affect the consummation of the transactions contemplated by this Third Amendment to Facilities Lease, the Third Amendment to Site Lease, or the Third Supplemental Indenture, or the financial conditions, assets, properties or operations of the City.

(h) The lease and use of the City Property by the City are essential to the purposes of the City.

(i) The City acknowledges that the portion of Base Rental Payments hereunder attributable to the Mission Bay Site will be deemed to be within the "threshold amount" as set forth in City Charter Section 55.2(b).

Section 3.02 Representations, Covenants and Warranties of the Authority. The Authority makes the following representations, covenants and warranties to the City as the basis for its undertakings herein contained:

(a) The Authority is a joint exercise of powers authority duly organized, existing and in good standing under and by virtue of the laws of the State of California; has power to enter into this Third Amendment to Facilities Lease, the Third Amendment to Site Lease and the Third Supplemental Indenture (collectively, the "Authority Documents"); is possessed of full power to own and hold real and personal property and to lease and sell the same; and has duly authorized the execution and delivery of all of the aforesaid agreements and such agreements constitute the legal, valid and binding obligations of the Authority, enforceable against the Authority in accordance with their respective terms.

(b) The Authority will not pledge the Base Rental Payments or other amounts derived from the Leased Property and from its other rights under the Lease, and will not encumber the Leased Property, except as provided under the terms of the Lease and the Indenture.

(c) The representatives of the Authority executing the Authority Documents are fully authorized to execute the same pursuant to official action taken by the governing body of the Authority.

(d) The Lease, the Site Lease, the MTS Site Lease, and the Indenture have been authorized, executed and delivered by the Authority and constitute the legal, valid and binding agreements of the Authority, enforceable against the Authority in accordance with their respective terms.

(e) The execution and delivery of the Authority Documents, the consummation of the transactions herein and therein contemplated and the fulfillment of or compliance with the terms and conditions hereof, do not and will not conflict with or constitute a violation or breach of or default (with due notice or the passage of time or both) under any applicable law or administrative rule or

regulation, or any applicable court or administrative decree or order, or any indenture, mortgage, deed of trust, lease, contractor other agreement or instrument to which the Authority is a party or by which it or its properties are otherwise subject or bound, or result in the creation or imposition of any prohibited lien, charge or encumbrance of any nature whatsoever upon any of the property or assets of the Authority, which conflict, violation, breach, default, lien, charge or encumbrance would have consequences that would materially and adversely affect the consummation of the transactions contemplated by the Authority Documents or the financial condition, assets, properties or operations of the Authority.

(f) No consent or approval of any trustee or holder of any indebtedness of the Authority, and no consent, permission, authorization, order or license of, or filing or registration with, any governmental authority is necessary in connection with the execution and delivery of the Authority Documents, or the consummation of any transaction herein or therein contemplated, except as have been obtained or made and as are in full force and effect.

(g) There is no action, suit, proceeding, inquiry or investigation before or by any court or federal, state, municipal or other governmental authority pending or, to the knowledge of the Authority after reasonable investigation, threatened against or affecting the Authority or the assets, properties or operations of the Authority which, if determined adversely to the Authority or its interests, would have a material and adverse effect upon the consummation of the transactions contemplated by or the validity of the Authority Documents, or upon the financial condition, assets, properties or operations of the Authority, and the Authority is not in default with respect to any order or decree of any court or any order, regulation or demand of any federal, state, municipal or other governmental authority, which default might have consequences that would materially and adversely affect the consummation of the transactions contemplated by the Authority Documents, or the financial conditions, assets, properties or operations of the Authority.

(h) Except as provided in the Lease and in the Indenture, the Authority will not assign the Site Lease or the Lease, its right to receive Base Rental Payments from the City, or its duties and obligations under the Site Lease or the Lease to any other person, firm or corporation so as to impair or violate the representations, covenants and warranties contained herein and therein.

ARTICLE IV

USE OF PROCEEDS; TAX COVENANTS

Section 4.01 Use of Proceeds of the Series ____ Bonds. The parties hereto agree that the proceeds of the Series ____ Bonds will be used to pay the costs of the 20__ Project and to pay for costs of issuance of the Series ____ Bonds.

Section 4.02 Continuing Disclosure for the Series ____ Bonds. The City hereby covenants and agrees that it will comply with and carry out all of the provisions of the Continuing Disclosure Certificate executed and delivered by the City in connection with the issuance of the Series ____ Bonds (the "2014__ Continuing Disclosure Certificate"). Notwithstanding any other provision of the Lease, failure of the City to comply with the 2014__ Continuing Disclosure Certificate shall not constitute an Event of Default hereunder and thereunder; provided, however, the Trustee, to the extent indemnified from and against any cost, liability or expense, may (and, at the request of any Participating Underwriter (as defined in the 2014__ Continuing Disclosure Certificate) or the Owners or beneficial owner of at least 25% aggregate principal amount of Outstanding

Series ____ Bonds, shall) or any such Owner or beneficial owner may, take such actions as may be necessary and appropriate, to cause the City to comply with the provisions of the 2014__ Continuing Disclosure Certificate.

Section 4.03 Tax Covenants for the Series ____ Bonds. (a) The City covenants that it will use, and will restrict the use and investment of, the proceeds of the Series ____ Bonds in such manner and to such extent as may be necessary so that: (1) the Series ____ Bonds will not (A) constitute private activity bonds, arbitrage bonds or hedge bonds under Section 141, 148 or 149 of the Code, or (B) be treated other than as obligations to which Section 103 of the Code applies, and (ii) the interest thereon will not be treated as a preference item for purposes of the federal alternative minimum tax.

(b) The City further covenants (i) that it will take or cause to be taken such actions that may be required of it for the interest on the Series ____ Bonds to be and remain excluded from gross income for federal income tax purposes, (ii) that it will not take or authorize to be taken any actions that would adversely affect that exclusion, and (iii) that it, or persons acting for it, will, among other acts of compliance, (A) apply the proceeds of the Series ____ Bonds to governmental purposes, (B) restrict the yield on investment property, (C) make timely and adequate payments to the federal government as required under the Tax Certificate, (D) maintain books and records and make calculations and reports, and (E) refrain from certain uses of those proceeds and, as applicable, of property financed with such proceeds, all in such manner and to the extent necessary to assure such exclusion of that interest under the Code.

(c) The Authorized Representative of the City is hereby authorized: (i) to make or effect any election, selection, designation, choice, consent, approval, or waiver on behalf of the City with respect to the Series ____ Bonds as the City is permitted or required to make or give under the federal income tax laws, including, without limitation thereto, any of the elections provided for in Section 148(f)(4)(B) and (C) of the Code or available under Section 148 of the Code, for the purpose of assuring, enhancing or protecting favorable tax treatment or status of the Series ____ Bonds or interest thereon or assisting compliance with requirements for the purpose, reducing the burden or expense of such compliance, reducing the rebate amount or payments of penalties or making payments of special amounts in lieu of making computations determined by that officer, which action shall be in writing and signed by the Authorized Representative, (ii) to take any and all other actions, make or obtain calculations, make payments and make or give reports, covenants and certifications of and on behalf of the City, as may be appropriate to assure the exclusion of interest from gross income and the intended tax status of the Series ____ Bonds, and (iii) to set forth in the Tax Certificate and/or in one or more appropriate certificates of the City, for inclusion in the transcript of proceedings for the Series ____ Bonds, the reasonable expectations of the City regarding the amount and use of all the proceeds of the Series ____ Bonds, the facts, circumstances and estimates on which they are based, and other facts and circumstances relevant to the tax treatment of the interest represented by the Series ____ Bonds.

(d) The City may create, or may direct the Trustee to create, such accounts or sub-accounts in any fund or account held under the Indenture as it shall deem necessary or advisable in order to comply with the foregoing covenants and the Tax Certificate.

ARTICLE V

MISCELLANEOUS

Section 5.01 Survival of Master Facilities Lease. Except as otherwise amended hereby, the Master Facilities Lease as amended by the First Amendment to Facilities Lease and the Second Amendment to Facilities Lease shall remain in full force and effect.

Section 5.02 Binding Effect. This Third Amendment to Facilities Lease shall inure to the benefit of and shall be binding upon the Authority and the City and their respective successors and assigns.

Section 5.03 Third Party Beneficiaries. The Trustee is hereby designated as a third party beneficiary hereunder for the purpose of enforcing any of the rights hereunder assigned to the Trustee under the Indenture and for the purpose of the Trustee enforcing its own rights.

Section 5.04 Partial Invalidity. If any one or more of the agreements, conditions, covenants or terms hereof shall to any extent be declared invalid, unenforceable, void or voidable for any reason whatsoever by a court of competent jurisdiction, the finding or order or decree of which becomes final, none of the remaining agreements, conditions, covenants or terms hereof shall be affected thereby, and each provision of this Third Amendment to Facilities Lease shall be valid and enforceable to the fullest extent permitted by law.

If for any reason this Third Amendment to Facilities Lease shall be held by a court of competent jurisdiction to be void, voidable or unenforceable by the Trustee or by the City, or if for any reason it is held by such a court that any of the covenants and agreements of the City hereunder, including the covenant to pay Base Rental Payments hereunder, is unenforceable for the full term hereof, then and in such event for and in consideration of the right of the City to possess, occupy and use the Leased Property, which right in such event is hereby granted, this Lease shall thereupon become and shall be deemed to be a lease under which the Base Rental Payments due in any fiscal year of the City are subject to annual appropriation and are to be paid by the City annually in consideration of the right of the City to possess, occupy, and use the Leased Property, and all of the rental and other terms, provisions, and conditions of this Lease, except to the extent that such terms, provisions, and conditions are contrary to or inconsistent with such holding, shall remain in full force and effect.

Section 5.05 California Law. This Third Amendment to Facilities Lease shall be governed by and construed and interpreted in accordance with the laws of the State of California.

Section 5.06 Section Headings. All section headings contained herein are for convenience of reference only and are not intended to define or limit the scope of any provision hereof.

Section 5.07 Execution in Counterparts. This Third Amendment to Facilities Lease may be executed in any number of counterparts, each of which shall be deemed to be an original, and all of which together shall constitute but one and the same instrument. It is also agreed that the Authority and City may each execute separate counterparts of this Third Amendment to Facilities Lease, all with the same force and effect as though both had executed the same counterpart.

IN WITNESS WHEREOF, the parties hereto have executed and entered into this Third Amendment to Facilities Lease by their officers thereunto duly authorized as of the day and year first written above.

PUBLIC FACILITIES FINANCING
AUTHORITY OF THE CITY OF SAN DIEGO

By _____,
_____, Chair

ATTEST:

By _____
Elizabeth Maland, Secretary

APPROVED AS TO FORM AND LEGALITY:

JAN I. GOLDSMITH, General Counsel

By _____
Brant C. Will, Deputy General Counsel

THE CITY OF SAN DIEGO

By _____
Mary Lewis, Chief Financial Officer

ATTEST:

By _____
Elizabeth Maland, City Clerk

APPROVED AS TO FORM AND LEGALITY:

JAN I. GOLDSMITH, City Attorney

By _____
Brant C. Will, Deputy City Attorney

STATE OF CALIFORNIA
COUNTY OF SAN DIEGO

)
) §
)

On _____ before me, _____, a Notary Public, personally appeared _____, who proved to me on the basis of satisfactory evidence to be the person(s) whose names(s) is/are subscribed to the within instrument and acknowledged to me that he/she/they executed the same in his/her/their authorized capacity(ies), and that by his/her/their signature(s) on the instrument the person(s), or the entity upon behalf of which the person(s) acted, executed the instrument.

I certify under PENALTY OF PERJURY under the laws of the State of California that the foregoing paragraph is true and correct.

WITNESS my hand and official seal

Signature of Notary Public

[Affix seal here]

STATE OF CALIFORNIA)
) §
COUNTY OF SAN DIEGO)

On _____ before me, _____, a Notary Public, personally appeared _____, who proved to me on the basis of satisfactory evidence to be the person(s) whose names(s) is/are subscribed to the within instrument and acknowledged to me that he/she/they executed the same in his/her/their authorized capacity(ies), and that by his/her/their signature(s) on the instrument the person(s), or the entity upon behalf of which the person(s) acted, executed the instrument.

I certify under PENALTY OF PERJURY under the laws of the State of California that the foregoing paragraph is true and correct.

WITNESS my hand and official seal

Signature of Notary Public

[Affix seal here]

EXHIBIT A

DESCRIPTION OF LEASED PROPERTY

DESCRIPTION A-1: Commonly described as the site of the Hilton San Diego Resort

LEGAL DESCRIPTION

PARCEL 1:

THAT PARCEL OF LAND IN THE CITY OF SAN DIEGO, COUNTY OF SAN DIEGO, STATE OF CALIFORNIA, BEING A PORTION OF THE TIDELANDS AND SUBMERGED OR FILLED LANDS OF FALSE BAY, ALSO KNOWN AS MISSION BAY, AND INCLUDING ANY PORTION OF THE PUEBLO LANDS OF SAN DIEGO, ACCORDING TO MAP THEREOF BY JAMES PASCOE, A COPY OF WHICH IS ON FILE IN THE OFFICE OF THE COUNTY RECORDER OF SAID COUNTY AND IS KNOWN AS MISCELLANEOUS MAP NO. 36, DESCRIBED AS FOLLOWS:

BEGINNING AT THE SOUTHEAST CORNER OF LOT 24 OF BLOCK 10 IN THE RESUBDIVISION OF BLOCKS 7, 8 AND 10, A PORTION OF BLOCK 9 AND LOT A INSPIRATION HEIGHTS, ACCORDING TO MAP THEREOF NO. 1700 FILED IN THE OFFICE OF THE COUNTY RECORDER OF SAID COUNTY; THENCE ALONG THE SOUTHERLY LINE OF SAID LOT SOUTH 89°55'56" WEST (RECORD NORTH 89°59' WEST) 25 FEET TO A POINT OF A TANGENT CURVE IN THE BOUNDARY OF SAID LOT; THENCE SOUTH 0°04'04" EAST 2 FEET TO A LINE WHICH IS PARALLEL WITH AND 2 FEET SOUTHERLY AT RIGHT ANGLES FROM THE SOUTHERLY LINE OF SAID BLOCK 10; THENCE ALONG SAID PARALLEL LINE NORTH 89°55'56" EAST 249.70 FEET; THENCE NORTH 5°30'02" WEST, 104.06 FEET TO THE UNITED STATES COAST AND GEODETIC SURVEY, TRIANGULATION STATION "OLD TOWN" (THE LAMBERT GRID COORDINATES CALIFORNIA ZONE 6 FOR SAID STATION "GOLD TOWN" ARE X EQUALS 1,712,415.69 AND Y EQUALS 213,820.33), SAID STATION "OLD TOWN" BEING THE POINT OF ORIGIN FOR THE SAN DIEGO CITY ENGINEERS MISSION BAY PARK COORDINATE SYSTEM; THENCE NORTH 27°48'28" WEST 13,663.23 FEET TO THE UNITED STATES COAST AND GEODETIC SURVEY TRIANGULATION STATION "MORENA" THE LAMBERT GRID COORDINATES, CALIFORNIA ZONE 6 FOR STATION "MORENA" ARE X EQUALS 1,706,149.86 AND Y EQUALS 225,961.33, THE MISSION BAY PARK COORDINATES FOR SAID STATION "MORENA" BEING NORTH 12,085.37 AND WEST 6373.96; THENCE SOUTH 30°46'38" WEST 1517.80 FEET TO THE TRUE POINT OF BEGINNING, THE MISSION BAY PARK COORDINATES OF SAID TRUE POINT OF BEGINNING BEING NORTH 10781.33 AND WEST 7150.62; THENCE SOUTH 12°12'51" WEST 316.00 FEET TO THE BEGINNING OF A TANGENT 2465 FOOT RADIUS CURVE CONCAVE EASTERLY; THENCE SOUTHERLY ALONG SAID CURVE 663.98 FEET THROUGH AN ANGLE OF 15°26' THENCE SOUTH 66°38'01" WEST 423.61 FEET; THENCE NORTH 27°26'54" WEST, 45.50 FEET TO A POINT ON A 19 FOOT RADIUS CURVE WHOSE CENTER BEARS NORTH 27°26'54" WEST FROM SAID POINT; THENCE SOUTHWESTERLY, WESTERLY, NORTHWESTERLY, NORTHERLY AND NORTHEASTERLY ALONG SAID CURVE 59.69 FEET THROUGH AN ANGLE OF 180°00'00"; THENCE RADially TO LAST SAID CURVE NORTH 27°26'54" WEST 132.80 FEET; THENCE NORTH 23°37'00" WEST 40.40 FEET;

THENCE NORTH 9°36'00" WEST 52.70 FEET; THENCE NORTH 1°23'00" EAST 57.30 FEET; THENCE NORTH 74°12'20" WEST 30.71 FEET TO THE BEGINNING OF A TANGENT 167 FOOT RADIUS CURVE CONCAVE NORTHEASTERLY; THENCE NORTHWESTERLY AND NORTHERLY ALONG SAID CURVE 249.08 FEET THROUGH AN ANGLE OF 85°27'20"; THENCE RADIALLY TO SAID CURVE NORTH 78°45'00" WEST 8.00 FEET; THENCE NORTH 11°15'00" EAST 16.00 FEET; THENCE SOUTH 78°45'00" EAST, 24.04 FEET; THENCE NORTH 1°45'00" EAST 57.84 FEET; THENCE NORTH 6°53'00" WEST 17.00 FEET; THENCE NORTH 11°02'00" WEST 50.60 FEET; THENCE NORTH 21°58'00" WEST 53.20 FEET; THENCE NORTH 29°32'00" WEST 56.40 FEET; THENCE NORTH 25°08'00" WEST 54.30 FEET; THENCE NORTH 17°18'00" WEST 19.80 FEET; THENCE NORTH 15°34'58" WEST 31.86 FEET TO A POINT ON A 1525.13 FOOT RADIUS CURVE WHOSE CENTER BEARS NORTH 82°49'22" EAST FROM SAID POINT; THENCE NORTHERLY ALONG SAID CURVE 84.96 FEET THROUGH AN ANGLE OF 3°11'30" TO THE BEGINNING OF A COMPOUND 2142.16 FOOT RADIUS CURVE CONCAVE EASTERLY; NORTHERLY ALONG SAID CURVE 55.46 FEET THROUGH AN ANGLE OF 1°29'99" TO A POINT ON A 19 FOOT RADIUS CURVE WHOSE CENTER BEARS NORTH 2°14'53" WEST FROM SAID POINT; THENCE WESTERLY, NORTHWESTERLY, NORTHERLY, NORTHEASTERLY, AND EASTERLY ALONG SAID CURVE 59.86 FEET THROUGH AN ANGLE OF 180°30'30" TO A POINT ON A 2142.16 FOOT RADIUS CURVE WHOSE CENTER BEARS NORTH 88°30'52" EAST FROM SAID POINT; THENCE NORTHERLY ALONG SAID CURVE 222.21 FEET THROUGH AN ANGLE OF 5°56'36" TO A POINT WHICH IS NORTH 80°57'58" WEST 872.91 FEET FROM THE TRUE POINT OF BEGINNING; THENCE SOUTH 80°57'58" EAST 872.91 FEET TO THE TRUE POINT OF BEGINNING.

EXCEPTING THEREFROM ALL GAS, OIL, MINERALS OR WATER UPON OR BENEATH SAID LAND, AS RESERVED BY THE CITY OF SAN DIEGO, IN INSTRUMENT RECORDED SEPTEMBER 15, 1965 AS INSTRUMENT NO. 167533.

PARCEL 2: (PIER AND WALKWAY)

THAT PARCEL OF LAND IN THE CITY OF SAN DIEGO, COUNTY OF SAN DIEGO, STATE OF CALIFORNIA, BEING A PORTION OF THE TIDELANDS AND SUBMERGED OR FILLED LANDS OF FALSE BAY, ALSO KNOWN AS MISSION BAY, AND INCLUDING ANY PORTION OF THE PUEBLO LANDS OF SAN DIEGO, ACCORDING TO MAP THEREOF BY JAMES PASCOE, A COPY OF WHICH IS ON FILE IN THE OFFICE OF THE COUNTY RECORDER OF SAN DIEGO COUNTY AND IS KNOWN AS MISCELLANEOUS MAP NO. 36, BEING 10 FOOT WIDE PARCEL, A CONCRETE WALKWAY AND PORTIONS OF A PIER SERVING THE CENTER LINE OF SAID 10 FOOT WIDE PARCEL BEING DESCRIBED AS FOLLOWS:

BEGINNING AT THE SOUTHEAST CORNER OF LOT 24 OF BLOCK 24 OF BLOCK 10 IN THE RESUBDIVISION OF BLOCKS 7, 8 AND 10 A PORTION OF BLOCK 9 AND LOT "A" OF INSPIRATION HEIGHTS, IN THE CITY OF SAN DIEGO, COUNTY OF SAN DIEGO, STATE OF CALIFORNIA, ACCORDING TO MAP THEREOF NO. 1700, FILED IN THE OFFICE OF THE COUNTY RECORDER OF SAID COUNTY; THENCE ALONG THE SOUTHERLY LINE OF SAID LOT, SOUTH 89°55'56" WEST (RECORD NORTH 89°58' WEST) 25 FEET TO A POINT OF TANGENT CURVE IN THE BOUNDARY OF SAID LOT; THENCE SOUTH 0°04'04" EAST 2 FEET TO A LINE PARALLEL WITH AND 2 FEET SOUTHERLY AT RIGHT ANGLES FROM THE SOUTHERLY LINE OF SAID BLOCK 10; THENCE ALONG SAID

PARALLEL LINE NORTH 89°55'56" EAST 249.70 FEET; THENCE NORTH 5°30'02" WEST 104.06 FEET TO THE UNITED STATES COAST AND GEODETIC SURVEY, TRIANGULATION STATION "OLD TOWN" (THE LAMBERT GRID COORDINATES, CALIFORNIA, ZONE 6 FOR SAID STATION "OLD TOWN" ARE X EQUALS 1,712,415.69 AND Y EQUALS 213,820.33), SAID STATION "OLD TOWN" BEING THE POINT OF ORIGIN FOR THE SAN DIEGO CITY ENGINEER'S MISSION BAY PARK COORDINATE SYSTEM; THENCE NORTH 27°48' 28" WEST 13,663.23 FEET TO THE UNITED STATES COAST AND GEODETIC SURVEY TRIANGULATION STATION "MORENA" THE LAMBERT GRID COORDINATES, CALIFORNIA, ZONE 6, FOR SAID STATION "MORENA" ARE X EQUALS 1,706,149.86 AND Y EQUALS 225,961.33, THE MISSION BAY PARK COORDINATES FOR SAID STATION "MORENA" BEING NORTH 12,085.87 AND WEST 6373.96; THENCE SOUTH 30°46'38" WEST 1517.80 FEET; THENCE SOUTH 12°12'51" WEST 316 FEET TO THE BEGINNING OF A TANGENT 2465 FOOT RADIUS CURVE CONCAVE EASTERLY; THENCE SOUTHERLY ALONG SAID CURVE 663.98 FEET THROUGH AN ANGLE OF 15°26'; THENCE SOUTH 66°38'01" WEST 423.61 FEET; THENCE NORTH 27°26'54" WEST 45.50 FEET TO A POINT ON A 19 FOOT RADIUS CURVE WHOSE CENTER BEARS NORTH 27°26' 54" WEST FROM SAID POINT; THENCE SOUTHWESTERLY, WESTERLY, NORTHWESTERLY, NORTHERLY, AND NORTHEASTERLY ALONG SAID CURVE 59.69 FEET THROUGH AN ANGLE OF 180°00'00"; THENCE RADially TO LAST SAID CURVE NORTH 27°26'54" WEST 132.80 FEET; THENCE NORTH 23°37'00" WEST 40.40 FEET; THENCE NORTH 9°36'00" WEST 52.70 FEET; THENCE NORTH 1°23'00" EAST, 57.30 FEET; THENCE NORTH 74°12'20" WEST 30.71 FEET TO THE BEGINNING OF A TANGENT 167 FOOT RADIUS CURVE CONCAVE NORTHEASTERLY; THENCE NORTHWESTERLY AND NORTHERLY ALONG SAID CURVE 249.08 FEET THROUGH AN ANGLE OF 85°27'20"; THENCE RADially TO SAID CURVE NORTH 78°45'00" WEST 8 FEET; THENCE NORTH 11°15'00" EAST 16 FEET; THENCE SOUTH 78°45'00" EAST 24.04 FEET; THENCE NORTH 1°45'00" EAST 57.84 FEET; THENCE NORTH 6°53'00" WEST 12.60 FEET TO THE TRUE POINT OF BEGINNING, THE MISSION BAY COORDINATES OF SAID TRUE POINT OF BEGINNING, BEING NORTH 10,267.267 AND WEST 7,910.317; THENCE SOUTH 73°15'02" WEST TO THE MEAN HIGH LINE OF MISSION BAY.

PARCEL 3: (DOCKS)

THAT PARCEL OF LAND IN THE CITY OF SAN DIEGO, COUNTY OF SAN DIEGO, STATE OF CALIFORNIA, BEING A PORTION OF THE TIDELANDS AND SUBMERGED OR FILLED LANDS OR FALSE BAY, ALSO KNOWN AS MISSION BAY AND INCLUDING ANY PORTION OF THE PUEBLO LANDS OF SAN DIEGO, ACCORDING TO MAP THEREOF MADE BY JAMES PASCOE, A COPY OF WHICH IS ON FILE IN THE OFFICE OF THE COUNTY RECORDER OF SAID COUNTY AND IS KNOWN AS MISCELLANEOUS MA NO. 36, BEING ALL THAT PORTION OF A STRIP OF LAND 100 FEET WIDE LYING SOUTHWESTERLY OF THE MEAN HIGH WATER LINE OF MISSION BAY, THE CENTER LINE OF SAID 100 FOOT WIDE STRIP BEING DESCRIBED AS FOLLOWS:

BEGINNING THE TRUE POINT OF BEGINNING FOR AFORESAID PARCEL NO. 2; THENCE SOUTH 73°15'02" WEST 252 FEET.

DESCRIPTION A-2: Commonly described as the site of The Lodge at Torrey Pines

LEGAL DESCRIPTION

THOSE PORTIONS OF PUEBLO LOTS 1330 AND 1331 OF THE PUEBLO LANDS OF SAN DIEGO CALIFORNIA, IN THE CITY OF SAN DIEGO, COUNTY OF SAN DIEGO, STATE OF CALIFORNIA, ACCORDING TO MAP THEREOF MADE JAMES PASCOE IN 1870, A COPY OF SAID MAP BEING FILED IN THE OFFICE OF THE COUNTY RECORDER OF SAN DIEGO COUNTY, AND IS KNOWN AS MISCELLANEOUS MAP NO. 36, DESCRIBED AS FOLLOWS:

BEGINNING AT THE NORTHEASTERLY CORNER OF SAID PUEBLO LOT 1331; THENCE SOUTH 0°22'50" WEST ALONG THE EASTERLY LINE THEREOF 1155.24 FEET; THENCE LEAVING SAID EASTERLY LINE, SOUTH 89°55'53" WEST 115.41 FEET TO A FOUND LEAD AND DISC STAMPED "LS 4593", THE TRUE POINT OF BEGINNING, SAID POINT BEING THE NORTHEAST CORNER OF THAT PARCEL SHOWN ON RECORD OF SURVEY MAP NO. 14849, RECORDED IN THE OFFICE OF THE COUNTY RECORDER ON APRIL 13, 1995, FILE NO. 95-155749, O.R.; THENCE NORTH 2°09'51" WEST (NORTH 0°13'28" EAST RECORD PER GROUND LEASE, CITY CLERK'S DOCUMENT NO. 629873, RECORDED OCTOBER 24, 1961 AS FILE NO. 184967, O.R., TO BE REFERRED TO HEREINAFTER AS DEED 1; SEE ALSO CITY OF SAN DIEGO DRAWING NO. 13929-CL) (NORTH 2°11'10" WEST RECORD PER EXHIBIT "C" PARCEL 3 IN THE ASSIGNMENT OF GROUND LEASE RECORDED JULY 6, 1990 AS FILE NO. 90-367803, O.R., TO BE REFERRED TO HEREINAFTER AS DEED 2); 15.33 FEET ALONG THE NORTHERLY PROLONGATION OF THE EASTERLY LINE OF SAID RECORD OF SURVEY PARCEL; THENCE LEAVING SAID NORTHERLY PROLONGATION OF SAID EASTERLY LINE SOUTH 87°26'43" WEST 268.12 FEET; THENCE SOUTH 18°34'38" WEST 71.76 FEET; THENCE SOUTH 4°55'07" EAST 502.68 FEET TO A FOUND LEAD AND DISC STAMPED "RCE 12725" IN A CONCRETE CURB, ACCEPTED AS THE NORTHWEST CORNER OF LOT 1 OF SHERATON HOTEL AT TORREY PINES UNIT NO. 2, ACCORDING TO MAP THEREOF NO. 12164, RECORDED AUGUST 12, 1988 AS FILE NO. 88-399909, O.R.; THENCE ALONG THE SOUTH LINE OF SAID DEED 1, BEING ALSO THE NORTH LINE OF SAID MAP NO. 12164, THE FOLLOWING COURSES: NORTH 82°31'26" EAST 42.91 FEET (NORTH 82°30'36" EAST 42.93 FEET PER MAP NO. 12164) AND NORTH 82°33'15" EAST 402.20 FEET (NORTH 84°57'03" EAST 402.47 FEET PER DEED 1) (NORTH 82°32'25" EAST PER MAP NO. 12164) TO THE SOUTHEAST CORNER OF SAID DEED 1, SAID POINT BEING ALSO THE POINT OF BEGINNING OF DEED 2; THENCE CONTINUING ALONG THE EASTERLY PROLONGATION OF SAID SOUTH LINE OF DEED 1, NORTH 82°33'15" EAST 121.05 FEET (NORTH 82°32'25" EAST 120.81 FEET MORE OR LESS PER DEED 2) TO THE WESTERLY SIDELINE OF NORTH TORREY PINES ROAD (OLD HIGHWAY 101) 153.00 FEET IN WIDTH PER MAP NO. 12164; THENCE ALONG SAID SIDELINE NORTH 9°28'03" WEST 210.00 FEET TO THE BEGINNING OF A TANGENT CURVE CONCAVE SOUTHWESTERLY HAVING A RADIUS OF 200.00 FEET, SAID POINT BEING THE TRUE POINT OF BEGINNING OF SAID DEED 2; THENCE LEAVING THE SIDELINE OF NORTH TORREY PINES ROAD, NORTHWESTERLY ALONG THE ARC OF SAID CURVE THROUGH A CENTRAL ANGLE OF 46°31'57" A DISTANCE OF 162.43 FEET; THENCE TANGENT TO SAID CURVE NORTH 56°00'00" WEST 155.14 FEET (155.67 FEET MORE OR LESS PER DEED 2) TO A POINT ON A LINE 68.00 FEET SOUTHERLY AND PARALLEL WITH THE NORTHERLY LINE OF DEED 1; THENCE ALONG SAID PARALLEL LINE SOUTH 87°32'47" WEST 62.08 FEET (SOUTH 87°31'15"

WEST 61.72 FEET MORE OR LESS PER DEED 2) TO THE EASTERLY LINE OF DEED 1;
THENCE NORTH 2°09'51" WEST (NORTH 0°13'28" EAST PER DEED 1) (NORTH 2°11'10"
WEST PER DEED 2) 68.00 FEET TO THE TRUE POINT OF BEGINNING.

THE BASIS OF BEARINGS FOR THIS DESCRIPTION IS THE CENTERLINE OF NORTH
TORREY PINES ROAD PER MAP NO. 12164, I.E. NORTH 9°28'03" WEST.

APN'S: 340-011-09 PORTION; 760-103-67; & 760-103-42 PORTION

DESCRIPTION A-3: Commonly described as the site of the Scripps Health Land

LEGAL DESCRIPTION

PARCEL 1 OF PARCEL MAP NO. 15672, IN THE CITY OF SAN DIEGO, COUNTY OF SAN DIEGO, STATE OF CALIFORNIA, ACCORDING TO MAP THEREOF, FILED IN THE OFFICE OF THE COUNTY RECORDER OF SAN DIEGO COUNTY, MAY 17, 1989.

APN: 340-011-10

DESCRIPTION A-4: Commonly described as the site of the Mission Valley Library

LEGAL DESCRIPTION

PARCEL A (LIBRARY SITE): (APN 433-101-09)

PARCEL 9 OF PARCEL MAP NO. 18354, IN THE CITY OF SAN DIEGO, COUNTY OF SAN DIEGO, STATE OF CALIFORNIA, FILED IN THE OFFICE OF THE COUNTY RECORDER OF SAN DIEGO COUNTY ON OCTOBER 8, 1999 AS DOCUMENT NO. 1999-0683291.

PARCEL B (ACCESS AND UTILITY EASEMENT):

A NON-EXCLUSIVE EASEMENT, APPURTENANT TO THE REAL PROPERTY DESCRIBED IN PARCEL A ABOVE, FOR PEDESTRIAN AND VEHICULAR INGRESS AND EGRESS AND FOR UTILITY PURPOSES, OVER THAT PORTION OF PARCEL 8 OF PARCEL MAP NO. 18354 THAT IS DEPICTED ON THE PARCEL MAP AS "PRIVATE ACCESS AND UTILITY EASEMENT" AND IS MORE PARTICULARLY DESCRIBED AS:

A PORTION OF PARCEL 8 OF PARCEL MAP NO. 18354, IN THE CITY OF SAN DIEGO, COUNTY OF SAN DIEGO, STATE OF CALIFORNIA, FILED IN THE OFFICE OF THE COUNTY RECORDER OF SAN DIEGO COUNTY ON OCTOBER 8, 1999 AS DOCUMENT NO. 1999-0683291, BEING MORE PARTICULARLY DESCRIBED AS:

BEGINNING AT THE MOST WESTERLY CORNER OF SAID PARCEL 9, SAID POINT ALSO BEING A SOUTHWESTERLY CORNER OF PARCEL 8 OF SAID PARCEL MAP NO. 18354; THENCE NORTH 77°38'45" WEST, 74.00 FEET; THENCE NORTH 12°21'16" EAST, 62.05 FEET; THENCE NORTH 48°46' 28" EAST, 259.85 FEET; THENCE SOUTH 41°42'34" EAST, 46.04FEET; THENCE SOUTH 48°46' 28" WEST, 189.71 FEET TO THE BEGINNING OF A TANGENT 24.00 FOOT RADIUS CURVE, CONCAVE SOUTHEASTERLY, A RADIAL BEARING TO SAID POINT BEARS NORTH 41°13' 32" WEST; THENCE SOUTHWESTERLY ALONG SAID CURVE THROUGH A CENTRAL ANGLE OF 36°25'12", 15.26 FEET; THENCE TANGENT TO SAID CURVE, SOUTH 12°21'16" WEST, 76.91 FEET TO THE POINT OF BEGINNING.

DESCRIPTION A-5: Commonly described as the site of the Fire Communications Building

LEGAL DESCRIPTION

PORTION OF APN: 421-290-09

THAT PORTION OF LOT 10 OF NEW RIVERSIDE, IN THE CITY OF SAN DIEGO, COUNTY OF SAN DIEGO, STATE OF CALIFORNIA, ACCORDING TO MAP THEREOF NO. 679, RECORDED ON AUGUST 11, 1891, IN THE OFFICE OF THE COUNTY RECORDER OF SAN DIEGO COUNTY, MORE PARTICULARLY DESCRIBED AS FOLLOWS:

COMMENCING AT THE NORTHERLY TERMINUS OF A LINE BEARING SOUTH 12°25'19" WEST 567.54 FEET AS DESCRIBED IN GRANT DEED RECORDED NOVEMBER 7, 1968, AS FILE/PAGE NO. 195339 OF OFFICIAL RECORDS; THENCE ALONG THE COURSES OF SAID GRANT DEED AS FOLLOWS; SOUTH 12°25'19" WEST 307.29 FEET TO THE POINT OF BEGINNING; THENCE CONTINUING, SOUTH 12°25'19" WEST 260.26 FEET; THENCE SOUTH 8°13'39" WEST 16.90 FEET; THENCE SOUTH 63°00'00" EAST 82.53 FEET TO THE BEGINNING OF A CURVE, CONCAVE NORTHWESTERLY, HAVING A RADIUS OF 102.00 FEET; THENCE EASTERLY ALONG THE ARC OF SAID CURVE 163.49 FEET THROUGH A CENTRAL ANGLE OF 91°50'00"; THENCE NORTH 25°10'00" EAST 130.76 FEET TO THE BEGINNING OF A CURVE, CONCAVE WESTERLY, HAVING A RADIUS OF 858.00 FEET; THENCE NORTHERLY ALONG THE ARC OF SAID CURVE 94.11 FEET THROUGH A CENTRAL ANGLE OF 6°17'05"; THENCE LEAVING SAID GRANT DEED, NORTH 77°15'43" WEST 250.81 FEET TO THE POINT OF BEGINNING.

DESCRIPTION A-6: Commonly described as the site of the Fire Station #9

LEGAL DESCRIPTION

(ASSESSOR'S PARCEL NO. 352-100-1, 2 AND 3)

LOTS 1 AND 2 OF TRES CALLES, IN THE CITY OF SAN DIEGO, COUNTY OF SAN DIEGO, STATE OF CALIFORNIA, ACCORDING TO MAP THEREOF NO. 3478, FILED IN THE OFFICE OF THE COUNTY RECORDER OF SAN DIEGO COUNTY, TOGETHER WITH ALL THAT PORTION OF LOT 1288 OF THE PUEBLO LANDS OF SAN DIEGO, IN THE CITY OF SAN DIEGO, COUNTY OF SAN DIEGO, STATE OF CALIFORNIA, ACCORDING TO MAP THEREOF MADE BY JAMES PASCOE IN 1870, A COPY OF WHICH SAID MAP WAS FILED IN THE OFFICE OF THE COUNTY RECORDER OF SAN DIEGO COUNTY, NOVEMBER 14, 1921 AND IS KNOWN AS MISCELLANEOUS MAP NO. 36, DESCRIBED AS FOLLOWS:

COMMENCING AT THE SOUTHEAST CORNER OF THAT CERTAIN TRACT OF LAND CONVEYED TO LEONARD R. HOLLIDAY AND WIFE, BY DEED DATED SEPTEMBER 7, 1921 AND RECORDED IN BOOK 857, PAGE 395 OF DEEDS, SAID CORNER BEING MARKED BY A 12 INCH BY 36 INCH CONCRETE MONUMENT WITH A SCRIBED BRASS DISK IN ITS TOP; THENCE NORTH 3°52' EAST ALONG THE EASTERLY LINE OF SAID TRACT CONVEYED TO HOLLIDAY, 417.4 FEET TO THE NORTHEASTERLY RANGE THEREOF; THENCE SOUTH 86°08' EAST ALONG THE EASTERLY PROLONGATION OF THE NORTHERLY LINE OF SAID TRACT, 115 FEET; THENCE NORTH 3°52' EAST, 103.41 FEET TO A POINT ON THE SEMI-TANGENT OF THE CENTER LINE CURVE OF A CITY STREET, KNOWN AS ARDATH ROAD; THENCE SOUTH 62°31'17" EAST - RECORD SOUTH 62°35' EAST - ALONG SAID SEMI-TANGENT 62.78 FEET TO THE EASTERLY END OF SAID CURVE; THENCE CONTINUING SOUTH 62°31'17" EAST ALONG SAID CENTER LINE OF SAID ARDATH ROAD, 228.90 FEET; THENCE AT RIGHT ANGLE, NORTH 27°28'43" EAST, 30 FEET TO THE TRUE POINT OF BEGINNING; BEING A POINT ON THE NORTHEASTERLY LINE OF SAID ROAD, MARKED BY A BRASS PLATE SET IN A 12 INCH BY 36 INCH CONCRETE MONUMENT; THENCE NORTH 27°2'43" EAST, 147.97 FEET TO A POINT ON A CURVE CONCAVE NORTHERLY AND HAVING A RADIUS OF 950 FEET; THENCE WESTERLY ALONG SAID CURVE, THROUGH A CENTRAL ANGLE OF 13°40'26" FOR A DISTANCE OF 226.72 FEET TO THE BEGINNING OF A REVERSE CURVE CONCAVE EASTERLY AND HAVING A RADIUS OF 10 FEET; THENCE SOUTHERLY ALONG SAID CURVE, THROUGH A CENTRAL ANGLE OF 152°01'09" FOR A DISTANCE OF 26.53 FEET TO ITS POINT OF TANGENCY IN SAID NORTHEASTERLY LINE OF ARDATH ROAD; THENCE SOUTH 62°31'17" EAST ALONG SAID NORTHEASTERLY LINE, 181.0 FEET TO THE TRUE POINT OF BEGINNING.

DESCRIPTION A-7: Commonly described as the site of the Fire Station #11

LEGAL DESCRIPTION

LOTS 11 AND 12 IN BLOCK 2 OF BARTLETT ESTATES COMPANY'S SUBDIVISION OF BLOCKS 25 AND 26 OF BREED & CHASE'S ADDITION, IN THE CITY OF SAN DIEGO, COUNTY OF SAN DIEGO, STATE OF CALIFORNIA, ACCORDING TO MAP THEREOF NO. 942, FILED IN THE OFFICE OF THE COUNTY RECORDER OF SAN DIEGO COUNTY, MARCH 27, 1905.

TOGETHER WITH THE WESTERLY ONE HALF OF THE ALLEY ADJOINING SAID LOT 12 ON THE EAST AS VACATED BY RESOLUTION NO. 270268 RECORDED FEBRUARY 12, 1988 AS FILE NO. 88-68283 OF OFFICIAL RECORDS.

APN: 534-401-01 & 02

DESCRIPTION A-8: Commonly described as the site of the Fire Station #37

LEGAL DESCRIPTION

LOT 25 AND LOT D OF SCRIPPS RANCH NORTH, UNIT NO. 10 IN THE CITY OF SAN DIEGO, COUNTY OF SAN DIEGO, STATE OF CALIFORNIA, ACCORDING TO MAP THEREOF NO. 13206, FILED IN THE OFFICE OF THE COUNTY RECORDER OF SAN DIEGO COUNTY, MAY 19, 1995.

APN: 319-591-07 AND 08

DESCRIPTION A-9: Commonly described as the site of the Mingei International Museum and Art Institute Building (House of Charm)

LEGAL DESCRIPTION

THAT PORTION OF THE LAND DESIGNATED "CITY PARK RESERVATION," WHICH LIES WITHIN THE PUEBLO LANDS OF SAN DIEGO, IN THE CITY OF SAN DIEGO, COUNTY OF SAN DIEGO, STATE OF CALIFORNIA, ACCORDING TO MISCELLANEOUS MAP THEREOF NO. 36, BY JAMES PASCOE, FILED IN THE OFFICE OF THE COUNTY RECORDER OF SAN DIEGO COUNTY, BEING A PORTION OF PUEBLO LOT 1135 AND PUEBLO LOT 1136 OF SAID PUEBLO LAND ACCORDING TO MISCELLANEOUS MAP THEREOF NO. 35, BY CHARLES H. POOLE, FILED IN THE OFFICE OF THE COUNTY RECORDER OF SAN DIEGO COUNTY AND BEING MORE PARTICULARLY DESCRIBED AS FOLLOWS:

THE BASIS OF BEARING FOR THIS DESCRIPTION IS NAD 83 HORIZONTAL COORDINATE VALUES FOR CONTROL POINTS GPS 0047 AND GPS 0048 WERE DETERMINED BY GPS PROCEDURES.

COMMENCING AT CITY OF SAN DIEGO HORIZONTAL CONTROL STATION "GPS 0048", BEING A LEAD AND DISK STAMPED "GPS 0048", HAVING A NORTH AMERICAN DATUM OF 1983 VALUE OF NORTHING 1846535.61 AND EASTING 6284662.10; THENCE NORTH $09^{\circ} 52' 43''$ EAST, 581.78 FEET TO AN 1" IRON PIPE "GPS 0047" WITH A DISK STAMPED "GPS 0047"; THENCE ALONG SAID LINE SOUTH $09^{\circ} 52' 43''$ WEST DISTANT THEREON 17.22 FEET; THENCE NORTH $89^{\circ} 53' 58''$ WEST 101.75 FEET TO THE TRUE POINT OF BEGINNING; THENCE ALONG THE PROLONGATION OF SAID LINE 139.08 FEET; THENCE SOUTH $00^{\circ} 06' 02''$ WEST 100.46 FEET; THENCE NORTH $89^{\circ} 53' 58''$ WEST 15.36 FEET; THENCE SOUTH $00^{\circ} 06' 02''$ WEST 57.08 FEET; THENCE NORTH $89^{\circ} 53' 58''$ WEST 32.45 FEET; THENCE SOUTH $00^{\circ} 06' 02''$ WEST 54.98 FEET; THENCE SOUTH $40^{\circ} 00' 00''$ EAST 19.21 FEET TO THE BEGINNING OF A TANGENT CURVE, CONCAVE NORTHEASTERLY AND HAVING A RADIUS OF 22.91 FEET; THENCE SOUTHEASTERLY ALONG SAID CURVE THROUGH A CENTRAL ANGLE OF $37^{\circ} 52' 53''$ A DISTANCE OF 15.15 FEET TO A LINE TANGENT; THENCE SOUTH $77^{\circ} 52' 53''$ EAST 88.39 FEET TO THE BEGINNING OF A TANGENT CURVE CONCAVE NORTHERLY AND HAVING A RADIUS OF 273.82 FEET; THENCE EASTERLY ALONG SAID CURVE, THROUGH A CENTRAL ANGLE OF $12^{\circ} 01' 09''$ A DISTANCE OF 57.44 FEET TO A LINE TANGENT; THENCE SOUTH $89^{\circ} 54' 02''$ EAST 42.95 FEET TO THE BEGINNING OF A TANGENT CURVE CONCAVE NORTHWESTERLY AND HAVING A RADIUS OF 29.49 FEET; THENCE ALONG SAID CURVE, THROUGH A CENTRAL ANGLE OF $89^{\circ} 59' 56''$, A DISTANCE OF 46.34 FEET TO A LINE TANGENT; THENCE NORTH $00^{\circ} 06' 02''$ EAST 59.21 FEET; THENCE SOUTH $89^{\circ} 53' 58''$ EAST 18.19 FEET MORE OR LESS TO A POINT ON THE LINE BETWEEN GPS 0048 AND GPS 0047, SAID POINT BEING 173.08 FEET SOUTHERLY OF GPS 0047; THENCE NORTH $89^{\circ} 53' 58''$ WEST 18.19 FEET; THENCE ALONG THE PROJECTION OF SAID LINE NORTH $89^{\circ} 53' 58''$ WEST 54.16 FEET; THENCE NORTH $00^{\circ} 06' 02''$ EAST 170.56 FEET TO THE TRUE POINT OF BEGINNING.

APN: 534-450-08 PORTION (760-212-56)

DESCRIPTION A-10: Commonly described as the site of the University of California San Diego

LEGAL DESCRIPTION

PARCEL 1, IN THE CITY OF SAN DIEGO, COUNTY OF SAN DIEGO, STATE OF CALIFORNIA, AS SHOWN AT PAGE 9813 OF PARCEL MAPS, FILED IN THE OFFICE OF THE COUNTY RECORDER OF SAN DIEGO COUNTY, MARCH 14, 1980.

APN: 342-010-34

DESCRIPTION A-11: Commonly described as the site of Fire Station #44

LEGAL DESCRIPTION

LOT 3 OF CARROLL CANYON CENTRE, IN THE CITY OF SAN DIEGO, COUNTY OF SAN DIEGO, STATE OF CALIFORNIA, ACCORDING TO THE MAP THEREOF NO. 10179, FILED IN THE OFFICE OF THE COUNTY RECORDER OF SAN DIEGO COUNTY, AUGUST 27, 1981.

ASSESSOR'S PARCEL NO. 341-330-01

DESCRIPTION A-12: Commonly described as the site of the Northeastern Police Station

LEGAL DESCRIPTION

THAT PORTION OF RANCHO LOS PENASQUITOS, IN THE CITY OF SAN DIEGO, COUNTY OF SAN DIEGO, STATE OF CALIFORNIA, ACCORDING TO MAP ACCOMPANYING THE PATENT TO SAID RANCHO, RECORDED IN THE OFFICE OF THE COUNTY RECORDER OF SAN DIEGO COUNTY, IN BOOK 2, PAGE 385 OF PATENTS, DESCRIBED AS FOLLOWS:

BEGINNING AT THE SOUTHWESTERLY TERMINUS OF THAT CERTAIN COURSE IN THE CENTER LINE OF PASEO MONTALBAN, AS SHOWN ON MAP NO. 8622, OF PENASQUITOS ESTATES UNIT NO. 1, FILED IN THE OFFICE OF THE COUNTY RECORDER OF SAN DIEGO COUNTY, BEING "NORTH 50°30'00" EAST, 380.90 FEET", BEING THE NORTHEASTERLY TERMINUS OF A 1000 FOOT RADIUS CURVE CONCAVE NORTHWESTERLY IN SAID CENTER LINE AND TANGENT TO SAID CURVE; THENCE ALONG SAID CENTER LINE, SOUTHWESTERLY ALONG SAID CURVE THROUGH AN ANGLE OF 3°46'06" A DISTANCE OF 65.77 FEET; THENCE RADIAL TO SAID CURVE, SOUTH 35°43'54" EAST, 51 FEET TO THE SOUTHEASTERLY LINE OF SAID PASEO MONTALBAN, BEING THE TRUE POINT OF BEGINNING AND BEING A POINT IN THE ARC OF A 20 FOOT RADIUS CURVE CONCAVE SOUTHWESTERLY, A RADIAL BEARS NORTH 35°43'54" WEST TO SAID POINT; THENCE NORTHEASTERLY AND EASTERLY ALONG SAID CURVE THROUGH AN ANGLE OF 87°19'27" A DISTANCE OF 30.48 FEET; THENCE TANGENT TO SAID CURVE, SOUTH 38°24'27" EAST, 431.29 FEET TO A TANGENT 170 FOOT RADIUS CURVE CONCAVE WESTERLY; THENCE SOUTHERLY ALONG SAID CURVE THROUGH AN ANGLE OF 26°29'44", A DISTANCE OF 78.61 FEET; THENCE TANGENT TO SAID CURVE, SOUTH 11°54'43" EAST 20 FEET; THENCE SOUTH 78°05'17" WEST, 342.07 FEET; THENCE NORTH 24°17'00" WEST 436.22 FEET TO A POINT IN THE ARC OF A 1051 FOOT RADIUS CURVE CONCAVE, NORTHERLY IN SAID SOUTHEASTERLY LINE OF PASEO MONTALBAN, A RADIAL BEARS SOUTH 24°17'00" EAST TO SAID POINT; THENCE EASTERLY ALONG SAID CURVE THROUGH AN ANGLE OF 11°6'54" A DISTANCE OF 210 FEET TO THE TRUE POINT OF BEGINNING.

APN: 315-530-08

**[DESCRIPTION A-13: Commonly described as the site of the Central Police Vehicle
Maintenance]**

[DESCRIPTION A-14: Commonly described as the site of the Fire Station #16 Mt. Soledad]

[DESCRIPTION A-15: Commonly described as the site of the City Operations Building & Parkade]

**[DESCRIPTION A-16: Commonly described as the site of the Carmel Valley Community Park
Town Recreation Center]**

**[DESCRIPTION A-17: Commonly described as the Site of the Fire Station #24; 12077
Hartfield]**

[DESCRIPTION A-18: Commonly described as the site of the Scripps Ranch Library]

**[DESCRIPTION A-19: Commonly described as the site of the North University Community
Library & Rec Center (Buildings & Land)]**

EXHIBIT B

BASE RENTAL PAYMENT SCHEDULE

<i>Payment Date</i>	<i>Amount</i>	<i>Payment Date</i>	<i>Amount</i>
---------------------	---------------	---------------------	---------------

EXHIBIT C

**BASE RENTAL PAYMENTS
ATTRIBUTABLE TO GROUND LEASE SITES**

	<i>Percentage of Annual Base Rental Attributable to Ground Lease Sites</i>
Hilton San Diego Resort	%
The Lodge at Torrey Pines	%
Scripps Health Land	%
University of California, San Diego	%

RECORDING REQUESTED BY AND
WHEN RECORDED MAIL TO:

Attn: Robert J. Whalen
Stradling Yocca Carlson & Rauth, a Professional
Corporation
660 Newport Center Drive, Suite 1600
Newport Beach, CA 92660

(Space above for Recorder's Use)

This document is recorded for the benefit of the City of San Diego and the recording is fee-exempt under Section 6103 of the California Government Code.

THIRD AMENDMENT TO SITE LEASE

Dated as of _____, 20__
amending and supplementing the

SITE LEASE

Dated as of July 1, 2012
as amended as of July 1, 2013 and April 1, 2014
and _____, 20__

by and between

THE CITY OF SAN DIEGO

and

**PUBLIC FACILITIES FINANCING AUTHORITY
OF THE CITY OF SAN DIEGO**

Relating to the

§ _____
**PUBLIC FACILITIES FINANCING AUTHORITY OF THE CITY OF SAN DIEGO
LEASE REVENUE BONDS
SERIES _____
(CAPITAL IMPROVEMENT PROJECTS)**

THIRD AMENDMENT TO SITE LEASE

This Third Amendment to Site Lease (the "Third Amendment to Site Lease") is dated as of _____, 20__, and is entered into by and between THE CITY OF SAN DIEGO, a municipal corporation duly organized and existing under its charter and the laws of the State of California (the "City"), and the PUBLIC FACILITIES FINANCING AUTHORITY OF THE CITY OF SAN DIEGO, a joint exercise of powers entity duly organized and existing under and by virtue of the laws of the State of California (the "Authority"), and supplements and amends the Site Lease, dated as of July 1, 2012 recorded on July 2, 2012 in the Official Records of the County of San Diego as Instrument No. 2012-0382822 (the "Master Site Lease"), as amended by the First Amendment to Site Lease, dated as of July 1, 2013 and recorded on July 10, 2013 in the Official Records of the County of San Diego as Instrument No. 2013-0430506 (the "First Amendment to Site Lease"), and the Second Amendment to Site Lease, dated as of April 1, 2014 and recorded on _____, 2014 in the Official Records of the County of San Diego as Instrument No. _____ (the "Second Amendment to Site"), by and between the City and the Authority (together, as supplemented and amended by this Third Amendment to Site Lease, the "Site Lease"). (Capitalized terms used in the Whereas clauses which are not defined therein shall have the meaning provided in Section 1 hereof.)

WITNESSETH:

WHEREAS, the Authority and Wells Fargo Bank, National Association, as trustee (the "Trustee"), have entered into an Indenture, dated as of July 1, 2012 (the "Master Indenture"), as supplemented by the First Supplemental Indenture (the "First Supplemental Indenture"), dated as of July 1, 2013, and the Second Supplemental Indenture (the "Second Supplemental Indenture"), dated as of April 1, providing for the issuance of various series of bonds secured on a parity thereunder (the "Prior Bonds"); and

WHEREAS, in order to provide for the payment of the Prior Bonds, the City and the Authority have entered into the Master Site Lease, the First Amendment to Site Lease and the Second Amendment to Site Lease, pursuant to which the City leased to the Authority certain real property belonging to the City, together with the City owned improvements located thereon, as described in Exhibit A thereto (collectively, the "Original Leased Property"); and

WHEREAS, pursuant to Section 2.13 of the Master Indenture, the Authority may at any time issue Additional Bonds pursuant to a Supplemental Indenture; and

WHEREAS, the City has determined it is in the public interest and will benefit the inhabitants of the City that the City finance the costs of the acquisition, design, construction, installation, improvement, replacement and equipping of certain capital improvement projects of the City (collectively, the "20__ Project"); and

WHEREAS, to finance the 20__ Project, the City will enter into this Third Amendment to Site Lease with the Authority pursuant to which the City will lease to the Authority the Original Leased Property and certain additional real property belonging to the City, together with the City owned improvements located thereon, as more particularly described in Exhibit A hereto (collectively, the "City Property"); and

WHEREAS, concurrently with the execution of this Third Amendment to Site Lease, the Authority and the City are entering into a Third Amendment to Facilities Lease, dated as of

_____, 20__ (the “Third Amendment to Facilities Lease”), which supplements and amends the 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, and the Second Amendment to Facilities Lease, dated as of April 1, 2014 (as supplemented and amended by the Third Amendment to Facilities Lease, the “Lease”), pursuant to which the Authority will lease the City Property and certain additional real property as described therein (collectively, the “Leased Property”), to the City and the City is required to make Base Rental Payments sufficient to pay debt service on Prior Bonds and the Authority’s \$_____ Lease Revenue Bonds, Series ____ (Capital Improvement Projects) (the “Series ____ Bonds”); and

WHEREAS, to provide funds to finance the 20__ Project, the City has requested the Authority to issue the Series ____ Bonds, pursuant to the Master Indenture, as supplemented and amended by a Third Supplemental Indenture (the “Third Supplemental Indenture,” and, together with the Master Indenture, the First Supplemental Indenture and the Second Supplemental Indenture, the “Indenture”), dated as of _____, 20__, each by and between the Authority and the Trustee; and

WHEREAS, the Site Lease may be amended pursuant to Section 15 of the Master Site Lease; and

WHEREAS, the City is authorized by its Charter and other applicable law to lease the City Property to the Authority pursuant to the Site Lease, and to lease the Leased Property from the Authority pursuant to the Lease and to consummate the financing of the 20__ Project; and has determined that the 20__ Project and the lease of the Leased Property are necessary and proper public purposes; and

WHEREAS, all acts, conditions and things required by law to exist, to have happened and to have been performed precedent to and in connection with the execution and entering into of this First Amendment to Site Lease do exist, have happened and have been performed in regular and due time, form and manner as required by law, and the parties hereto are now duly authorized to execute and enter into this Third Amendment to Site Lease.

NOW, THEREFORE, IN CONSIDERATION OF THE PREMISES AND OF THE MUTUAL AGREEMENTS AND COVENANTS CONTAINED HEREIN AND FOR OTHER VALUABLE CONSIDERATION, THE RECEIPT OF WHICH IS HEREBY ACKNOWLEDGED, THE PARTIES HERETO DO HEREBY AGREE AS FOLLOWS:

Section 1. Definitions. Capitalized terms used herein and not otherwise defined herein shall have the meanings given such terms pursuant to the Lease, as it may be amended pursuant to its terms, and, if such terms are not defined in the Lease, then such terms shall have the meanings given such terms pursuant to the Indenture.

Section 2. Amendment to Leased Property. The references in the Master Site Lease to “Leased Property” are hereby amended to read “City Property.” The City Property as shown in Exhibit A to the Master Site Lease is hereby amended and supplemented by deleting Exhibit A in its entirety and substituting the attached Exhibit A therefor.

Section 3. Survival of Master Site Lease. Except as otherwise amended hereby, the Master Site Lease as amended by the First Amendment to Site Lease and the Second Amendment to Site Lease shall remain in full force and effect.

Section 4. Waiver of Personal Liability. All liabilities hereunder on the part of the Authority shall be solely corporate liabilities of the Authority, and the City hereby releases each and every director, officer and employee of the Authority of and from any personal or individual liability hereunder. No director, officer or employee of the Authority shall at any time or under any circumstances be individually or personally liable hereunder for anything done or omitted to be done by the Authority hereunder.

Section 5. Partial Invalidity. If any one or more of the agreements, conditions, covenants or terms hereof shall to any extent be declared invalid, unenforceable, void or voidable for any reason whatsoever by a court of competent jurisdiction, the finding or order or decree of which becomes final, none of the remaining agreements, conditions, covenants or terms hereof shall be affected thereby, and each provision of this Third Amendment to Site Lease shall be valid and enforceable to the fullest extent permitted by law.

Section 6. Section Headings. All section headings contained herein are for convenience of reference only and are not intended to define or limit the scope of any provision hereof.

Section 7. Execution in Counterparts. This Third Amendment to Site Lease may be executed in any number of counterparts, each of which shall be deemed to be an original, but all of which together shall constitute one and the same instrument.

Section 8. Governing Law. This Third Amendment to Site Lease shall be governed by and construed and interpreted in accordance with the laws of the State of California.

[Remainder of Page Left Intentionally Blank]

IN WITNESS WHEREOF, the parties hereto have executed and entered into this Third Amendment to Site Lease by their officers thereunder duly authorized as of the day and year first above written.

THE CITY OF SAN DIEGO

By _____
Mary Lewis, Chief Financial Officer

ATTEST:

By _____
Elizabeth Maland, City Clerk

APPROVED AS TO FORM AND LEGALITY:

JAN I. GOLDSMITH, City Attorney

By _____
Brant C. Will, Deputy City Attorney

PUBLIC FACILITIES FINANCING AUTHORITY
OF THE CITY OF SAN DIEGO

By _____
_____, Chair

ATTEST:

By _____
Elizabeth Maland, Secretary

APPROVED AS TO FORM AND LEGALITY:

JAN I. GOLDSMITH, General Counsel

By _____
Brant C. Will, Deputy General Counsel

STATE OF CALIFORNIA
COUNTY OF SAN DIEGO

)
) §
)

On _____ before me, _____, a Notary Public, personally appeared _____, who proved to me on the basis of satisfactory evidence to be the person(s) whose names(s) is/are subscribed to the within instrument and acknowledged to me that he/she/they executed the same in his/her/their authorized capacity(ies), and that by his/her/their signature(s) on the instrument the person(s), or the entity upon behalf of which the person(s) acted, executed the instrument.

I certify under PENALTY OF PERJURY under the laws of the State of California that the foregoing paragraph is true and correct.

WITNESS my hand and official seal

Signature of Notary Public

[Affix seal here]

EXHIBIT A

DESCRIPTION OF LEASED PROPERTY

DESCRIPTION A-1: Commonly described as the site of the Hilton San Diego Resort

LEGAL DESCRIPTION

PARCEL 1:

THAT PARCEL OF LAND IN THE CITY OF SAN DIEGO, COUNTY OF SAN DIEGO, STATE OF CALIFORNIA, BEING A PORTION OF THE TIDELANDS AND SUBMERGED OR FILLED LANDS OF FALSE BAY, ALSO KNOWN AS MISSION BAY, AND INCLUDING ANY PORTION OF THE PUEBLO LANDS OF SAN DIEGO, ACCORDING TO MAP THEREOF BY JAMES PASCOE, A COPY OF WHICH IS ON FILE IN THE OFFICE OF THE COUNTY RECORDER OF SAID COUNTY AND IS KNOWN AS MISCELLANEOUS MAP NO. 36, DESCRIBED AS FOLLOWS:

BEGINNING AT THE SOUTHEAST CORNER OF LOT 24 OF BLOCK 10 IN THE RESUBDIVISION OF BLOCKS 7, 8 AND 10, A PORTION OF BLOCK 9 AND LOT A INSPIRATION HEIGHTS, ACCORDING TO MAP THEREOF NO. 1700 FILED IN THE OFFICE OF THE COUNTY RECORDER OF SAID COUNTY; THENCE ALONG THE SOUTHERLY LINE OF SAID LOT SOUTH 89°55'56" WEST (RECORD NORTH 89°59' WEST) 25 FEET TO A POINT OF A TANGENT CURVE IN THE BOUNDARY OF SAID LOT; THENCE SOUTH 0°04'04" EAST 2 FEET TO A LINE WHICH IS PARALLEL WITH AND 2 FEET SOUTHERLY AT RIGHT ANGLES FROM THE SOUTHERLY LINE OF SAID BLOCK 10; THENCE ALONG SAID PARALLEL LINE NORTH 89°55'56" EAST 249.70 FEET; THENCE NORTH 5°30'02" WEST, 104.06 FEET TO THE UNITED STATES COAST AND GEODETIC SURVEY, TRIANGULATION STATION "OLD TOWN" (THE LAMBERT GRID COORDINATES CALIFORNIA ZONE 6 FOR SAID STATION "GOLD TOWN" ARE X EQUALS 1,712,415.69 AND Y EQUALS 213,820.33), SAID STATION "OLD TOWN" BEING THE POINT OF ORIGIN FOR THE SAN DIEGO CITY ENGINEERS MISSION BAY PARK COORDINATE SYSTEM; THENCE NORTH 27°48'28" WEST 13,663.23 FEET TO THE UNITED STATES COAST AND GEODETIC SURVEY TRIANGULATION STATION "MORENA" THE LAMBERT GRID COORDINATES; CALIFORNIA ZONE 6 FOR STATION "MORENA" ARE X EQUALS 1,706,149.86 AND Y EQUALS 225,961.33, THE MISSION BAY PARK COORDINATES FOR SAID STATION "MORENA" BEING NORTH 12,085.37 AND WEST 6373.96; THENCE SOUTH 30°46'38" WEST 1517.80 FEET TO THE TRUE POINT OF BEGINNING, THE MISSION BAY PARK COORDINATES OF SAID TRUE POINT OF BEGINNING BEING NORTH 10781.33 AND WEST 7150.62; THENCE SOUTH 12°12'51" WEST 316.00 FEET TO THE BEGINNING OF A TANGENT 2465 FOOT RADIUS CURVE CONCAVE EASTERLY; THENCE SOUTHERLY ALONG SAID CURVE 663.98 FEET THROUGH AN ANGLE OF 15°26' THENCE SOUTH 66°38'01" WEST 423.61 FEET; THENCE NORTH 27°26'54" WEST, 45.50 FEET TO A POINT ON A 19 FOOT RADIUS CURVE WHOSE CENTER BEARS NORTH 27°26'54" WEST FROM SAID POINT; THENCE SOUTHWESTERLY, WESTERLY, NORTHWESTERLY, NORTHERLY AND NORTHEASTERLY ALONG SAID CURVE 59.69 FEET THROUGH AN ANGLE OF 180°00'00"; THENCE RADially TO LAST SAID CURVE NORTH 27°26'54" WEST 132.80 FEET; THENCE NORTH 23°37'00" WEST 40.40 FEET;

THENCE NORTH 9°36'00" WEST 52.70 FEET; THENCE NORTH 1°23'00" EAST 57.30 FEET; THENCE NORTH 74°12'20" WEST 30.71 FEET TO THE BEGINNING OF A TANGENT 167 FOOT RADIUS CURVE CONCAVE NORTHEASTERLY; THENCE NORTHWESTERLY AND NORTHERLY ALONG SAID CURVE 249.08 FEET THROUGH AN ANGLE OF 85°27'20"; THENCE RADIALLY TO SAID CURVE NORTH 78°45'00" WEST 8.00 FEET; THENCE NORTH 11°15'00" EAST 16.00 FEET; THENCE SOUTH 78°45'00" EAST, 24.04 FEET; THENCE NORTH 1°45'00" EAST 57.84 FEET; THENCE NORTH 6°53'00" WEST 17.00 FEET; THENCE NORTH 11°02'00" WEST 50.60 FEET; THENCE NORTH 21°58'00" WEST 53.20 FEET; THENCE NORTH 29°32'00" WEST 56.40 FEET; THENCE NORTH 25°08'00" WEST 54.30 FEET; THENCE NORTH 17°18'00" WEST 19.80 FEET; THENCE NORTH 15°34'58" WEST 31.86 FEET TO A POINT ON A 1525.13 FOOT RADIUS CURVE WHOSE CENTER BEARS NORTH 82°49'22" EAST FROM SAID POINT; THENCE NORTHERLY ALONG SAID CURVE 84.96 FEET THROUGH AN ANGLE OF 3°11'30" TO THE BEGINNING OF A COMPOUND 2142.16 FOOT RADIUS CURVE CONCAVE EASTERLY; NORTHERLY ALONG SAID CURVE 55.46 FEET THROUGH AN ANGLE OF 1°29'99" TO A POINT ON A 19 FOOT RADIUS CURVE WHOSE CENTER BEARS NORTH 2°14'53" WEST FROM SAID POINT; THENCE WESTERLY, NORTHWESTERLY, NORTHERLY, NORTHEASTERLY, AND EASTERLY ALONG SAID CURVE 59.86 FEET THROUGH AN ANGLE OF 180°30'30" TO A POINT ON A 2142.16 FOOT RADIUS CURVE WHOSE CENTER BEARS NORTH 88°30'52" EAST FROM SAID POINT; THENCE NORTHERLY ALONG SAID CURVE 222.21 FEET THROUGH AN ANGLE OF 5°56'36" TO A POINT WHICH IS NORTH 80°57'58" WEST 872.91 FEET FROM THE TRUE POINT OF BEGINNING; THENCE SOUTH 80°57'58" EAST 872.91 FEET TO THE TRUE POINT OF BEGINNING.

EXCEPTING THEREFROM ALL GAS, OIL, MINERALS OR WATER UPON OR BENEATH SAID LAND, AS RESERVED BY THE CITY OF SAN DIEGO, IN INSTRUMENT RECORDED SEPTEMBER 15, 1965 AS INSTRUMENT NO. 167533.

PARCEL 2: (PIER AND WALKWAY)

THAT PARCEL OF LAND IN THE CITY OF SAN DIEGO, COUNTY OF SAN DIEGO, STATE OF CALIFORNIA, BEING A PORTION OF THE TIDELANDS AND SUBMERGED OR FILLED LANDS OF FALSE BAY, ALSO KNOWN AS MISSION BAY, AND INCLUDING ANY PORTION OF THE PUEBLO LANDS OF SAN DIEGO, ACCORDING TO MAP THEREOF BY JAMES PASCOE, A COPY OF WHICH IS ON FILE IN THE OFFICE OF THE COUNTY RECORDER OF SAN DIEGO COUNTY AND IS KNOWN AS MISCELLANEOUS MAP NO. 36, BEING 10 FOOT WIDE PARCEL, A CONCRETE WALKWAY AND PORTIONS OF A PIER SERVING THE CENTER LINE OF SAID 10 FOOT WIDE PARCEL BEING DESCRIBED AS FOLLOWS:

BEGINNING AT THE SOUTHEAST CORNER OF LOT 24 OF BLOCK 24 OF BLOCK 10 IN THE RESUBDIVISION OF BLOCKS 7, 8 AND 10 A PORTION OF BLOCK 9 AND LOT "A" OF INSPIRATION HEIGHTS, IN THE CITY OF SAN DIEGO, COUNTY OF SAN DIEGO, STATE OF CALIFORNIA, ACCORDING TO MAP THEREOF NO. 1700, FILED IN THE OFFICE OF THE COUNTY RECORDER OF SAID COUNTY; THENCE ALONG THE SOUTHERLY LINE OF SAID LOT, SOUTH 89°55'56" WEST (RECORD NORTH 89°58' WEST) 25 FEET TO A POINT OF TANGENT CURVE IN THE BOUNDARY OF SAID LOT; THENCE SOUTH 0°04'04" EAST 2 FEET TO A LINE PARALLEL WITH AND 2 FEET SOUTHERLY AT RIGHT ANGLES FROM THE SOUTHERLY LINE OF SAID BLOCK 10; THENCE ALONG SAID

PARALLEL LINE NORTH 89°55'56" EAST 249.70 FEET; THENCE NORTH 5°30'02" WEST 104.06 FEET TO THE UNITED STATES COAST AND GEODETIC SURVEY, TRIANGULATION STATION "OLD TOWN" (THE LAMBERT GRID COORDINATES, CALIFORNIA, ZONE 6 FOR SAID STATION "OLD TOWN" ARE X EQUALS 1,712,415.69 AND Y EQUALS 213,820.33), SAID STATION "OLD TOWN" BEING THE POINT OF ORIGIN FOR THE SAN DIEGO CITY ENGINEER'S MISSION BAY PARK COORDINATE SYSTEM; THENCE NORTH 27°48' 28" WEST 13,663.23 FEET TO THE UNITED STATES COAST AND GEODETIC SURVEY TRIANGULATION STATION "MORENA" THE LAMBERT GRID COORDINATES, CALIFORNIA, ZONE 6, FOR SAID STATION "MORENA" ARE X EQUALS 1,706,149.86 AND Y EQUALS 225,961.33, THE MISSION BAY PARK COORDINATES FOR SAID STATION "MORENA" BEING NORTH 12,085.87 AND WEST 6373.96; THENCE SOUTH 30°46'38" WEST 1517.80 FEET; THENCE SOUTH 12°12'51" WEST 316 FEET TO THE BEGINNING OF A TANGENT 2465 FOOT RADIUS CURVE CONCAVE EASTERLY; THENCE SOUTHERLY ALONG SAID CURVE 663.98 FEET THROUGH AN ANGLE OF 15°26'; THENCE SOUTH 66°38'01" WEST 423.61 FEET; THENCE NORTH 27°26'54" WEST 45.50 FEET TO A POINT ON A 19 FOOT RADIUS CURVE WHOSE CENTER BEARS NORTH 27°26' 54" WEST FROM SAID POINT; THENCE SOUTHWESTERLY, WESTERLY, NORTHWESTERLY, NORTHERLY, AND NORTHEASTERLY ALONG SAID CURVE 59.69 FEET THROUGH AN ANGLE OF 180°00'00"; THENCE RADially TO LAST SAID CURVE NORTH 27°26'54" WEST 132.80 FEET; THENCE NORTH 23°37'00" WEST 40.40 FEET; THENCE NORTH 9°36'00" WEST 52.70 FEET; THENCE NORTH 1°23'00" EAST, 57.30 FEET; THENCE NORTH 74°12'20" WEST 30.71 FEET TO THE BEGINNING OF A TANGENT 167 FOOT RADIUS CURVE CONCAVE NORTHEASTERLY; THENCE NORTHWESTERLY AND NORTHERLY ALONG SAID CURVE 249.08 FEET THROUGH AN ANGLE OF 85°27'20"; THENCE RADially TO SAID CURVE NORTH 78°45'00" WEST 8 FEET; THENCE NORTH 11°15'00" EAST 16 FEET; THENCE SOUTH 78°45'00" EAST 24.04 FEET; THENCE NORTH 1°45'00" EAST 57.84 FEET; THENCE NORTH 6°53'00" WEST 12.60 FEET TO THE TRUE POINT OF BEGINNING, THE MISSION BAY COORDINATES OF SAID TRUE POINT OF BEGINNING, BEING NORTH 10,267.267 AND WEST 7,910.317; THENCE SOUTH 73°15'02" WEST TO THE MEAN HIGH LINE OF MISSION BAY.

PARCEL 3: (DOCKS)

THAT PARCEL OF LAND IN THE CITY OF SAN DIEGO, COUNTY OF SAN DIEGO, STATE OF CALIFORNIA, BEING A PORTION OF THE TIDELANDS AND SUBMERGED OR FILLED LANDS OR FALSE BAY, ALSO KNOWN AS MISSION BAY AND INCLUDING ANY PORTION OF THE PUEBLO LANDS OF SAN DIEGO, ACCORDING TO MAP THEREOF MADE BY JAMES PASCOE, A COPY OF WHICH IS ON FILE IN THE OFFICE OF THE COUNTY RECORDER OF SAID COUNTY AND IS KNOWN AS MISCELLANEOUS MA NO. 36, BEING ALL THAT PORTION OF A STRIP OF LAND 100 FEET WIDE LYING SOUTHWESTERLY OF THE MEAN HIGH WATER LINE OF MISSION BAY, THE CENTER LINE OF SAID 100 FOOT WIDE STRIP BEING DESCRIBED AS FOLLOWS:

BEGINNING THE TRUE POINT OF BEGINNING FOR AFORESAID PARCEL NO. 2; THENCE SOUTH 73°15'02" WEST 252 FEET.

DESCRIPTION A-2: Commonly described as the site of The Lodge at Torrey Pines

LEGAL DESCRIPTION

THOSE PORTIONS OF PUEBLO LOTS 1330 AND 1331 OF THE PUEBLO LANDS OF SAN DIEGO CALIFORNIA, IN THE CITY OF SAN DIEGO, COUNTY OF SAN DIEGO, STATE OF CALIFORNIA, ACCORDING TO MAP THEREOF MADE JAMES PASCOE IN 1870, A COPY OF SAID MAP BEING FILED IN THE OFFICE OF THE COUNTY RECORDER OF SAN DIEGO COUNTY, AND IS KNOWN AS MISCELLANEOUS MAP NO. 36, DESCRIBED AS FOLLOWS:

BEGINNING AT THE NORTHEASTERLY CORNER OF SAID PUEBLO LOT 1331; THENCE SOUTH 0°22'50" WEST ALONG THE EASTERLY LINE THEREOF 1155.24 FEET; THENCE LEAVING SAID EASTERLY LINE, SOUTH 89°55'53" WEST 115.41 FEET TO A FOUND LEAD AND DISC STAMPED "LS 4593", THE TRUE POINT OF BEGINNING, SAID POINT BEING THE NORTHEAST CORNER OF THAT PARCEL SHOWN ON RECORD OF SURVEY MAP NO. 14849, RECORDED IN THE OFFICE OF THE COUNTY RECORDER ON APRIL 13, 1995, FILE NO. 95-155749, O.R.; THENCE NORTH 2°09'51" WEST (NORTH 0°13'28" EAST RECORD PER GROUND LEASE, CITY CLERK'S DOCUMENT NO. 629873, RECORDED OCTOBER 24, 1961 AS FILE NO. 184967, O.R., TO BE REFERRED TO HEREINAFTER AS DEED 1; SEE ALSO CITY OF SAN DIEGO DRAWING NO. 13929-CL) (NORTH 2°11'10" WEST RECORD PER EXHIBIT "C" PARCEL 3 IN THE ASSIGNMENT OF GROUND LEASE RECORDED JULY 6, 1990 AS FILE NO. 90-367803, O.R., TO BE REFERRED TO HEREINAFTER AS DEED 2); 15.33 FEET ALONG THE NORTHERLY PROLONGATION OF THE EASTERLY LINE OF SAID RECORD OF SURVEY PARCEL; THENCE LEAVING SAID NORTHERLY PROLONGATION OF SAID EASTERLY LINE SOUTH 87°26'43" WEST 268.12 FEET; THENCE SOUTH 18°34'38" WEST 71.76 FEET; THENCE SOUTH 4°55'07" EAST 502.68 FEET TO A FOUND LEAD AND DISC STAMPED "RCE 12725" IN A CONCRETE CURB, ACCEPTED AS THE NORTHWEST CORNER OF LOT 1 OF SHERATON HOTEL AT TORREY PINES UNIT NO. 2, ACCORDING TO MAP THEREOF NO. 12164, RECORDED AUGUST 12, 1988 AS FILE NO. 88-399909, O.R.; THENCE ALONG THE SOUTH LINE OF SAID DEED 1, BEING ALSO THE NORTH LINE OF SAID MAP NO. 12164, THE FOLLOWING COURSES: NORTH 82°31'26" EAST 42.91 FEET (NORTH 82°30'36" EAST 42.93 FEET PER MAP NO. 12164) AND NORTH 82°33'15" EAST 402.20 FEET (NORTH 84°57'03" EAST 402.47 FEET PER DEED 1) (NORTH 82°32'25" EAST PER MAP NO. 12164) TO THE SOUTHEAST CORNER OF SAID DEED 1, SAID POINT BEING ALSO THE POINT OF BEGINNING OF DEED 2; THENCE CONTINUING ALONG THE EASTERLY PROLONGATION OF SAID SOUTH LINE OF DEED 1, NORTH 82°33'15" EAST 121.05 FEET (NORTH 82°32'25" EAST 120.81 FEET MORE OR LESS PER DEED 2) TO THE WESTERLY SIDELINE OF NORTH TORREY PINES ROAD (OLD HIGHWAY 101) 153.00 FEET IN WIDTH PER MAP NO. 12164; THENCE ALONG SAID SIDELINE NORTH 9°28'03" WEST 210.00 FEET TO THE BEGINNING OF A TANGENT CURVE CONCAVE SOUTHWESTERLY HAVING A RADIUS OF 200.00 FEET, SAID POINT BEING THE TRUE POINT OF BEGINNING OF SAID DEED 2; THENCE LEAVING THE SIDELINE OF NORTH TORREY PINES ROAD, NORTHWESTERLY ALONG THE ARC OF SAID CURVE THROUGH A CENTRAL ANGLE OF 46°31'57" A DISTANCE OF 162.43 FEET; THENCE TANGENT TO SAID CURVE NORTH 56°00'00" WEST 155.14 FEET (155.67 FEET MORE OR LESS PER DEED 2) TO A POINT ON A LINE 68.00 FEET SOUTHERLY AND PARALLEL WITH THE NORTHERLY LINE OF DEED 1; THENCE ALONG SAID PARALLEL LINE SOUTH 87°32'47" WEST 62.08 FEET (SOUTH 87°31'15"

WEST 61.72 FEET MORE OR LESS PER DEED 2) TO THE EASTERLY LINE OF DEED 1;
THENCE NORTH 2°09'51" WEST (NORTH 0°13'28" EAST PER DEED 1) (NORTH 2°11'10"
WEST PER DEED 2) 68.00 FEET TO THE TRUE POINT OF BEGINNING.

THE BASIS OF BEARINGS FOR THIS DESCRIPTION IS THE CENTERLINE OF NORTH
TORREY PINES ROAD PER MAP NO. 12164, I.E. NORTH 9°28'03" WEST.

APN'S: 340-011-09 PORTION; 760-103-67; & 760-103-42 PORTION

DESCRIPTION A-3: Commonly,described as the site of the Scripps Health Land

LEGAL DESCRIPTION

PARCEL 1 OF PARCEL MAP NO. 15672, IN THE CITY OF SAN DIEGO, COUNTY OF SAN DIEGO, STATE OF CALIFORNIA, ACCORDING TO MAP THEREOF, FILED IN THE OFFICE OF THE COUNTY RECORDER OF SAN DIEGO COUNTY, MAY 17, 1989.

APN: 340-011-10

DESCRIPTION A-4: Commonly described as the site of the Mission Valley Library

LEGAL DESCRIPTION

PARCEL A (LIBRARY SITE): (APN 433-101-09)

PARCEL 9 OF PARCEL MAP NO. 18354, IN THE CITY OF SAN DIEGO, COUNTY OF SAN DIEGO, STATE OF CALIFORNIA, FILED IN THE OFFICE OF THE COUNTY RECORDER OF SAN DIEGO COUNTY ON OCTOBER 8, 1999 AS DOCUMENT NO. 1999-0683291.

PARCEL B (ACCESS AND UTILITY EASEMENT):

A NON-EXCLUSIVE EASEMENT, APPURTENANT TO THE REAL PROPERTY DESCRIBED IN PARCEL A ABOVE, FOR PEDESTRIAN AND VEHICULAR INGRESS AND EGRESS AND FOR UTILITY PURPOSES, OVER THAT PORTION OF PARCEL 8 OF PARCEL MAP NO. 18354 THAT IS DEPICTED ON THE PARCEL MAP AS "PRIVATE ACCESS AND UTILITY EASEMENT" AND IS MORE PARTICULARLY DESCRIBED AS:

A PORTION OF PARCEL 8 OF PARCEL MAP NO. 18354, IN THE CITY OF SAN DIEGO, COUNTY OF SAN DIEGO, STATE OF CALIFORNIA, FILED IN THE OFFICE OF THE COUNTY RECORDER OF SAN DIEGO COUNTY ON OCTOBER 8, 1999 AS DOCUMENT NO. 1999-0683291, BEING MORE PARTICULARLY DESCRIBED AS:

BEGINNING AT THE MOST WESTERLY CORNER OF SAID PARCEL 9, SAID POINT ALSO BEING A SOUTHWESTERLY CORNER OF PARCEL 8 OF SAID PARCEL MAP NO. 18354; THENCE NORTH 77°38'45" WEST, 74.00 FEET; THENCE NORTH 12°21'16" EAST, 62.05 FEET; THENCE NORTH 48°46' 28" EAST, 259.85 FEET; THENCE SOUTH 41°42'34" EAST, 46.04FEET; THENCE SOUTH 48°46' 28" WEST, 189.71 FEET TO THE BEGINNING OF A TANGENT 24.00 FOOT RADIUS CURVE, CONCAVE SOUTHEASTERLY, A RADIAL BEARING TO SAID POINT BEARS NORTH 41°13' 32" WEST; THENCE SOUTHWESTERLY ALONG SAID CURVE THROUGH A CENTRAL ANGLE OF 36°25'12", 15.26 FEET; THENCE TANGENT TO SAID CURVE, SOUTH 12°21'16" WEST, 76.91 FEET TO THE POINT OF BEGINNING.

DESCRIPTION A-5: Commonly described as the site of the Fire Communications Building

LEGAL DESCRIPTION

PORTION OF APN: 421-290-09

THAT PORTION OF LOT 10 OF NEW RIVERSIDE, IN THE CITY OF SAN DIEGO, COUNTY OF SAN DIEGO, STATE OF CALIFORNIA, ACCORDING TO MAP THEREOF NO. 679, RECORDED ON AUGUST 11, 1891, IN THE OFFICE OF THE COUNTY RECORDER OF SAN DIEGO COUNTY, MORE PARTICULARLY DESCRIBED AS FOLLOWS:

COMMENCING AT THE NORTHERLY TERMINUS OF A LINE BEARING SOUTH 12°25'19" WEST 567.54 FEET AS DESCRIBED IN GRANT DEED RECORDED NOVEMBER 7, 1968, AS FILE/PAGE NO. 195339 OF OFFICIAL RECORDS; THENCE ALONG THE COURSES OF SAID GRANT DEED AS FOLLOWS; SOUTH 12°25'19" WEST 307.29 FEET TO THE POINT OF BEGINNING; THENCE CONTINUING, SOUTH 12°25'19" WEST 260.26 FEET; THENCE SOUTH 8°13'39" WEST 16.90 FEET; THENCE SOUTH 63°00'00" EAST 82.53 FEET TO THE BEGINNING OF A CURVE, CONCAVE NORTHWESTERLY, HAVING A RADIUS OF 102.00 FEET; THENCE EASTERLY ALONG THE ARC OF SAID CURVE 163.49 FEET THROUGH A CENTRAL ANGLE OF 91°50'00"; THENCE NORTH 25°10'00" EAST 130.76 FEET TO THE BEGINNING OF A CURVE, CONCAVE WESTERLY, HAVING A RADIUS OF 858.00 FEET; THENCE NORTHERLY ALONG THE ARC OF SAID CURVE 94.11 FEET THROUGH A CENTRAL ANGLE OF 6°17'05"; THENCE LEAVING SAID GRANT DEED, NORTH 77°15'43" WEST 250.81 FEET TO THE POINT OF BEGINNING.

DESCRIPTION A-6: Commonly described as the site of the Fire Station #9

LEGAL DESCRIPTION

(ASSESSOR'S PARCEL NO. 352-100-1, 2 AND 3)

LOTS 1 AND 2 OF TRES CALLES, IN THE CITY OF SAN DIEGO, COUNTY OF SAN DIEGO, STATE OF CALIFORNIA, ACCORDING TO MAP THEREOF NO. 3478, FILED IN THE OFFICE OF THE COUNTY RECORDER OF SAN DIEGO COUNTY, TOGETHER WITH ALL THAT PORTION OF LOT 1288 OF THE PUEBLO LANDS OF SAN DIEGO, IN THE CITY OF SAN DIEGO, COUNTY OF SAN DIEGO, STATE OF CALIFORNIA, ACCORDING TO MAP THEREOF MADE BY JAMES PASCOE IN 1870, A COPY OF WHICH SAID MAP WAS FILED IN THE OFFICE OF THE COUNTY RECORDER OF SAN DIEGO COUNTY, NOVEMBER 14, 1921 AND IS KNOWN AS MISCELLANEOUS MAP NO. 36, DESCRIBED AS FOLLOWS:

COMMENCING AT THE SOUTHEAST CORNER OF THAT CERTAIN TRACT OF LAND CONVEYED TO LEONARD R. HOLLIDAY AND WIFE, BY DEED DATED SEPTEMBER 7, 1921 AND RECORDED IN BOOK 857, PAGE 395 OF DEEDS, SAID CORNER BEING MARKED BY A 12 INCH BY 36 INCH CONCRETE MONUMENT WITH A SCRIBED BRASS DISK IN ITS TOP; THENCE NORTH 3°52' EAST ALONG THE EASTERLY LINE OF SAID TRACT CONVEYED TO HOLLIDAY, 417.4 FEET TO THE NORTHEASTERLY RANGE THEREOF; THENCE SOUTH 86°08' EAST ALONG THE EASTERLY PROLONGATION OF THE NORTHERLY LINE OF SAID TRACT, 115 FEET; THENCE NORTH 3°52' EAST, 103.41 FEET TO A POINT ON THE SEMI-TANGENT OF THE CENTER LINE CURVE OF A CITY STREET, KNOWN AS ARDATH ROAD; THENCE SOUTH 62°31'17" EAST - RECORD SOUTH 62°35' EAST - ALONG SAID SEMI-TANGENT 62.78 FEET TO THE EASTERLY END OF SAID CURVE; THENCE CONTINUING SOUTH 62°31'17" EAST ALONG SAID CENTER LINE OF SAID ARDATH ROAD, 228.90 FEET; THENCE AT RIGHT ANGLE, NORTH 27°28'43" EAST, 30 FEET TO THE TRUE POINT OF BEGINNING; BEING A POINT ON THE NORTHEASTERLY LINE OF SAID ROAD, MARKED BY A BRASS PLATE SET IN A 12 INCH BY 36 INCH CONCRETE MONUMENT; THENCE NORTH 27°2'43" EAST, 147.97 FEET TO A POINT ON A CURVE CONCAVE NORTHERLY AND HAVING A RADIUS OF 950 FEET; THENCE WESTERLY ALONG SAID CURVE, THROUGH A CENTRAL ANGLE OF 13°40'26" FOR A DISTANCE OF 226.72 FEET TO THE BEGINNING OF A REVERSE CURVE CONCAVE EASTERLY AND HAVING A RADIUS OF 10 FEET; THENCE SOUTHERLY ALONG SAID CURVE, THROUGH A CENTRAL ANGLE OF 152°01'09" FOR A DISTANCE OF 26.53 FEET TO ITS POINT OF TANGENCY IN SAID NORTHEASTERLY LINE OF ARDATH ROAD; THENCE SOUTH 62°31'17" EAST ALONG SAID NORTHEASTERLY LINE, 181.0 FEET TO THE TRUE POINT OF BEGINNING.

DESCRIPTION A-7: Commonly described as the site of the Fire Station #11

LEGAL DESCRIPTION

LOTS 11 AND 12 IN BLOCK 2 OF BARTLETT ESTATES COMPANY'S SUBDIVISION OF BLOCKS 25 AND 26 OF BREED & CHASE'S ADDITION, IN THE CITY OF SAN DIEGO, COUNTY OF SAN DIEGO, STATE OF CALIFORNIA, ACCORDING TO MAP THEREOF NO. 942, FILED IN THE OFFICE OF THE COUNTY RECORDER OF SAN DIEGO COUNTY, MARCH 27, 1905.

TOGETHER WITH THE WESTERLY ONE HALF OF THE ALLEY ADJOINING SAID LOT 12 ON THE EAST AS VACATED BY RESOLUTION NO. 270268 RECORDED FEBRUARY 12, 1988 AS FILE NO. 88-68283 OF OFFICIAL RECORDS.

APN: 534-401-01 & 02

DESCRIPTION A-8: Commonly described as the site of the Fire Station #37

LEGAL DESCRIPTION

LOT 25 AND LOT D OF SCRIPPS RANCH NORTH, UNIT NO. 10 IN THE CITY OF SAN DIEGO, COUNTY OF SAN DIEGO, STATE OF CALIFORNIA, ACCORDING TO MAP THEREOF NO. 13206, FILED IN THE OFFICE OF THE COUNTY RECORDER OF SAN DIEGO COUNTY, MAY 19, 1995.

APN: 319-591-07 AND 08

DESCRIPTION A-9: Commonly described as the site of the Mingei International Museum and Art Institute Building (House of Charm)

LEGAL DESCRIPTION

THAT PORTION OF THE LAND DESIGNATED "CITY PARK RESERVATION," WHICH LIES WITHIN THE PUEBLO LANDS OF SAN DIEGO, IN THE CITY OF SAN DIEGO, COUNTY OF SAN DIEGO, STATE OF CALIFORNIA, ACCORDING TO MISCELLANEOUS MAP THEREOF NO. 36, BY JAMES PASCOE, FILED IN THE OFFICE OF THE COUNTY RECORDER OF SAN DIEGO COUNTY, BEING A PORTION OF PUEBLO LOT 1135 AND PUEBLO LOT 1136 OF SAID PUEBLO LAND ACCORDING TO MISCELLANEOUS MAP THEREOF NO. 35, BY CHARLES H. POOLE, FILED IN THE OFFICE OF THE COUNTY RECORDER OF SAN DIEGO COUNTY AND BEING MORE PARTICULARLY DESCRIBED AS FOLLOWS:

THE BASIS OF BEARING FOR THIS DESCRIPTION IS NAD 83 HORIZONTAL COORDINATE VALUES FOR CONTROL POINTS GPS 0047 AND GPS 0048 WERE DETERMINED BY GPS PROCEDURES.

COMMENCING AT CITY OF SAN DIEGO HORIZONTAL CONTROL STATION "GPS 0048", BEING A LEAD AND DISK STAMPED "GPS 0048", HAVING A NORTH AMERICAN DATUM OF 1983 VALUE OF NORTHING 1846535.61 AND EASTING 6284662.10; THENCE NORTH 09° 52' 43" EAST, 581.78 FEET TO AN 1" IRON PIPE "GPS 0047" WITH A DISK STAMPED "GPS 0047"; THENCE ALONG SAID LINE SOUTH 09° 52' 43" WEST DISTANT THEREON 17.22 FEET; THENCE NORTH 89° 53' 58" WEST 101.75 FEET TO THE TRUE POINT OF BEGINNING; THENCE ALONG THE PROLONGATION OF SAID LINE 139.08 FEET; THENCE SOUTH 00° 06' 02" WEST 100.46 FEET; THENCE NORTH 89° 53' 58" WEST 15.36 FEET; THENCE SOUTH 00° 06' 02" WEST 57.08 FEET; THENCE NORTH 89° 53' 58" WEST 32.45 FEET; THENCE SOUTH 00° 06' 02" WEST 54.98 FEET; THENCE SOUTH 40° 00' 00" EAST 19.21 FEET TO THE BEGINNING OF A TANGENT CURVE, CONCAVE NORTHEASTERLY AND HAVING A RADIUS OF 22.91 FEET; THENCE SOUTHEASTERLY ALONG SAID CURVE THROUGH A CENTRAL ANGLE OF 37° 52' 53" A DISTANCE OF 15.15 FEET TO A LINE TANGENT; THENCE SOUTH 77° 52' 53" EAST 88.39 FEET TO THE BEGINNING OF A TANGENT CURVE CONCAVE NORTHERLY AND HAVING A RADIUS OF 273.82 FEET; THENCE EASTERLY ALONG SAID CURVE, THROUGH A CENTRAL ANGLE OF 12° 01' 09" A DISTANCE OF 57.44 FEET TO A LINE TANGENT; THENCE SOUTH 89° 54' 02" EAST 42.95 FEET TO THE BEGINNING OF A TANGENT CURVE CONCAVE NORTHWESTERLY AND HAVING A RADIUS OF 29.49 FEET; THENCE ALONG SAID CURVE, THROUGH A CENTRAL ANGLE OF 89° 59' 56", A DISTANCE OF 46.34 FEET TO A LINE TANGENT; THENCE NORTH 00° 06' 02" EAST 59.21 FEET; THENCE SOUTH 89° 53' 58" EAST 18.19 FEET MORE OR LESS TO A POINT ON THE LINE BETWEEN GPS 0048 AND GPS 0047, SAID POINT BEING 173.08 FEET SOUTHERLY OF GPS 0047; THENCE NORTH 89° 53' 58" WEST 18.19 FEET; THENCE ALONG THE PROJECTION OF SAID LINE NORTH 89° 53' 58" WEST 54.16 FEET; THENCE NORTH 00° 06' 02" EAST 170.56 FEET TO THE TRUE POINT OF BEGINNING.

APN: 534-450-08 PORTION (760-212-56)

DESCRIPTION A-10: Commonly described as the site of the University of California San Diego

LEGAL DESCRIPTION

PARCEL 1, IN THE CITY OF SAN DIEGO, COUNTY OF SAN DIEGO, STATE OF CALIFORNIA, AS SHOWN AT PAGE 9813 OF PARCEL MAPS, FILED IN THE OFFICE OF THE COUNTY RECORDER OF SAN DIEGO COUNTY, MARCH 14, 1980.

APN: 342-010-34

DESCRIPTION A-11: Commonly described as the site of Fire Station #44

LEGAL DESCRIPTION

LOT 3 OF CARROLL CANYON CENTRE, IN THE CITY OF SAN DIEGO, COUNTY OF SAN DIEGO, STATE OF CALIFORNIA, ACCORDING TO THE MAP THEREOF NO. 10179, FILED IN THE OFFICE OF THE COUNTY RECORDER OF SAN DIEGO COUNTY, AUGUST 27, 1981.

ASSESSOR'S PARCEL NO. 341-330-01

DESCRIPTION A-12: Commonly described as the site of the Northeastern Police Station

LEGAL DESCRIPTION

THAT PORTION OF RANCHO LOS PENASQUITOS, IN THE CITY OF SAN DIEGO, COUNTY OF SAN DIEGO, STATE OF CALIFORNIA, ACCORDING TO MAP ACCOMPANYING THE PATENT TO SAID RANCHO, RECORDED IN THE OFFICE OF THE COUNTY RECORDER OF SAN DIEGO COUNTY, IN BOOK 2, PAGE 385 OF PATENTS, DESCRIBED AS FOLLOWS:

BEGINNING AT THE SOUTHWESTERLY TERMINUS OF THAT CERTAIN COURSE IN THE CENTER LINE OF PASEO MONTALBAN, AS SHOWN ON MAP NO. 8622, OF PENASQUITOS ESTATES UNIT NO. 1, FILED IN THE OFFICE OF THE COUNTY RECORDER OF SAN DIEGO COUNTY, BEING "NORTH 50°30'00" EAST, 380.90 FEET", BEING THE NORTHEASTERLY TERMINUS OF A 1000 FOOT RADIUS CURVE CONCAVE NORTHWESTERLY IN SAID CENTER LINE AND TANGENT TO SAID CURVE; THENCE ALONG SAID CENTER LINE, SOUTHWESTERLY ALONG SAID CURVE THROUGH AN ANGLE OF 3°46'06" A DISTANCE OF 65.77 FEET; THENCE RADIAL TO SAID CURVE, SOUTH 35°43'54" EAST, 51 FEET TO THE SOUTHEASTERLY LINE OF SAID PASEO MONTALBAN, BEING THE TRUE POINT OF BEGINNING AND BEING A POINT IN THE ARC OF A 20 FOOT RADIUS CURVE CONCAVE SOUTHWESTERLY, A RADIAL BEARS NORTH 35°43'54" WEST TO SAID POINT; THENCE NORTHEASTERLY AND EASTERLY ALONG SAID CURVE THROUGH AN ANGLE OF 87°19'27" A DISTANCE OF 30.48 FEET; THENCE TANGENT TO SAID CURVE, SOUTH 38°24'27" EAST, 431.29 FEET TO A TANGENT 170 FOOT RADIUS CURVE CONCAVE WESTERLY; THENCE SOUTHERLY ALONG SAID CURVE THROUGH AN ANGLE OF 26°29'44", A DISTANCE OF 78.61 FEET; THENCE TANGENT TO SAID CURVE, SOUTH 11°54'43" EAST 20 FEET; THENCE SOUTH 78°05'17" WEST, 342.07 FEET; THENCE NORTH 24°17'00" WEST 436.22 FEET TO A POINT IN THE ARC OF A 1051 FOOT RADIUS CURVE CONCAVE, NORTHERLY IN SAID SOUTHEASTERLY LINE OF PASEO MONTALBAN, A RADIAL BEARS SOUTH 24°17'00" EAST TO SAID POINT; THENCE EASTERLY ALONG SAID CURVE THROUGH AN ANGLE OF 11°6'54" A DISTANCE OF 210 FEET TO THE TRUE POINT OF BEGINNING.

APN: 315-530-08

**[DESCRIPTION A-13: Commonly described as the site of the Central Police Vehicle
Maintenance]**

[DESCRIPTION A-14: Commonly described as the site of the Fire Station #16 Mt. Soledad]

[DESCRIPTION A-15: Commonly described as the site of the City Operations Building & Parkade]

**[DESCRIPTION A-16: Commonly described as the site of the Carmel Valley Community Park
Town Recreation Center]**

**[DESCRIPTION A-17: Commonly described as the Site of the Fire Station #24; 12077
Hartfield]**

[DESCRIPTION A-18: Commonly described as the site of the Scripps Ranch Library]

**[DESCRIPTION A-19: Commonly described as the site of the North University Community
Library & Rec Center (Buildings & Land)]**

THIRD SUPPLEMENTAL INDENTURE

Dated as of _____, 20__

Amending and Supplementing the

INDENTURE

Dated as of July 1, 2012

and as amended on July 1, 2013 and April 1, 2014 and
_____, 20__

by and between

**PUBLIC FACILITIES FINANCING AUTHORITY
OF THE CITY OF SAN DIEGO**

and

WELLS FARGO BANK, NATIONAL ASSOCIATION
as Trustee

Relating to

\$ _____
PUBLIC FACILITIES FINANCING AUTHORITY OF THE CITY OF SAN DIEGO
LEASE REVENUE BONDS
SERIES _____
(CAPITAL IMPROVEMENT PROJECTS)

TABLE OF CONTENTS

	<u>Page</u>
ARTICLE XXVIII DEFINITIONS; AUTHORIZATION AND PURPOSE OF SERIES ____ BONDS; EQUAL SECURITY	3
Section 28.01. Definitions.....	3
Section 28.02. Authorization and Purpose of Series ____ Bonds	6
Section 28.03. Equal Security	6
Section 28.04. Actions by Authority and City	7
ARTICLE XXIX ISSUANCE OF SERIES ____ BONDS	7
Section 29.01. Authorization of Series ____ Bonds	7
Section 29.02. Terms of the Series ____ Bonds	7
Section 29.03. Common Terms of the Series ____ Bonds	7
Section 29.04. Form and Execution of Series ____ Bonds.....	8
ARTICLE XXX APPLICATION OF PROCEEDS; ESTABLISHMENT OF FUNDS	8
Section 30.01. Application of Proceeds of Sale of Series ____ Bonds	8
Section 30.02. Establishment and Application of Series ____ Costs of Issuance Fund	9
Section 30.03. Establishment and Application of Series ____ Construction Fund	9
Section 30.04. Series ____ Bonds Sinking Account.....	10
ARTICLE XXXI REDEMPTION OF SERIES ____ BONDS	10
Section 31.01. Terms of Redemption	10
Section 31.02. Purchase in Lieu of Redemption with Respect to Term Bonds	11
ARTICLE XXXII PARTICULAR COVENANTS	12
Section 32.01. Tax Covenants for Series ____ Bonds.....	12
Section 32.02. Rebate Fund for the Series ____ Bonds.....	13
ARTICLE XXXIII THE TRUSTEE.....	14
Section 33.01. Compensation	14
ARTICLE XXXIV AMENDMENTS TO MASTER INDENTURE	14
ARTICLE XXXV MISCELLANEOUS	14
Section 35.01. Survival of Master Indenture	14
Section 35.02. Severability of Invalid Provisions	14
Section 35.03. Notices	15
Section 35.04. Waiver of Personal Liability.....	15
Section 35.05. Successor Is Deemed Included in All References to Predecessor	16
Section 35.06. Execution in Several Counterparts.....	16
Section 35.07. Governing Law	16

TABLE OF CONTENTS (Continued)

	<u>Page</u>
Signature Page	S-1
EXHIBIT A FORM OF SERIES ____ BOND	A-1-1
EXHIBIT B FORM OF SERIES ____ COSTS OF ISSUANCE FUND REQUISITION	B-1
EXHIBIT C FORM OF 2014 CONSTRUCTION FUND REQUISITION	C-1
EXHIBIT D FEE SCHEDULE OF TRUSTEE	D-1

THIRD SUPPLEMENTAL INDENTURE

This THIRD SUPPLEMENTAL INDENTURE, dated as of _____, 20__ (the "Third Supplemental Indenture"), is entered into by and between the PUBLIC FACILITIES FINANCING AUTHORITY OF THE CITY OF SAN DIEGO, a joint exercise of powers entity duly organized and existing under and by virtue of the laws of the State of California (the "Authority"), and WELLS FARGO BANK, NATIONAL ASSOCIATION, a national banking association existing under and by virtue of the laws of the United States of America, as trustee (the "Trustee"), and supplements and amends the INDENTURE, dated as of July 1, 2012 (the "Master Indenture") as supplemented and amended by the FIRST SUPPLEMENTAL INDENTURE, dated as of July 1, 2013, and the SECOND SUPPLEMENTAL INDENTURE, dated as of April 1, 2014, each by and between the Authority and the Trustee (as supplemented and amended hereby, the "Indenture"). (Capitalized terms used in the Whereas clauses that are not defined therein have the meanings provided in Section 28.01 hereof.)

WITNESSETH:

WHEREAS, the Authority is a joint powers authority duly organized and existing under and pursuant to that certain Third Amended and Restated Joint Exercise of Powers Agreement, dated as of January 1, 2013 (the "JPA Agreement"), by and between the City of San Diego (the "City"), the City as the Successor Agency to the Redevelopment Agency of the City of San Diego, and the Housing Authority of the City of San Diego (collectively, the "Members"), and under the provisions of Articles 1 through 4 (commencing with Section 6500) of Chapter 5 of Division 7 of Title 1 of the California Government Code (the "Act"); and

WHEREAS, the Authority is authorized pursuant to Article 4 of the Act to borrow money to provide financing and refinancing for public capital improvements of public entities, including the Members; and

WHEREAS, the Authority has previously entered into the Master Indenture 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 as supplemented and amended by the First Supplemental Indenture and the Second Supplemental Indenture, the Authority has issued its Lease Revenue Bonds, Series 2012A (Capital Improvement Projects) in the aggregate principal amount of \$72,000,000 (the "Series 2012A Bonds"), its Lease Revenue Refunding Bonds, Series 2012B (Fire and Life Safety Facilities Refunding) in the aggregate principal amount of \$18,745,000, its Lease Revenue Bonds and Lease Revenue Refunding Bonds, Series 2013A (Capital Improvement Projects and Old Town Light Rail Extension Refunding) in the principal amount of \$43,245,000 (the "Series 2013A Bonds"), its Lease Revenue Refunding Bonds, Series 2013B (Balboa Park/Mission Bay Park Refunding) in the principal amount of \$6,285,000 (the "Series 2013B Bonds") and its Lease Revenue Bonds, Series 2014A (Capital Improvement Projects) in the principal amount of \$_____ (the "Series 2014A Bonds" and, together with the Series 2012A Bonds, the Series 2012B Bonds, the Series 2013A Bonds and the Series 2013B Bonds, the "Prior Bonds") in order to finance various capital improvements of the City and to refund various obligations of the City and the Authority;

WHEREAS, pursuant to Section 2.13 of the Master Indenture, the Authority may at any time issue Additional Bonds pursuant to a Supplemental Indenture; and

[WHEREAS, pursuant to Section 9.01(b) of the Master Indenture, the Indenture may be modified or amended from time to time or at any time by a Supplemental Indenture which the Authority and the Trustee may enter into without the consent of any Bond Owners, to make such provisions for the purposes of curing any ambiguity, inconsistency or omission, or of curing or correcting any defective provision under the Indenture, or in regard to matters or questions arising under the Indenture, as the Authority may deem necessary and desirable, or for any other reason, provided such modification or amendment does not, in the judgment of the Trustee, materially adversely affect the interests of the owners of the Bonds then outstanding; and]

WHEREAS, the City has determined it is in the public interest and will benefit the inhabitants of the City to finance the costs of the acquisition, design, construction, installation, improvement, replacement and equipping of certain capital improvement projects in various locations within the City (collectively, the "20__ Project"), and in order to provide funds for such financing, the City has requested the Authority to issue its Lease Revenue Bonds, Series ____ (Capital Improvement Projects) (the "Series ____ Bonds") in the aggregate principal amount of \$_____ pursuant to the Master Indenture, as amended and supplemented by this Third Supplemental Indenture; and

WHEREAS, in order to provide for the payment, equally and ratably, of the Prior Bonds and the Series ____ Bonds, the City has leased certain real property of the City (collectively, the "City Property") to the Authority pursuant to the Site Lease, dated as of July 1, 2012, as supplemented and amended by a First Amendment to Facilities Lease, dated as of July 1, 2013, a Second Amendment to Site Lease, dated as of April 1, 2014 and a Third Amendment to Site Lease, dated as of _____, 20__ (collectively, the "Site Lease") and the Authority has leased from the San Diego Metropolitan Transit System ("MTS") a 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, dated as of July 1, 2013 (the "MTS Site Lease"), by and between MTS and the Authority, and the Authority has leased the Leased Property to the City pursuant to the 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, a Second Amendment to Facilities Lease, dated as of April 1, 2014, and by a Third Amendment to Facilities Lease, dated as of _____, 20__ (the "Third Amendment to Facilities Lease" and, collectively, the "Lease"), under which the City is required to make base rental payments to the Authority which calculated to be sufficient to enable the Authority to pay the principal of and interest on the Prior Bonds and the Series ____ Bonds when due and payable; and

WHEREAS, in order to provide for the authentication and delivery of the Series ____ Bonds, to establish and declare the terms and conditions upon which the Series ____ Bonds are to be issued and secured and to secure the payment of the principal thereof, premium, if any, and interest thereon, the Authority has authorized the execution and delivery of this Third Supplemental Indenture; and

WHEREAS, the Authority has determined that all acts and proceedings required by law necessary to make the Series ____ Bonds, when executed by the Authority and authenticated and delivered by the Trustee and duly issued, the valid, binding and legal limited obligations of the Authority, and to constitute this Third Supplemental Indenture a valid and binding agreement for the uses and purposes herein set forth in accordance with its terms, have been done and taken, and the execution and delivery of this Third Supplemental Indenture have been in all respects duly authorized.

NOW, THEREFORE, THIS THIRD SUPPLEMENTAL INDENTURE WITNESSETH, that to secure the payment of the principal of, premium, if any, and interest on the Series ____ Bonds, according to their tenor, and to secure the performance and observance of all the covenants and conditions therein and herein set forth, and to declare the terms and conditions upon and subject to which the Series ____ Bonds are to be issued and received, and in consideration of the premises and of the mutual covenants herein contained and of the purchase and acceptance of the Series ____ Bonds by the Owners thereof, and for other valuable consideration, the receipt of which is hereby acknowledged, the Authority does hereby covenant and agree with the Trustee, for the benefit of the respective Owners from time to time of the Series ____ Bonds, as follows:

ARTICLE XXVIII

DEFINITIONS; AUTHORIZATION AND PURPOSE OF SERIES ____ BONDS; EQUAL SECURITY

Section 28.01. Definitions. Except as otherwise provided in this Section 28.01, all terms used herein which are defined in the Master Indenture shall have the meanings assigned to them therein. All other capitalized terms used herein without definition shall have the meaning given to such terms in the Lease.

“20__ Project” means the financing of the Construction Costs of certain capital improvement projects of the City.

“Bond Year” means each twelve-month period extending from April 16 in one calendar year to April 15 of the succeeding calendar year, both dates inclusive; provided that the first Bond Year with respect to the Series ____ Bonds shall commence on the Closing Date and end on April 15, 20__.

“Bonds” means the Prior Bonds, the Series 2014A Bonds, the Series ____ Bonds and any Additional Bonds, authorized by and at any time Outstanding pursuant to the Indenture.

“Certificate of Completion” means, with respect to the 20__ Project, a Certificate of the City filed with the Trustee stating that the 20__ Project, which was financed with the proceeds of the Series ____ Bonds deposited into the Series ____ Construction Fund, has been acquired, constructed, installed and improved and that all Construction Costs have been paid or provided for.

“Closing Date” means, with respect to the Series ____ Bonds, the date the Series ____ Bonds are issued and delivered to the initial purchasers thereof.

“Construction Costs” means, with respect to the Series ____ Bonds, all costs of acquiring, constructing, installing or improving the 20__ Project, including but not limited to:

(i) all costs which the Authority or the City shall be required to pay to a manufacturer, vendor or contractor or any other person under the terms of any contract or contracts for the acquisition, construction, installation or improvement of the 20__ Project;

(ii) obligations of the Authority or the City incurred for labor and materials (including obligations payable by the Authority or the City for actual out of pocket expenses of the Authority or the City) in connection with the acquisition, construction, installation, improvement,

replacement or equipping of the 20__ Project, including reimbursement to the Authority or the City for all advances and payments made in connection with the 20__ Project prior to or after delivery of the Series ____ Bonds;

(iii) the costs of performance or other bonds and any and all types of insurance that may be necessary or appropriate to have in effect during the course of acquisition, construction, installation, improvement, replacement or equipping of the 20__ Project;

(iv) all costs of planning, development, design, engineering and architectural services, including the actual out of pocket costs of the Authority or the City for test borings, surveys, estimates, plans and specifications and preliminary investigations therefor, development fees and sales commissions, and for supervising acquisition, design, construction, installation, improvement, replacement and equipping, as well as for the performance of all other duties required by or consequent to the proper acquisition, design, construction, installation, improvement, replacement or equipping of the 20__ Project; and

(v) any sums required to reimburse the Authority or the City for advances made by the Authority or the City for any of the above items or for any other costs incurred and for work done by the Authority or the City which are properly chargeable to the acquisition, design, construction, installation, improvement, replacement or equipping of the 20__ Project.

“Continuing Disclosure Certificate” means, with respect to the Series ____ Bonds, that certain Continuing Disclosure Certificate relating to the Series ____ Bonds, executed by the City and dated the Closing Date, as originally executed and as it may be amended from time to time in accordance with the terms thereof.

“First Amendment to Facilities Lease” means the First Amendment to Facilities Lease, dated as of July 1, 2013, by and between the Authority, as sublessor, and the City, as sublessee.

“First Amendment to Site Lease” means the First Amendment to Site Lease, dated as of July 1, 2013, by and between the City, as lessor, and the Authority, as lessee.

“First Supplemental Indenture” means the First Supplemental Indenture, dated as of July 1, 2013, by and between the Authority and the Trustee.

“Indenture” means the Master Indenture as originally executed or as it may from time to time be supplemented, modified or amended by any Supplemental Indenture pursuant to the provisions thereof, including as amended and supplemented by the First Supplemental Indenture, the Second Supplemental Indenture and this Third Supplemental Indenture.

“Interest Payment Date” means, with respect to the Series ____ Bonds, each April 15 and October 15, commencing October 15, 20__, and for any series of Additional Bonds, such dates as shall be specified in the Supplemental Indenture authorizing such Additional Bonds.

“Lease” means that certain Facilities Lease, dated as of July 1, 2012, by and between the Authority, as sublessor, and the City, as sublessee, as originally executed and as it may from time to time be supplemented, modified or amended in accordance with the terms thereof and of the Indenture, including as amended and supplemented by the First Amendment to Facilities Lease, the Second Amendment to Facilities Lease, and the Third Amendment to Facilities Lease.

“Master Indenture” means the Indenture, dated as of July 1, 2012, by and between the Authority and the Trustee.

“MTS Site Lease” means the Site Lease, dated as of July 1, 2013, by and between the Authority and MTS, under which MTS leases the MTS Property to the Authority, as originally executed and as it may from time to time be amended or supplemented in accordance with the terms thereof.

“Original Purchaser” means, with respect to the Series ____ Bonds, the original purchaser(s) of the Series ____ Bonds upon their delivery by the Trustee on the Closing Date.

“Prior Bonds” means the Series 2012 Bonds, the Series 2013 Bonds and the Series 2014A Bonds.

“Second Amendment to Facilities Lease” means the Second Amendment to Facilities Lease, dated as of April 1, 2014, by and between the Authority, as sublessor, and the City, as sublessee.

“Second Amendment to Site Lease” means the Second Amendment to Site Lease, dated as of April 1, 2014, by and between the City, as lessor, and the Authority, as lessee.

“Second Supplemental Indenture” means this Second Supplemental Indenture, dated as of April 1, 2014, by and between the Authority and the Trustee.

“Series 2012 Bonds” means, collectively, the Series 2012A Bonds and the Series 2012B Bonds.

“Series 2012A Bonds” means the Authority’s Lease Revenue Bonds, Series 2012A (Capital Improvement Projects).

“Series 2012B Bonds” means the Authority’s Lease Revenue Refunding Bonds, Series 2012B (Fire and Life Safety Facilities Refunding).

“Series 2013 Bonds” means, collectively, the Series 2013A Bonds and the Series 2013B Bonds.

“Series 2013A Bonds” means the Authority’s Lease Revenue Bonds and Lease Revenue Refunding Bonds, Series 2013A (Capital Improvement Projects and Old Town Light Rail Extension Refunding).

“Series 2013B Bonds” means the Authority’s Lease Revenue Refunding Bonds, Series 2013B (Balboa Park/Mission Bay Park Refunding).

“Series 2014A Bonds” means the Authority’s Lease Revenue Bonds Series 2014A (Capital Improvement Projects).

“Series ____ Bonds” means the Authority’s Lease Revenue Bonds Series ____ (Capital Improvement Projects).

“Series ____ Costs of Issuance Fund” means the fund by that name established and held by the Trustee pursuant to Section 30.03 hereof.

“Series ____ Rebate Fund” means the fund by that name established and held by the Trustee pursuant to Section 31.02 hereof.

“Series ____ Bonds Sinking Account” means the account by that name established and held by the Trustee pursuant to Section 30.05 hereof.

“Series ____ Construction Fund” means the fund by that name established and held by the Trustee pursuant to Section 30.04 hereof.

“Site Lease” means the Site Lease, dated as of July 1, 2012, by and between the City, as lessor, and the Authority, as lessee, together with any duly authorized and executed amendments thereto, including as amended and supplemented by the First Amendment to Site Lease, the Second Amendment to Site Lease and the Third Amendment to Site Lease.

“Third Amendment to Facilities Lease” means the Third Amendment to Facilities Lease, dated as of _____, 2014, by and between the Authority, as sublessor, and the City, as sublessee.

“Third Amendment to Site Lease” means the Third Amendment to Site Lease, dated as of _____, 2014, by and between the City, as lessor, and the Authority, as lessee.

“Third Supplemental Indenture” means this Third Supplemental Indenture, dated as of _____, 2014, by and between the Authority and the Trustee.

“Tax Certificate” means, with respect to the Series ____ Bonds, the tax certificate of the Authority and City.

“Term Bonds” means, with respect to the Series ____ Bonds, the Series ____ Bonds maturing on October 15, 20__ and October 15, 20__.

Section 28.02. Authorization and Purpose of Series ____ Bonds. Pursuant to Section 2.13 of the Master Indenture, the Authority may at any time issue Additional Bonds pursuant to a Supplemental Indenture. The Authority has reviewed all proceedings heretofore taken relative to the authorization of the Series ____ Bonds and has found, as a result of such review, and hereby finds and determines that all things, conditions, and acts required by law to exist, happen and/or be performed precedent to and in the issuance of the Series ____ Bonds do exist, have happened and have been performed in due time, form and manner as required by law, and the Authority is now authorized under each and every requirement of law, to issue the Series ____ Bonds in the manner and form provided in this Third Supplemental Indenture. Accordingly, the Authority hereby authorizes the issuance of the Series ____ Bonds pursuant to the Master Indenture and this Third Supplemental Indenture for the purposes described herein.

Section 28.03. Equal Security. In consideration of the acceptance of the Bonds by the Owners thereof, the Master Indenture and this Third Supplemental Indenture shall be deemed to be and shall constitute a contract between the Authority and the Owners from time to time of the Bonds; and the covenants and agreements set forth in the Master Indenture and in this Third Supplemental Indenture to be performed on behalf of the Authority shall be for the equal and proportionate benefit, security and protection of all Owners of the Bonds without preference, priority or distinction as to security or otherwise of any of the Bonds over any of the others by reason of the number or date

thereof or the time of sale, execution or delivery thereof, or otherwise for any cause whatsoever, except as expressly provided therein or herein.

Section 28.04. Actions by Authority and City. Except as otherwise expressly provided herein, for all purposes of this Third Supplemental Indenture the Authorized Representative of the Authority shall be authorized to act upon behalf of the Authority, and the Authorized Representative of the City shall be authorized to act upon behalf of the City.

ARTICLE XXIX

ISSUANCE OF SERIES ____ BONDS

Section 29.01. Authorization of Series ____ Bonds. The Authority hereby authorizes the issuance of the Series ____ Bonds, which shall constitute special obligations of the Authority, for the purpose of providing funds to finance the 20__ Project and to pay Costs of Issuance related thereto.

The Series ____ Bonds are hereby designated the "Public Facilities Financing Authority of the City of San Diego, Lease Revenue Bonds, Series ____ (Capital Improvement Projects)." The aggregate principal amount of Series ____ Bonds initially issued and Outstanding under the Indenture shall equal \$ _____. At any time after the execution of this Third Supplemental Indenture, the Authority may execute and the Trustee shall authenticate and, upon the Written Request of the Authority, deliver the Series ____ Bonds. The Indenture constitutes a continuing agreement with the Trustee and the Owners from time to time of the Bonds to secure the full payment of the principal of and interest and premium (if any) on all the Bonds, subject to the covenants, provisions and conditions contained in the Indenture.

Section 29.02. Terms of the Series ____ Bonds. The Series ____ Bonds shall be issued in fully registered form without coupons in denominations of \$5,000 or any integral multiple thereof, so long as no Series ____ Bond shall have more than one maturity date. The Series ____ Bonds shall mature on the dates and in each of the years and in the amounts, and shall bear interest (calculated on the basis of a 360-day year of twelve 30-day months) at the rates, as follows:

<i>Maturity Date</i> <i>(October 15)</i>	<i>Principal Amount</i>	<i>Interest Rate</i>
---	-------------------------	----------------------

Section 29.03. Common Terms of the Series ____ Bonds. Except as otherwise provided in Section 2.07 of the Master Indenture, interest on the Series ____ Bonds shall be payable semiannually on each Interest Payment Date, to the person whose name appears on the Registration Books as the Owner thereof as of the Record Date immediately preceding each such Interest Payment Date, such interest to be paid by check of the Trustee mailed on such Interest Payment Date by first class mail to the Owners at the respective addresses of such Owners as they appear on the Registration Books; provided however, that payment of interest may be by wire transfer in immediately available funds to an account in the United States of America to any Owner of

Series ____ Bonds in the aggregate principal amount of \$1,000,000 or more who shall furnish written wire instructions to the Trustee at least five (5) days before the applicable Record Date. Principal of any Series ____ Bond and any premium upon redemption shall be paid by check of the Trustee upon presentation and surrender thereof at the Office of the Trustee, except as provided in Section 2.07 of the Master Indenture. Principal of and interest and premium (if any) on the Series ____ Bonds shall be payable in lawful money of the United States of America.

Each Series ____ Bond shall be dated as of the Closing Date and shall bear interest from the Interest Payment Date next preceding the date of authentication thereof, unless (a) it is authenticated after a Record Date and on or before the following Interest Payment Date, in which event it shall bear interest from such Interest Payment Date, or (b) unless it is authenticated on or before _____, 20__, in which event it shall bear interest from the Closing Date; provided, however, that if, as of the date of authentication of any Series ____ Bond, interest thereon is in default, such Series ____ Bond shall bear interest from the Interest Payment Date to which interest has previously been paid or made available for payment thereon.

Section 29.04. Form and Execution of Series ____ Bonds. The Series ____ Bonds and the authentication and registration endorsement and assignment to appear thereon shall be substantially in the form set forth on Exhibit A hereto. The Chair or Vice Chair of the Authority is hereby authorized and directed to execute each of the Series ____ Bonds on behalf of the Authority and the Secretary of the Authority is hereby authorized and directed to countersign each of the Bonds on behalf of the Authority. The signatures of such Chair or Vice Chair or Secretary may be by printed, lithographed or engraved by facsimile reproduction. In case any officer whose signature appears on the Series ____ Bonds shall cease to be such officer before the delivery of the Series ____ Bonds to the purchaser thereof, such signature shall nevertheless be valid and sufficient for all purposes as if such officer had remained in office until such delivery of the Series ____ Bonds. Only those Series ____ Bonds bearing thereon a certificate of authentication and registration in substantially the form set forth in Exhibit A hereto, executed manually and dated by the Trustee, shall be entitled to any benefit, protection or security hereunder or be valid or obligatory for any purpose, and such certificate of the Trustee shall be conclusive evidence that the Series ____ Bonds so authenticated and registered have been duly authorized, executed, issued and delivered hereunder and are entitled to the benefit, protection and security hereof.

ARTICLE XXX

APPLICATION OF PROCEEDS; ESTABLISHMENT OF FUNDS

Section 30.01. Application of Proceeds of Sale of Series ____ Bonds.

(a) Upon the receipt of payment for the Series ____ Bonds on the Closing Date of \$ _____ (being the principal amount of the Series ____ Bonds of \$ _____ .00, less an underwriter's discount of \$ _____, plus a net original issue premium/less original issue discount of \$ _____), the Trustee shall apply the proceeds of sale thereof as follows:

(i) The Trustee shall deposit the amount of \$ _____ in the Series ____ Construction Fund for the purpose of paying the costs of the 20__ Project.

(ii) The Trustee shall deposit the amount of \$ _____ in the Series ____ Costs of Issuance Account.

(b) The Trustee may, in its sole discretion, establish such funds or accounts in its records to facilitate the foregoing transfers and deposits.

Section 30.02. Establishment and Application of Series _____ Costs of Issuance Fund. The Trustee shall establish, maintain and keep separate and apart from all other funds held by the Trustee a separate fund designated as the "Series _____ Costs of Issuance Fund." Notwithstanding any other provision of this Third Supplemental Indenture, the Series _____ Cost of Issuance Fund is not pledged to, nor does it secure, the Bonds.

The moneys in the Series _____ Costs of Issuance Fund shall be used by the Trustee to pay the Costs of Issuance upon submission of Written Requisitions of the City in the form of Exhibit B hereto and stating the person to whom payment is to be made, the amount to be paid, the purpose for which the obligation was incurred and that such payment is a proper charge against said fund. Each such Written Requisition shall be sufficient evidence to the Trustee of the facts stated therein and the Trustee shall have no duty to confirm the accuracy of such facts.

On _____, 20__, or upon the earlier Written Request of the City, all amounts remaining in the Series _____ Costs of Issuance Fund shall be transferred by the Trustee to the Series _____ Construction Fund to be used for the payment of Construction Costs or to Revenue Fund to be used for the payment of interest on the Bonds.

Section 30.03. Establishment and Application of Series _____ Construction Fund.

(a) The Trustee shall establish and maintain a fund designated as the "Series _____ Construction Fund." Notwithstanding any other provision of this Third Supplemental Indenture or the Master Indenture, the Series _____ Construction Fund is not pledged to, nor does it secure, the Bonds.

(b) The Trustee shall hold the moneys in the Series _____ Construction Fund separate and apart from all other funds held by the Trustee and shall use such moneys, as herein provided: (i) to pay the Construction Costs; or (ii) at the election of the City, as set forth in a Written Request of the City to the Trustee, to transfer moneys therefrom for deposit into the Interest Account to pay interest on the Bonds, when and as the same shall become due and payable.

Such payments of Construction Costs shall be made from time to time upon receipt by the Trustee of a Written Requisition of the City (in the form as set forth in Exhibit C hereto, signed by the Public Works Director and Comptroller or their designees) which requisition: (i) states with respect to each payment to be made: (A) the requisition number, (B) the name and address of the person, firm or authority to whom payment is due; (C) the amount to be paid; and (D) that each obligation therein has been properly incurred, and is a proper charge against the Series _____ Construction Fund and has not been the basis of any previous disbursement; (ii) specifies in reasonable detail the nature of the obligation; and (iii) is accompanied by a bill or statement of account for each obligation.

Each such written requisition shall be sufficient evidence to the Trustee of the facts stated therein and the Trustee shall have no duty to confirm the accuracy of such facts.

(c) If, after payment by the Trustee of all Written Requisitions of the City and delivery by the City to the Trustee of a Certificate of Completion, there shall remain any balance of

money in the Series ____ Construction Fund, all money so remaining shall be transferred by the Trustee to the Interest Account or the Redemption Fund, as directed by the City in a Written Request.

Section 30.04. Series ____ Bonds Sinking Account. The Trustee shall establish, maintain and keep separate and apart from all other funds held by the Trustee a separate account within the Principal Account designated as the "Series ____ Bonds Sinking Account" into which the Trustee shall deposit sinking fund payments derived from Base Rental Payments made by the City and from which funds shall be applied to the Sinking Fund Redemption of Series ____ Bonds pursuant to Section 31.01(b) hereof.

ARTICLE XXXI

REDEMPTION OF SERIES ____ BONDS

Section 31.01. Terms of Redemption.

(a) Optional Redemption of Series ____ Bonds. The Series ____ Bonds maturing on or before October 15, 20__ are not subject to optional redemption prior to their respective stated maturities. The Series ____ Bonds maturing on or after October 15, 20__, shall be subject to optional redemption, in whole or in part, upon forty-five (45) days written notice to the Trustee by the City of its intention to optionally prepay all or a portion of the Base Rental Payments, on any date on or after October 15, 20__, from any available source of funds of the City, at a redemption price equal to the principal amount of the Series ____ Bonds to be redeemed, together with accrued interest thereon to the date fixed for redemption, without premium.

Any such redemption shall be in such order of maturity as the City shall designate in the above-mentioned written notice (and, if no specific order of redemption is designated by the City, pro rata among maturities).

(b) Series ____ Sinking Fund Redemption. The Series ____ Bonds maturing on October 15, 20__ are also subject to mandatory redemption prior to their stated maturity, in part by lot, from sinking account payments derived from scheduled Base Rental Payments made by the City and deposited in the Series ____ Bonds Sinking Account, on each sinking fund redemption date commencing October 15, 20__, at a redemption price equal to the principal amount thereof to be redeemed plus interest accrued thereon to the dates fixed for mandatory redemption, without premium, according to the following schedule:

<i>Sinking Fund Redemption Date</i>	<i>Principal Amount to be Redeemed or Purchased</i>
---	---

*

* Maturity Date.

The Series ____ Bonds maturing on October 15, 20__ are also subject to mandatory redemption prior to their stated maturity, in part by lot, from sinking account payments derived from scheduled Base Rental Payments made by the City and deposited in the Series ____ Bonds Sinking

Account, on each sinking fund redemption date commencing October 15, 20__, at a redemption price equal to the principal amount thereof to be redeemed plus interest accrued thereon to the dates fixed for mandatory redemption, without premium, according to the following schedule:

<i>Sinking Fund Redemption Date</i>	<i>Principal Amount to be Redeemed or Purchased</i>
---	---

*

* Maturity Date.

Provided, however, that if some but not all of the Term Bonds maturing on October 15, 20__ have been optionally redeemed as described above, the total amount of all future sinking account payments with respect to such redeemed Term Bonds will be reduced by the aggregate principal amount of such Term Bonds so redeemed, to be allocated among the sinking account payments for such Term Bonds as are thereafter payable on a pro rata basis in integral multiples of \$5,000 to the extent possible and in inverse order thereafter.

(c) Special Mandatory Redemption From Insurance or Condemnation Proceeds of Series ___ Bonds. The Series ___ Bonds shall be subject to redemption as a whole, or in part on any date, to the extent the Trustee has received hazard or title insurance proceeds or condemnation proceeds not used to repair or replace any portion of the Leased Property damaged, destroyed or taken and elected by the City to be used for such purpose as provided in Section 5.05 of the Master Indenture, at a redemption price equal to one hundred percent (100%) of the principal amount thereof plus interest accrued thereon to the date fixed for redemption, without premium.

Section 31.02. Purchase in Lieu of Redemption with Respect to Term Bonds.

(a) The City shall have the option, in lieu of redemption of any Term Bonds, to direct the Trustee in a Written Request to use and withdraw amounts on deposit in the Series ___ Bonds Sinking Account as sinking fund payments for such Term Bonds, at any time for the purchase by the City (or an agent on behalf of the City) of Term Bonds, otherwise required to be redeemed on the following sinking fund redemption date, at public or private sale as and when and at such prices (including brokerage and other charges and including accrued interest) as the City may in its discretion determine. The par amount of any of the Term Bonds so purchased by the City and surrendered to the Trustee for cancellation in any twelve-month period ending on the sinking fund redemption date for such Term Bonds shall be credited towards and shall reduce the par amount of such Term Bonds otherwise required to be redeemed on such sinking fund redemption date pursuant to mandatory sinking fund payment (and corresponding mandatory redemption obligation) as set forth in Section 31.01(b) hereof.

(b) The City shall also have the option to deliver for cancellation to the Trustee Term Bonds in any aggregate principal amount, and to receive a credit therefore against the mandatory sinking fund payment (and corresponding mandatory redemption obligation) set forth in Section 31.01(b) hereof.

That option shall be exercised by the City on or before the 35th day preceding the applicable mandatory sinking fund redemption date, by furnishing to the Trustee a Written Certificate setting forth the extent of the credit to be applied with respect to the mandatory sinking fund payment for the specified Term Bonds. If the Written Certificate is not furnished timely to the Trustee, no credit shall be made against that mandatory sinking fund payment (and corresponding mandatory redemption obligation), although credits may be available against subsequent mandatory sinking fund payment.

To the extent not applied theretofore as a credit against any mandatory sinking fund payment (and the corresponding mandatory redemption obligation) described in the preceding paragraph, such a credit shall also be received by the City for any Term Bonds which prior thereto have been purchased or redeemed other than through the operation of the mandatory sinking fund payment or have been purchased for cancellation and cancelled by the Trustee.

Each Term Bond so delivered, redeemed previously, or purchased and cancelled, shall be credited by the Trustee at 100 percent of the principal amount thereof against the mandatory sinking fund payment, subject to the completion of the procedures described above. Any excess of that amount over the then current mandatory sinking fund payment shall be credited against subsequent mandatory sinking fund payment starting with the next subsequent such payment, unless otherwise directed by the City in a Written Certificate.

ARTICLE XXXII

PARTICULAR COVENANTS

Section 32.01. Tax Covenants for Series ____ Bonds. The Authority covenants to and for the benefit of the Owners of the Series ____ Bonds that, notwithstanding any other provisions of this Third Supplemental Indenture (other than Section 11.01 of the Master Indenture), it will:

(a) neither make or use nor cause to be made or used any investment or other use of the proceeds of the Series ____ Bonds or the moneys and investments held in the funds and accounts established under this Third Supplemental Indenture which would cause the Series ____ Bonds to be arbitrage bonds under section 103(b) and section 148 of the Code or which would otherwise cause the interest payable on the Series ____ Bonds to be includable in gross income for federal income tax purposes;

(b) not take or cause to be taken any other action or actions, or fail to take any action or actions, which would cause the interest payable on the Series ____ Bonds to be includable in gross income for federal income tax purposes;

(c) at all times do and perform all acts and things permitted by law and necessary or desirable in order to assure that interest paid by the Authority on the Series ____ Bonds will be excluded from the gross income, for federal income tax purposes, of the Owners pursuant to section 103 of the Code; and

(d) not take any action or permit or suffer any action to be taken if the result of the same would be to cause the Series ____ Bonds to be "federally guaranteed" within the meaning of section 149(b) of the Code.

In furtherance of the covenants in this Section 32.01, the Authority shall execute, deliver and comply with the provisions of the Tax Certificate for the Series ____ Bonds, which is by this reference incorporated into this Third Supplemental Indenture and made a part of this Third Supplemental Indenture as if set forth in this Third Supplemental Indenture in full including all of the defined terms therein, and by its acceptance of this Third Supplemental Indenture the Trustee acknowledges receipt of such Tax Certificate and acknowledges its incorporation in this Third Supplemental Indenture by this reference. The Trustee agrees it will invest funds held under the Indenture in accordance with the terms of the Indenture (this covenant shall extend throughout the term of the Series ____ Bonds, to all funds and accounts created under this Third Supplemental Indenture and all moneys on deposit to the credit of any fund or account).

Section 32.02. Rebate Fund for the Series ____ Bonds.

(a) The Trustee shall establish and maintain, when required, a fund separate from any other fund established and maintained hereunder designated as the Series ____ Rebate Fund for the Series ____ Bonds, which is not pledged to the Bonds. Neither the Authority nor the Owner of any Bonds shall have any rights in or claim to such money. Within the Series ____ Rebate Fund, the Trustee shall maintain such accounts as shall be necessary to comply with instructions of the City given pursuant to the terms and conditions of the Tax Certificate. Subject to the transfer provisions provided in paragraph (e) below, all money at any time deposited in the Series ____ Rebate Fund shall be held by the Trustee in trust, to the extent required to satisfy the Rebate Requirement (as defined in the Tax Certificate) for the Series ____ Bonds, for payment to the federal government of the United States of America.

All amounts deposited into or on deposit in the Series ____ Rebate Fund shall be governed by this Section 32.02, by Section 32.01 and by the Tax Certificate (which is incorporated herein by reference). The Trustee shall be deemed conclusively to have complied with such provisions if it follows the Written Request of the City including supplying all necessary information in the manner provided in the Tax Certificate, and shall have no liability or responsibility to enforce compliance by the Authority or City with the terms of the Tax Certificate or any other tax covenants contained herein. The Trustee shall not be responsible for calculating rebate amounts or for the adequacy or correctness of any rebate report or rebate calculations. The Trustee shall have no independent duty to review such calculations or enforce the compliance by the City with such rebate requirements. The Trustee shall have no duty or obligation to determine the applicability of the Code and shall only be obligated to act in accordance with Written Request provided by the City.

(b) Upon the City's Written Request, an amount shall be deposited to the Series ____ Rebate Fund by the Trustee from deposits by the City, if and to the extent required, so that the balance in the Series ____ Rebate Fund shall equal the Rebate Requirement for the Series ____ Bonds. Computations of the Rebate Requirement shall be furnished by or on behalf of the City in accordance with the Tax Certificate. The Trustee shall supply to the City all necessary information in the manner provided in the Tax Certificate, to the extent such information is reasonably available to the Trustee.

(c) The Trustee shall have no obligation to rebate any amounts required to be rebated pursuant to this Section 32.02, other than from moneys held in the funds and accounts created under this Third Supplemental Indenture or from other moneys provided to it by the City.

(d) At the Written Request of the City, the Trustee shall invest all amounts held in the Series ____ Rebate Fund in Permitted Investments. Moneys shall not be transferred from the Series ____ Rebate Fund except as provided in paragraph (e) below. The Trustee shall not be liable for any consequences arising from such investment.

(e) Upon receipt of the City's Written Request, the Trustee shall remit part or all of the balances in the Series ____ Rebate Fund to the United States, as so directed. In addition, if the City so directs, the Trustee will deposit money into or transfer money out of the Series ____ Rebate Fund from or into such accounts or funds as directed by the City's Written Request; provided, however, only moneys in excess of the Rebate Requirement may, at the written direction of the City, be transferred out of the Series ____ Rebate Fund to such other accounts or funds or to anyone other than the United States in satisfaction of the arbitrage rebate obligation. Any funds remaining in the Series ____ Rebate Fund after each five year remission to the United States, redemption and payment of all of the Bonds and payment and satisfaction of any Rebate Requirement, or provision made therefor satisfactory to the Trustee, shall be withdrawn and remitted to the City.

(f) Notwithstanding any other provision of the Indenture, including in particular Article X of the Master Indenture, the obligation to remit the Rebate Requirement to the United States and to comply with all other requirements of this Section 31.02, Section 31.01 and the Tax Certificate shall survive the defeasance or payment in full of the Series ____ Bonds.

ARTICLE XXXIII

THE TRUSTEE

Section 33.01. Compensation. The Authority shall pay to the Trustee from time to time compensation for all services rendered under this Third Supplemental Indenture and also all reasonable expenses and disbursements (including fees and expenses of counsel), incurred in and about the performance of its powers and duties under this Third Supplemental Indenture, in accordance with the fee schedule attached hereto as Exhibit D, as Exhibit D may be amended from time to time by written agreement of the City and the Trustee.

ARTICLE XXXIV

AMENDMENTS TO MASTER INDENTURE

[Reserved — To Come If Required to Conform Master Indenture to Terms of Series ____ Bonds]

ARTICLE XXXV

MISCELLANEOUS

Section 35.01. Survival of Master Indenture. Except as otherwise amended hereby, the Master Indenture shall remain in full force and effect.

Section 35.02. Severability of Invalid Provisions. If any one or more of the provisions contained in this Third Supplemental Indenture or in the Series ____ Bonds shall for any reason be held to be invalid, illegal or unenforceable in any respect, then such provision or provisions shall be deemed severable from the remaining provisions contained in this Third Supplemental Indenture and

such invalidity, illegality or unenforceability shall not affect any other provision of this Third Supplemental Indenture, and this Third Supplemental Indenture shall be construed as if such invalid or illegal or unenforceable provision had never been contained herein. The Authority hereby declares that it would have entered into this Third Supplemental Indenture and each and every other Section, paragraph, sentence, clause or phrase hereof and authorized the issuance of the Series ____ Bonds pursuant thereto irrespective of the fact that any one or more Sections, paragraphs, sentences, clauses or phrases of this Third Supplemental Indenture may be held illegal, invalid or unenforceable.

Section 35.03. Notices. All written notices to be given under this Third Supplemental Indenture shall be given by first class mail or personal delivery to the party entitled thereto at its address set forth below, or at such address as the party may provide to the other party in writing from time to time. Notice shall be effective either (a) upon transmission by facsimile transmission or other form of telecommunication, confirmed by telephone, (b) after deposit in the United States mail, postage prepaid, upon receipt, or (c) in the case of personal delivery to any person, upon actual receipt. The Authority, the City or the Trustee may, by written notice to the other parties, from time to time modify the address or number to which communications are to be given hereunder.

If to the Authority: Public Facilities Financing Authority of the City of San Diego
 c/o City of San Diego
 City Attorney's Office
 1200 Third Avenue
 San Diego, California 92101
 Attention: Deputy City Attorney - Finance
 Phone: (619) 236-6220
 Fax: (619) 236-7215

If to the City: City of San Diego
 Department of Finance
 202 C Street, 9th Floor, MS 9A
 San Diego, California 92101
 Attention: Chief Financial Officer
 Phone: (619) 236-7080
 Fax: (619) 236-6606

If to the Trustee: Wells Fargo Bank, National Association
 707 Wilshire Blvd, 17th Floor
 MAC E2818-176
 Los Angeles, California 90017
 Attention: Corporate Trust Department
 Phone: (213) 614-3353
 Fax: (213) 614-3355

The City, the Authority and the Trustee, by notice given hereunder, may designate different addresses to which subsequent notices, certificates or other communications will be sent.

Section 35.04. Waiver of Personal Liability. No member, officer, agent or employee of the Authority shall be individually or personally liable for the payment of the principal of or interest or premium (if any) on the Series ____ Bonds or be subject to any personal liability or accountability by

reason of the issuance thereof; but nothing herein contained shall relieve any such member, officer, agent or employee from the performance of any official duty provided by law or by this Third Supplemental Indenture.

Section 35.05. Successor Is Deemed Included in All References to Predecessor. Whenever in this Third Supplemental Indenture either the City, the Authority or the Trustee is named or referred to, such reference shall be deemed to include the successors or assigns thereof, and all the covenants and agreements in this Third Supplemental Indenture contained by or on behalf of the City, the Authority or the Trustee shall bind and inure to the benefit of the respective successors and assigns thereof whether so expressed or not.

Section 35.06. Execution in Several Counterparts. This Third Supplemental Indenture may be executed in any number of counterparts and each of such counterparts shall for all purposes be deemed to be an original; and all such counterparts, or as many of them as the Authority and the Trustee shall preserve undestroyed, shall together constitute but one and the same instrument.

Section 35.07. Governing Law. This Third Supplemental Indenture shall be governed by and construed in accordance with the laws of the State.

[Remainder of Page Left Intentionally Blank]

IN WITNESS WHEREOF, the PUBLIC FACILITIES FINANCING AUTHORITY OF THE CITY OF SAN DIEGO has caused this Third Supplemental Indenture to be signed in its name by its officers identified below and WELLS FARGO BANK, NATIONAL ASSOCIATION, as Trustee, in token of its acceptance of the trust created hereunder, has caused this Third Supplemental Indenture to be signed in its corporate name by its officer identified below, all as of the day and year first above written.

PUBLIC FACILITIES FINANCING AUTHORITY
OF THE CITY OF SAN DIEGO

By _____
_____, Chair

ATTEST:

Elizabeth Maland, Secretary

WELLS FARGO BANK, NATIONAL
ASSOCIATION, as Trustee

By _____
Authorized Officer

EXHIBIT A

FORM OF SERIES ____ BOND

No. _____ \$ _____

UNLESS THIS SERIES ____ BOND IS PRESENTED BY AN AUTHORIZED REPRESENTATIVE OF DTC TO THE TRUSTEE FOR REGISTRATION OF TRANSFER, EXCHANGE OR PAYMENT, AND ANY SERIES ____ BOND EXECUTED AND DELIVERED IS REGISTERED IN THE NAME OF CEDE & CO. OR IN SUCH OTHER NAME AS IS REQUESTED BY AN AUTHORIZED REPRESENTATIVE OF DTC (AND ANY PAYMENT IS MADE TO CEDE & CO. OR TO SUCH OTHER ENTITY AS IS REQUESTED BY AN AUTHORIZED REPRESENTATIVE OF DTC), ANY TRANSFER, PLEDGE OR OTHER USE HEREOF FOR VALUE OR OTHERWISE BY OR TO ANY PERSON IS WRONGFUL INASMUCH AS THE REGISTERED OWNER HEREOF, CEDE & CO. HAS AN INTEREST HEREIN.

**PUBLIC FACILITIES FINANCING AUTHORITY OF THE CITY OF SAN DIEGO
LEASE REVENUE BONDS,
SERIES ____
(CAPITAL IMPROVEMENT PROJECTS)**

<i>Interest Rate</i>	<i>Maturity Date</i>	<i>Dated Date</i>	<i>CUSIP</i>
		_____, 20__	

REGISTERED OWNER:

PRINCIPAL SUM:

The Public Facilities Financing Authority of the City of San Diego (the "Authority"), a joint exercise of powers authority established pursuant to California Government Code Sections 6500 *et seq.* and whose members are The City of San Diego (the "City"), the City as the Successor Agency to the Redevelopment Agency of the City of San Diego and the Housing Authority of the City of San Diego for value received, hereby promises to pay (but only out of the Revenues hereinafter referred to) to the Registered Owner specified above or registered assigns (the "Owner") on the Maturity Date specified above (subject to any right of prior redemption provided for) the Principal Sum specified above, together with interest thereon. Interest shall accrue on the Series ____ Bonds from one Interest Payment Date to, but not including, the next Interest Payment Date; provided, however, that initially such interest shall accrue from the Closing Date to, but not including, the first Interest Payment Date.

The principal of this Series ____ Bond shall be payable in lawful money of the United States of America at the Office of the Trustee upon presentation and surrender of this Series ____ Bond or such other place as designated by the Trustee or specified in the Indenture.

Capitalized terms used herein which are not defined herein shall have the meaning set forth in the Indenture (defined below).

If this Series ____ Bond is issued in book-entry form, payment of interest on this Series ____ Bond due on or before the maturity or prior redemption thereof shall be made to the person in whose name such Series ____ Bond is registered, as of the Record Date preceding the applicable Interest Payment Date, on the registration books kept by the Trustee at its Office, such interest to be paid by check mailed by first class mail on such Interest Payment Date to the Owner at his address as it appears on such books as the Record Date; provided that upon the written request of an Owner by \$1,000,000 or more in aggregate principal amount of the Series ____ Bonds received by the Trustee at least five days prior to the applicable Record Date, interest shall be paid by wire transfer in immediately available funds. Interest on this Series ____ Bond shall be payable in lawful money of the United States of America and shall be calculated on the basis of a 360-day year of twelve 30-day months.

This Series ____ Bond is one of a duly authorized issue of bonds of the Authority designated as its "Public Facilities Financing Authority of the City of San Diego Lease Revenue Bonds, Series ____ (Capital Improvement Projects)" (the "Series ____ Bonds") in the aggregate principal amount of \$_____, issued under and pursuant to the provisions of an Indenture, dated as of July 1, 2012 (the "Master Indenture"), as supplemented and amended by a First Supplemental Indenture, dated as of July 1, 2013, a Second Supplemental Indenture, dated as of April 1, 2014, and a Third Supplemental Indenture, dated as of _____, 20__ (the "Third Supplemental Indenture," and together with the Master Indenture, the First Supplemental Indenture and the Second Supplemental Indenture, the "Indenture"), each by and between the Authority and Wells Fargo Bank, National Association, as trustee (the "Trustee"). Also outstanding under the Indenture are the Authority's Prior Bonds which, together with the Series ____ Bonds, and any Additional Bonds are collectively referred to herein as the "Bonds."

The Bonds are limited obligations of the Authority and are payable, as to interest thereon and principal thereof, solely from the revenues derived from Base Rental Payments paid by the City for the use and occupancy of the Leased Property (as defined in the Lease) as long as the City has such use and occupancy of the Leased Property, and amounts on deposit in the funds, accounts and subaccounts established under the Indenture (other than amounts on deposit in any Rebate Fund), all as set forth in the Indenture ("Revenues"). The Authority has leased the Leased Property to the City pursuant to the 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, the Second Amendment to Facilities Lease, dated as of April 1, 2014, and the Third Amendment to Facilities Lease, dated as of _____, 20__ (collectively, the "Lease"), and pursuant to the Lease the City has agreed to pay Base Rental Payments to the Trustee for the use and occupancy of the Leased Property. All the Bonds are equally and ratably secured in accordance with the terms and conditions of the Indenture by a pledge of the Revenues, which Revenues shall be held in trust for the security and payment of the interest on and principal of the Bonds as provided in the Indenture.

The Series ____ Bonds are special, limited obligations of the Authority and do not constitute a debt, liability or obligation of the City or of the State of California (the "State") or any political subdivision thereof and neither the faith and credit of the City nor the State are pledged to the payment of the principal of or interest on the Series ____ Bonds. The Authority has no taxing power.

Reference is hereby made to the: (1) Indenture and any and all amendments thereof and supplements thereto, for a description of the terms under which the Series ____ Bonds are issued, the provisions with regard to the nature and extent of the Revenues, and the rights of the Owners of the Series ____ Bonds; and (2) Lease and any and all amendments thereof and supplements thereto, for a

description of the terms under which the City is required to make Base Rental Payments to the Trustee, copies of which are on file at the office of the Secretary of the Authority and at the Office of the Trustee. All of the terms of the Indenture are hereby incorporated herein and constitute a contract between the Authority and the Owner of this Series ____ Bond, to all the provisions of which the Owner of this Series ____ Bond, by acceptance hereof, agrees and consents. Each Owner hereof shall have recourse to all of the provisions of the Indenture and shall be bound by all of the terms and conditions thereof.

The Authority has agreed and covenanted that, for the payment of the interest on and the principal of this Series ____ Bond and any Bonds authorized by the Indenture when due, there has been created and will be maintained by the Trustee special funds into which all Revenues shall be deposited, and the Authority has allocated such Revenues solely to the payment of the interest on and principal of the Bonds, and the Authority will pay promptly when due the interest on and the principal of this Series ____ Bond and any other Bonds authorized by the Indenture out of said special funds, all in accordance with the terms and provisions set forth in the Indenture.

The Series ____ Bonds are subject to redemption as provided in the Third Supplemental Indenture.

Reference is made to the Indenture for the transfer provisions and restrictions applicable to the Series ____ Bonds.

The Authority and the Trustee may deem and treat the Owner hereof as the absolute owner hereof for the purpose of receiving payment of the interest hereon and principal hereof and for all other purposes, whether or not this Series ____ Bond shall be overdue, and neither the Authority nor the Trustee shall be affected by any notice or knowledge to the contrary; and payment of the interest on and principal of this Series ____ Bond shall be made only to such Owner, which payments shall be valid and effectual to satisfy and discharge liability on this Series ____ Bond to the extent of the sum or sums so paid.

The rights and obligations of the Authority and of the Owners of the Series ____ Bonds may be amended at any time in the manner, to the extent and upon the terms provided in the Indenture, but no such amendment shall (1) extend the fixed maturity of this Series ____ Bond, or reduce the amount of principal thereof or extend the time of payment, or change the method of computing the rate of interest thereon or extend the time of payment of interest thereon, without the consent of the Owner of this Series ____ Bond, (2) reduce the percentage of the Series ____ Bonds the consent of the Owners of which is required to effect any such modification or amendment, or (3) permit the creation of any lien on the Revenues and other assets pledged under the Indenture prior to or on a parity with the lien created by the Indenture except as permitted in the Indenture, or (4) deprive the Owners of the Series ____ Bonds of the lien created by the Indenture on such Revenue and other assets, without the consent of the Owners of all the Bonds then Outstanding.

If the Authority shall pay or cause to be paid or there shall otherwise be paid to the Owners of all Outstanding Series ____ Bonds the interest thereon and the principal thereof at the times and in the manner stipulated herein and in the Indenture, then the registered owners of such Series ____ Bonds shall cease to be entitled to the pledge of the Revenues as provided in the Indenture, and all agreements, covenants and other obligations of the Authority to the registered owners of such Series ____ Bonds under the Indenture shall thereupon cease, terminate and become void and be discharged and satisfied.

This Series ____ Bond shall not be entitled to any benefit, protection or security under the Indenture or become valid or obligatory for any purpose until the certificate of authentication and registration hereon endorsed shall have been manually executed and dated by the Trustee.

It is hereby certified that all acts and proceedings required by law necessary to make this Series ____ Bond, when executed by the Authority, authenticated and delivered by the Trustee and duly issued, the valid, binding and legal limited obligation of the Authority have been done and taken, and have been in all respects duly authorized.

IN WITNESS WHEREOF, the Public Facilities Financing Authority of the City of San Diego has caused this Series ____ Bond to be executed in its name and on its behalf by the manual or facsimile signature of its Chair and attested to by the manual or facsimile signature of its Secretary, and has caused this Series ____ Bond to be dated the Dated Date specified above.

PUBLIC FACILITIES FINANCING AUTHORITY
OF THE CITY OF SAN DIEGO

By _____
Chair

ATTEST:

By _____
Secretary

FORM OF CERTIFICATE OF AUTHENTICATION AND REGISTRATION

This is one of the Series ____ Bonds described in the within mentioned Indenture which has been authenticated and registered on _____, 20__.

WELLS FARGO BANK, NATIONAL
ASSOCIATION, as Trustee

By _____
Authorized Officer

OPINION OF BOND COUNSEL

The following is a true copy of the text of the opinion rendered to the City by Stradling Yocca Carlson & Rauth, a Professional Corporation, as Bond Counsel to the City, in connection with the original issuance of the Series ____ Bonds. That opinion is dated as of the date of the original issuance of the Series ____ Bonds and is premised on the transcript of proceedings examined and the law in effect on the date of such original issuance. A signed copy of that opinion is on file in the office of the Trustee.

Wells Fargo Bank, National Association, as Trustee

[Here Insert Opinion]

[FORM OF ASSIGNMENT OF THE SERIES ____ BONDS]

For value received the undersigned hereby sells, assigns and transfers unto _____, whose tax identification number is _____, the within bond and all rights thereunder, and hereby irrevocably constitutes and appoints _____, attorney, to transfer the within bond on the books kept for registration thereof, with full power of substitution in the premises.

Dated: _____

NOTE: The signature to this Assignment must correspond with the name as written upon the face of the Series ____ Bond in every particular, without alteration or enlargement or any change whatsoever.

Signature Guaranteed:

NOTE: The signature must be guaranteed by an eligible guarantor institution.

EXHIBIT B

FORM OF SERIES ____ COSTS OF ISSUANCE FUND REQUISITION

To: Wells Fargo Bank, National Association
707 Wilshire Blvd, 17th Floor
Los Angeles, CA 90017
Attn: Corporate Trust Department

Re: Public Facilities Financing Authority of the City of San Diego Lease Revenue Bonds,
Series ____ (Capital Improvement Projects) Costs of Issuance Fund

Requisition No. _____

The undersigned, on behalf of The City of San Diego (the "City"), hereby requests payment, from the Series ____ Costs of Issuance Fund identified above, the total amount shown below to the order of the payee or payees named below, as payment or reimbursement for Costs of Issuance in connection with the issuance of the Series ____ Bonds identified above, as reflected in the related invoice(s) attached hereto. The payee(s), the purpose and the amount of the disbursement requested are as follows:

<i>Payee</i>	<i>Purpose</i>	<i>Amount</i>
[name and address]		\$
	Total	\$

The undersigned hereby certify that each obligation mentioned herein has been properly incurred, is a proper charge against the Series ____ Costs of Issuance Fund and has not been the basis of any previous disbursement from the Series ____ Costs of Issuance Fund. A copy of the bill or statement for each obligation mentioned herein is attached hereto.

Dated: _____, _____

THE CITY OF SAN DIEGO

By: _____
Debt Management Director [or designee]

By: _____
Comptroller [or designee]

EXHIBIT C

FORM OF SERIES ____ CONSTRUCTION FUND REQUISITION

To: Wells Fargo Bank, National Association
707 Wilshire Blvd, 17th Floor
Los Angeles, CA 90017
Attn: Corporate Trust Department

Re: Public Facilities Financing Authority of the City of San Diego
Lease Revenue Bonds, Series ____
(Capital Improvement Projects) _____

Requisition No. _____

The undersigned, on behalf of The City of San Diego (the "City"), hereby requests payment from the Series ____ Construction Fund funded with proceeds of the Series ____ Bonds identified above, the total amount shown below to the order of the payee or payees named below, as payment or reimbursement for Construction Costs incurred or expenditures made in connection with the 20__ Project, as reflected in the related invoice(s) attached hereto. The payee(s), the purpose and the amount of the disbursement requested are as follows:

<i>Payee</i>	<i>Purpose</i>	<i>Amount</i>
[name and address]		\$
	Total	\$

The undersigned, Public Works Director (or designee), hereby certifies that, to the best of his/her knowledge, each obligation mentioned herein has been properly incurred in accordance with City of San Diego policies and procedures, is a proper charge against the Series ____ Construction Fund and has not been the basis of any previous disbursement from the Series ____ Construction Fund. A copy of the bill or statement for each obligation mentioned herein is attached hereto.

Dated: _____, _____.

THE CITY OF SAN DIEGO

By: _____
Public Works Director [or designee]

Accepted By: _____
Comptroller [or designee]

EXHIBIT D

FEE SCHEDULE OF TRUSTEE

Corporate Trust Services
Schedule of fees to provide trustee, registrar, and paying agent services



City of San Diego
Lease Revenue Bonds, Series 2014A

Revised December 3, 2013

Acceptance fee	\$1,500
----------------	---------

A one-time fee for our initial review of governing documents, account set-up and customary duties and responsibilities related to the closing. This fee is payable at closing.

Annual administration fee	\$2,000
---------------------------	---------

An annual fee for the trustee, registrar and paying agent duties described in the governing documents; electronic copy trust account statements and requisition processing of four requests per calendar month. Each requisition in excess of four per calendar month will incur a \$100 fee. The administration fee is payable annually in advance and is not subject to proration in the event of early termination. The administration fee is guaranteed for three years.

Legal counsel fees and expenses	*None anticipated
---------------------------------	-------------------

*Wells Fargo does not anticipate hiring outside legal counsel and intends to use internal resources to review the governing documents. Should an eligibility opinion be required of in-house counsel, however, there will be a charge of \$1,500. Wells Fargo reserves the right, at its sole discretion, to hire outside counsel if deemed necessary or advisable. Fees and expenses of outside legal counsel will be billed at cost. Should a legal opinion of outside counsel to the trustee be required, there may be an additional charge.

Investment fees	
-----------------	--

Wells Fargo does not charge 12b-1 or sweep fees or asset management fees on funds invested in Wells Fargo Money Market Funds or any other fund offered by our corporate trust department. In addition, there are no transaction fees for up to 24 standard investment transactions per year; each investment transaction in excess of 24 per year will incur a \$50 charge.

Fees for the set-up, review and maintenance of 1) a Guaranteed Investment Contract shall be \$1,500 annually; 2) a Master Repurchase Agreement shall be \$1,500 annually; and 3) a Forward Purchase/Delivery Contract shall be \$1,500 annually. In addition, should any investment agreement be substituted, collateralized, or amended, additional charges will apply.

Fees for non-standard agreements, physical securities or other transactions requiring manual processing, or for the investment of funds held outside the bank will be negotiated separately.

Out-of-pocket expenses	At cost
------------------------	---------

Out-of-pocket expenses will be billed at cost at the sole discretion of Wells Fargo.

Together we'll go far



© 2012 Wells Fargo Bank N.A. All rights reserved.

Corporate Trust Services
Schedule of fees to provide trustee, registrar, and paying agent services

City of San Diego
Lease Revenue Bonds, Series 2014A

Extraordinary services	Market rate
------------------------	-------------

Fees for services not contemplated at the time the governing documents are executed or not specifically covered elsewhere in this schedule will be determined by market rates for such services.

These services may include, but are not limited to, arbitrage rebate compliance, requisition processing in excess of four per month, tender agent services, changes to credit facilities, amendments to documents, interim bond calls, rate mode changes, physical bond transfers, rating agency questionnaires, default administration, extraordinary administrative time, and the publication of redemption or other notices.

If Wells Fargo determines, in its sole discretion, that outside counsel is necessary or advisable in connection with an event of default, forward delivery agreement, investment agreement, mode change, change in credit facility, supplement, amendment or waiver, or similar event, counsel fees and expenses will be billed as incurred.

Assumptions

This proposal is based upon the following assumptions with respect to the roles of Trustee, Registrar, and Paying Agent. Should any of the assumptions, duties or responsibilities change, we reserve the right to affirm, modify, or rescind this proposal.

- Number of funds/accounts: Not more than twelve (12) per issue
- Interest rate: Fixed
- Frequency of interest payments to holders: Semi annually
- Frequency of principal payments to holders: Not more than annually
- Investment transactions: Not more than twenty-four (24) annually
- Number of monthly requisitions: Four (4)

Terms and conditions

- Should this transaction fail to close through no fault of Wells Fargo Bank, N.A. its acceptance fee, as well as counsel fees and out-of-pocket expenses incurred by Wells Fargo Bank, N.A., may be due and payable.
- Counsel fees and expenses are payable at closing.
- Invoices outstanding for over 30 days are subject to a 1.5% per month late payment penalty.
- Acceptance of the appointment described in this proposal is subject to compliance with the requirements of the USA Patriot Act of 2001 described below, Wells Fargo's satisfactory review of all governing documents, and the execution of the governing documents by all parties.
- This fee proposal is good for 90 days.

Corporate Trust Services
Schedule of fees to provide trustee, registrar, and paying agent services

City of San Diego
Lease Revenue Bonds, Series 2014A

Important information about identifying our customers
To help the government fight the funding of terrorism and money laundering activities, Federal law requires all financial institutions to obtain, verify, and record information that identifies each person (individual, corporation, partnership, trust, estate or other entity recognized as a legal person) for whom we open an account.

What this means for you: Before we open an account, we will ask for your name, address, date of birth (for individuals), TIN/EIN or other information that will allow us to identify you or your company. For individuals, this could mean identifying documents such as a driver's license. For a corporation, partnership, trust, estate or other entity recognized as a legal person, this could mean identifying documents such as a Certificate of Formation from the issuing state agency.

Accepted by:
Issuer/Obligor

Signature

Printed name

Title

Date

Submitted by:
Wells Fargo Bank, N.A.



Signature

Stuart Weiss

Printed name

Vice President

Title

November 14, 2013

Date

OFFICIAL NOTICE INVITING BIDS
\$59,000,000*
PUBLIC FACILITIES FINANCING AUTHORITY OF THE CITY OF SAN DIEGO
LEASE REVENUE BONDS
SERIES _____
(CAPITAL IMPROVEMENT PROJECTS)

NOTICE IS HEREBY GIVEN that electronic bids for the purchase of all but not less than all of the \$59,000,000* par value of the Public Facilities Financing Authority of the City of San Diego Lease Revenue Bonds Series _____ (Capital Improvement Projects) (the "Series _____ Bonds") will be accepted only through Grant Street Group's MuniAuction website ("MuniAuction") accessible via www.GrantStreet.com, as agent of the Public Facilities Financing Authority of the City of San Diego (the "Issuer") in accordance with the terms of this Official Notice Inviting Bids. The bids will be received in the manner and up to the time specified below (unless postponed or cancelled as described herein).

DATE AND TIME OF SALE: Bids will be accepted on _____, 20__ between 8:30 a.m. and 9:00 a.m., Pacific time (subject to the provisions described below under the caption "Submission of Bids"), or at such later date and/or other time as shall be established by the Issuer and communicated through Thomson Municipal News ("Thomson"). If no legal bid or bids are received for the Series _____ Bonds on _____, 20__ or if the sale date and/or time is postponed or rescheduled, bids will be received in the manner specified on such other date as shall be designated by the Issuer and communicated through Thomson. Prospective bidders are urged to watch Thomson for any change in the terms of the sale or the date and time for the receipt of bids.

SUBMISSION OF BIDS: All bids must be unconditional and submitted on the MuniAuction website. No other provider of electronic bidding services, and no other means of delivery (i.e., telephone, telefax, physical delivery, etc.) will be accepted. To bid, bidders must have both (1) completed the registration form on Grant Street Group's MuniAuction website; and (2) requested and received admission to the Issuer's auction as described under "REGISTRATION AND ADMISSION TO BID" below. The use of MuniAuction shall be at the bidder's risk, and the Issuer shall have no liability with respect thereto.

Bids submitted during the auction must be for all of the Series _____ Bonds. Bidders may change and submit bids as many times as they wish during the auction, provided, however, that each bid submitted subsequent to a bidder's initial bid must result in a lower true interest cost ("TIC") when compared to the immediately preceding bid of such bidder. In the event that a revised bid does not produce a lower TIC, the prior bid will remain valid. During the bidding, no bidder will see any other bidder's bid, but each bidder will be able to see its ranking (i.e., "Leader," "Cover," "3rd," etc.). All bids must be made in accordance with the requirements prescribed herein and the Rules of MuniAuction, as referenced herein. Each bid submitted through MuniAuction shall be deemed an irrevocable offer to purchase all of the Series _____ Bonds specified in the bid on the terms provided in this Notice Inviting Bids, and shall be binding upon the bidder.

The use of MuniAuction shall be at the bidder's risk, and neither the Issuer, the City of San Diego (the "City"), the City's Financial Advisor, nor Stradling Yocca Carlson & Rauth, a

* Preliminary, subject to change.

Professional Corporation, Bond Counsel to the City, shall be responsible for, and each bidder expressly assumes the risk of, any incomplete, inaccurate or untimely bid submitted by such bidder, including, without limitation, incomplete, inaccurate or untimely bids caused by reason of garbled transmissions, mechanical failure, slow or engaged telephone or telecommunications lines or any other cause. Neither the Issuer nor the City is bound by any advice and determination of MuniAuction to the effect that any particular bid complies with the terms of this Official Notice Inviting Bids. All costs and expenses incurred by prospective bidders in connection with their submission of bids through MuniAuction are the sole responsibility of the bidders and neither the Issuer nor the City is responsible for any of such costs or expenses.

RIGHT TO MODIFY OR AMEND: The Issuer reserves the right to modify or amend this Official Notice Inviting Bids; however, such modifications or amendments shall be made not later than 12:00 p.m., Pacific Time, on the business day prior to the bid opening and communicated through Thomson.

PURPOSE: The Series ____ Bonds are being issued to (i) finance the costs of acquisition, design, construction, installation, improvement, replacement and equipping of certain capital improvement projects in the City, and (ii) pay certain costs of issuance associated with the Series ____ Bonds.

THE ISSUE: The Series ____ Bonds will be issued in denominations of \$5,000 or integral multiples thereof, dated the date of issuance. The Series ____ Bonds will be issued under the provisions of an Indenture dated as of July 1, 2012, as supplemented and amended (the "Indenture"), between the Issuer and Wells Fargo Bank, National Association, as trustee (the "Trustee"). The Series ____ Bonds are secured by Revenues pledged under the Indenture which consist primarily of Base Rental Payments to be made by the City under a Facilities Lease dated as of July 1, 2012, as supplemented and amended (the "Lease"), by and between the Issuer, as lessor, and the City, as lessee. Copies of the Lease and the Indenture will be furnished to bidders upon request.

INTEREST CALCULATION AND INTEREST PAYMENTS: The Series ____ Bonds shall bear interest computed on the basis of a 360 day year consisting of twelve 30-day months. The Series ____ Bonds will be dated their date of issuance. Interest on the Series ____ Bonds will be payable on each April 15 and October 15, commencing October 15, 20__.

MATURITIES: The Series ____ Bonds will mature, or be subject to mandatory sinking fund redemption, on each of the dates and in the amounts, as set forth in the following table. The final principal amount of the Series ____ Bonds, and the final amount of each maturity of the Series ____ Bonds, will be subject to increase or reduction as described below under the heading "PRINCIPAL AMOUNTS." *Each bidder is required to specify in its bid whether, for any particular year, the Series ____ Bonds will mature or, alternately, be subject to mandatory sinking fund redemption in such year.*

*Maturity
(October 15)*

*Principal
Amount**

The schedule of principal maturities is subject to adjustment based upon the interest rates specified in the winning bid, as described below under “PRINCIPAL AMOUNTS.”

REDEMPTION: The Series ____ Bonds are subject to redemption prior to maturity as described below.

Optional Redemption. The Series ____ Bonds maturing on or before October 15, 20__ are not subject to optional redemption prior to their respective stated maturities. The Series ____ Bonds maturing on or after October 15, 20__, shall be subject to optional redemption, in whole or in part, upon forty-five (45) days written notice to the Trustee by the City of its intention to optionally prepay all or a portion of the Base Rental Payments, on any date on or after October 15, 20__, from any available source of funds of the City, at a redemption price equal to the principal amount of the Series ____ Bonds to be redeemed, together with accrued interest thereon to the date fixed for redemption, without premium.

Any such redemption shall be in such order of maturity as the City shall designate in the above-mentioned written notice (and, if no specific order of redemption is designated by the City, pro rata among maturities).

* Preliminary, subject to change.

Special Mandatory Redemption From Insurance or Condemnation Proceeds. The Series ____ Bonds shall be subject to redemption as a whole, or in part on any date, to the extent the Trustee has received hazard or title insurance proceeds or condemnation proceeds not used to repair or replace any portion of the Leased Property damaged, destroyed or taken and elected by the City to be used for such purpose as provided in the Indenture, at a redemption price equal to one hundred percent (100%) of the principal amount thereof plus interest accrued thereon to the date fixed for redemption, without premium.

Sinking Fund Prepayment. Any bidder may, at its option, specify that one or more maturities of the Series ____ Bonds will consist of term Bonds which are subject to mandatory sinking fund redemption in consecutive years immediately preceding the maturity thereof, as designated in the bid of such bidder. In the event that the bid of the winning bidder specifies that any maturity of Bonds will be term Bonds, such term Bonds will be subject to mandatory sinking fund redemption on October 15 in each year so designated in the bid, in the respective amounts for such years as set forth above under the heading "MATURITIES," at a redemption price equal to the principal amount thereof to be prepaid together with accrued interest thereon to the redemption date, without premium, and Bonds will be selected for redemption by lot within a maturity.

AUTHORIZING LAW: The Series ____ Bonds are issued under the authority of Ordinance No. 20350 of the City and a resolution adopted by the Board of Commissioners of the Authority on _____, 20__ (the "Resolution").

SECURITY: The Series ____ Bonds are limited obligations of the Issuer and are payable, as to interest thereon and principal thereof, solely from the revenues derived from Base Rental Payments paid by the City for the use and occupancy of the Leased Property (as defined in the Lease) as long as the City has such use and occupancy of the Leased Property, and amounts on deposit in the funds, accounts and subaccounts established under the Indenture (other than amounts on deposit in any Rebate Fund), all as set forth in the Indenture (the "Revenues"). The Issuer has leased the Leased Property to the City pursuant to the Lease and pursuant to the Lease the City has agreed to pay Base Rental Payments to the Trustee for the use and occupancy of the Leased Property. All the Series ____ Bonds and other bonds (the "Additional Bonds") issued under the Indenture are equally and ratably secured in accordance with the terms and conditions of the Indenture by a pledge of the Revenues, which Revenues shall be held in trust for the security and payment of the interest on and principal of the Series ____ Bonds and Additional Bonds as provided in the Indenture.

The Series ____ Bonds are special, limited obligations of the Issuer and do not constitute a debt, liability or obligation of the City or of the State of California (the "State") or any political subdivision thereof and neither the faith and credit of the City nor the State are pledged to the payment of the principal of or interest on the Series ____ Bonds. The Issuer has no taxing power.

Bidders are referred to the Preliminary Official Statement for definitions of terms and for further particulars, including further information regarding the Issuer, the City and the Series ____ Bonds.

INTEREST RATES AND MINIMUM PRICE: Bidders must bid to purchase all and not part of the Series ____ Bonds. Each bidder must specify the rate or rates of interest to be represented by the Series ____ Bonds. A bidder will be permitted to bid a different rate of interest for each maturity of Bonds not to exceed twelve percent (12%) per annum; but each interest rate specified must be in a multiple of 1/20% or 1/8%. The Series ____ Bonds shall bear interest at the rate

specified in the bid from their dated date to their fixed maturity date. Bidders should assume a dated date on the Series ____ Bonds and a delivery date on the Series ____ Bonds of _____, 2014. The bidder shall provide a calculation of the true interest cost which is considered informative only and not part of the bid. No bid at a purchase price for less than 100% of the par amount of the Series ____ Bonds will be considered.

PRINCIPAL AMOUNTS: After selecting the winning proposal, the Issuer reserves the right to increase or decrease the aggregate principal amount of the Series ____ Bonds in \$5,000 increments. Such adjustments shall reflect the actual interest rate and any premium in the winning bid to generate aggregate net proceeds to the Issuer in the approximate amount of \$ _____. In such event, the Issuer will award such greater or lesser amount of Bonds and the purchase price of the winning bidder will be proportionally modified. Any such adjustment will be communicated to the winning bidder within twenty-four (24) hours after acceptance of the bids. The percentage of net compensation paid to the winning bidder will not increase or decrease from what it would have been if no adjustments had been made by the Issuer. Changes in the principal amount of the Series ____ Bonds made as described in this paragraph will not affect the determination of the winning bidder or give the winning bidder any right to reject the Series ____ Bonds.

RULES OF MUNIAUCTION: "Rules of MuniAuction" can be viewed on the MuniAuction website and, as amended and supplemented from time to time, are incorporated herein by reference. Bidders will be required to verify that they have read the "Rules of MuniAuction" prior to submitting bids. In the event of a conflict between the Rules of MuniAuction and this Official Notice Inviting Bids, the provisions of this Official Notice Inviting Bids shall prevail.

REGISTRATION AND ADMISSION TO BID: In order to ensure that there is sufficient time to verify their eligibility to bid, bidders must visit the MuniAuction website on or before 5 p.m. Eastern time (2 p.m. Pacific time) on _____, 20__, where, if they have never registered with MuniAuction, they can register and then request admission to bid in the all-or-none format. (There is no charge for registration with MuniAuction for admission to this sale). Bidders will be notified prior to the scheduled bidding time of their eligibility to bid. Only NASD registered broker-dealers and dealer banks with DTC clearing arrangements shall be eligible to bid. Bidders who have already registered with MuniAuction may call Grant Street Group's auction support at (412) 391-5555 x370 to confirm their ID number and password.

AWARDING OF BID: The Issuer will take action awarding the Series ____ Bonds or rejecting all bids not later than twenty-four (24) hours after the expiration of the time herein prescribed for the receipt of bids. The winning bidder shall be the bidder submitting the best price for the Series ____ Bonds, resulting in the lowest true interest cost using a 30/360-day year and annual compounding, considering the interest rates specified and the premium offered, if any, as determined by the Issuer, whose determination shall be binding and final absent manifest error. No bid for less than par will be considered. In case of tie bids, the winning bidder will be determined at the sole discretion of the Issuer. In the event multiple bids are received from a single bidder, the Issuer shall accept the best of such bids, and each bidder agrees by submitting any bid to be bound by its best bid. The bidder designated by the Issuer as submitting the winning bid shall be obligated to execute the Bidder's Certificate in substantially the form attached to this Official Notice Inviting Bids as Exhibit A and submit such certificate to the Issuer with a copy to the City's Financial Advisor.

RIGHT TO REJECT BIDS; WAIVE IRREGULARITIES: The Issuer reserves the right to reject any and all bids and, to the extent permitted by law, to waive any irregularity or informality in any bid.

POSTPONEMENT; REJECTION OF BIDS: The Issuer reserves the right to postpone, from time to time, the date established for receipt of bids for any reason at any time. Any such postponement will be announced via Thomson. If any date fixed for the receipt of bids and the sale of the Series ____ Bonds is postponed, any alternative sale date will be announced via Thomson, at least twenty-four (24) hours prior to such alternative sale date. In addition, the Issuer reserves the right, on the date established for the receipt of bids, to reject all bids and establish a subsequent date on which bids for purchase of the Series ____ Bonds will again be received. If all bids are rejected and a subsequent date for receipt of bids is established, notice of the subsequent sale date will be announced via Thomson at least twenty-four (24) hours prior to such subsequent sale date. On any such alternative or subsequent sale date, any bidder may submit a bid for the purchase of the Series ____ Bonds in conformity in all respects with the provisions of this Official Notice Inviting Bids and Bid Form, except for the date of sale and except for the changes announced via Thomson, at the time the sale date and time are announced.

REOFFERING PRICE: The winning bidder within one (1) hour after being notified of the award of the Series ____ Bonds will be required to advise the City's Financial Advisor of the initial public offering price of the Series ____ Bonds. The winning bidder will also be required, prior to delivery of the Series ____ Bonds, to furnish to the Issuer a certificate substantially in the form of Exhibit B, attached hereto, and acceptable to Bond Counsel.

BID SECURITY DEPOSIT: The winning bidder will be required to wire to the Trustee 1% of the preliminary principal amount of the Series ____ Bonds stated above in immediately available federal funds to the Issuer as a bid security deposit within twenty-four (24) hours after verbal award of the bid. The Issuer, or its representative, will contact the winning bidder to provide wire instructions for the bid security deposit. The bid security deposit will be applied to the purchase price of the Series ____ Bonds at the time of delivery of the Series ____ Bonds. If after the award of the Series ____ Bonds, the winning bidder fails to complete the purchase on the terms stated in its proposal, unless such failure of performance shall be caused by any act or omission of the Issuer or the City, the bid security deposit shall be retained by the Issuer as stipulated liquidated damages and the winning bidder agrees and acknowledges that actual damages herein are difficult to calculate, and that the liquidated damages serve as a reasonable estimate of what the actual damages would be. No interest will be paid upon the bid security deposit.

OFFICIAL STATEMENT: The Issuer will have prepared and will make available a Preliminary Official Statement which the Issuer will have deemed "final" for purposes of Rule 15c2-12 (the "Rule") promulgated by the U.S. Securities and Exchange Commission pursuant to the Securities Exchange Act of 1934, as amended, prior to the time for receipt of proposals, although it is subject to revision, amendment and completion in a final Official Statement to be delivered in accordance with such Rule. Electronic copies of the Official Statement will be available to the winning bidder no later than seven (7) business days after the sale of the Series ____ Bonds is awarded.

Electronic copies of the Preliminary Official Statement are expected to be available on the Internet on or about _____, 20__, at muniauction.com and at munios.com.

DELIVERY AND PAYMENT: Delivery of the Series ____ Bonds is expected to occur on or about _____, 20___. The winning bidder shall pay for the Series ____ Bonds on the date of delivery in immediately available federal funds. Any expenses of providing federal funds shall be borne by the purchaser. Payment on the delivery date shall be made in an amount equal to the price bid for the Series ____ Bonds, less the amount of the bid security deposit.

BOOK-ENTRY ONLY: The Series ____ Bonds will be registered in the name of The Depository Trust Company, New York, New York (“DTC”) or its nominee as registered owner of the Series ____ Bonds. Transfer of principal and interest payments to participants of DTC will be the responsibility of DTC, and transfer of principal and interest payments to the beneficial owners of the Series ____ Bonds by participants of DTC will be the responsibility of such participants and other nominees of beneficial owners. Neither the Issuer nor the City will be responsible or liable for such transfers of payments or for maintaining, supervising or reviewing the records maintained by DTC, its participants or persons acting through such participants.

CUSIP NUMBERS: It is anticipated that CUSIP numbers will be printed on the executed Bonds, but the Issuer will assume no obligation for the assignment or printing of such numbers on the Series ____ Bonds or for the correctness of such numbers, and neither the failure to print such numbers on any Bond nor any error with respect thereto shall constitute cause for a failure or refusal by the purchasers thereof to accept delivery of and make payment for the Series ____ Bonds. The cost of obtaining and assigning a CUSIP Numbers will be borne by the winning bidder.

CALIFORNIA DEBT INVESTMENT AND ADVISORY COMMISSION FEE: Pursuant to Section 8856 of the California Government Code, a fee must be paid to the California Debt and Investment Advisory Commission (“CDIAC”) to cover the costs of its activities with respect to the Series ____ Bonds. Liability for payment of such CDIAC fee will be borne by the winning bidder.

CLOSING DOCUMENTS; LEGAL OPINIONS: Each bid will be understood to be conditioned upon the Issuer furnishing to the winning bidder, without charge, concurrently with payment for and delivery of the Series ____ Bonds, the following closing documents and legal opinions, each dated as of the date of such delivery:

(a) Legal Opinion: A complete copy of the proposed form of legal opinion of Bond Counsel approving the validity of the Series ____ Bonds is set forth in Appendix ___ to the Preliminary Official Statement with respect to the Series ____ Bonds (the “Preliminary Official Statement”). The legal opinion of Bond Counsel with respect to the Series ____ Bonds will be furnished to the Purchaser upon delivery of the Series ____ Bonds without cost;

(b) Tax Certificate: A certificate of the Issuer and the City that, on the basis of the facts, estimates and circumstances in existence on the date of issue, it is not expected that the proceeds of the Series ____ Bonds will be used in a manner that would cause the Series ____ Bonds to be arbitrage Bonds;

(c) No Litigation Certificate: A certificate of the City Attorney or their designee, acting on behalf of the Issuer and the City solely in his official capacity and not in his personal capacity, stating that to the best of his knowledge based on reasonable investigation, such individual is not aware of any litigation threatened or pending affecting the validity of the Series ____ Bonds or challenging any material action of the Issuer or the City relating to the Series ____ Bonds and stating

further that neither the Issuer nor the City is aware of any pending or threatened litigation contesting its corporate existence or the title of the present executive officers to their respective offices;

(d) Certificate Regarding Official Statement: One or more certificates of an appropriate City Official, acting on behalf of the Issuer and the City, solely in his or her official capacity and not in his or her personal capacity, stating that, to the best knowledge of such City Official, as of the date of the Official Statement pertaining to the Series ____ Bonds and at all times subsequent thereto up to and including the time of delivery of the Series ____ Bonds to the initial purchasers thereof, the Official Statement together with any amendments thereto did not contain any untrue statement of a material fact or omit to state a material fact necessary to make the statements therein, in light of the circumstances under which they were made, not misleading; and

(e) Signature Certificate: A signature certificate of the officials of the Issuer showing that they have signed the Series ____ Bonds, whether by facsimile or manual signature, and that they respectively were duly authorized to execute the same, and stating that, to the best of their knowledge, they are not aware of any litigation threatened or pending affecting the validity of the Series ____ Bonds.

CONTINUING DISCLOSURE: The City will, pursuant to a Continuing Disclosure Certificate, agree to provide or cause to be provided to the Municipal Securities Rulemaking Board through its Electronic Municipal Market Access system in a timely manner notice of certain material events respecting the Series ____ Bonds. The form of Continuing Disclosure Certificate is set forth in Appendix F to the Preliminary Official Statement.

ADDITIONAL INFORMATION: Requests for information concerning the Series ____ Bonds, the Issuer or the City should be addressed to: Michael Berwanger of Public Financial Management, Inc., Financial Advisor to the City for the Series ____ Bonds at (213) 489-4075.

EXHIBIT A

FORM OF BIDDER'S CERTIFICATE
Public Facilities Financing Authority of the City of San Diego
Lease Revenue Bonds Series ____
(Capital Improvement Projects)

We hereby certify that we are an eligible bidder and submit our bid and commit to purchase the Public Facilities Financing Authority of the City of San Diego Lease Revenue Bonds, Series ____ (Capital Improvement Projects) (the "Series ____ Bonds") subject to all the terms and conditions stated in the Official Notice Inviting Bids.

The submission of this bid is a representation that the bidder, with the intent of acting as Underwriter for the Series ____ Bonds, did not consult with any other potential underwriter about this bid and that the bid was determined without regard to any other formal or informal agreement that the bidder may have with the City of San Diego or any other person (whether or not in connection with the subject bond issue).

Per Annum Coupon: _____%

Price: \$ _____

True Interest Cost: _____%

Date: _____, 20__

Firm: _____

By _____
Authorized Representative

Accepted:

PUBLIC FACILITIES FINANCING AUTHORITY
OF THE CITY OF SAN DIEGO

By _____
Title: _____
Date: _____, 20__

EXHIBIT B

INITIAL ISSUE PRICE CERTIFICATE

_____, 20__

Public Facilities Financing Authority of
The City of San Diego
San Diego, California

Stradling Yocca Carlson & Rauth
Newport Beach, California

Ladies and Gentlemen:

We are the Purchaser of the \$_____ Public Facilities Financing Authority of The City of San Diego Lease Revenue Bonds, Series ____ (Capital Improvement Projects) (the "**Series ____ Bonds**"). As such, we have been involved in the structuring of the Series ____ Bonds.

We hereby certify that:

(i) based on our records and other information available to us which we believe to be correct, as of _____ (the "**Sale Date**") we had offered or reasonably expected to reoffer all of the Series ____ Bonds of each maturity in a bona fide initial reoffering to the public (excluding bond houses, brokers, or similar persons or organizations acting in the capacity of underwriters or wholesalers) at an initial offering price not greater than that shown, or at an initial offering yield not less than that shown, on the cover of the Official Statement relating to the Series ____ Bonds (the "**Official Statement**") for that maturity;

(ii) based on our records and other information available to us that we believe to be correct, the first price at which a substantial portion (at least ten percent) of the Series ____ Bonds of each maturity was sold to the public (excluding bond houses, brokers or similar persons or organizations acting in the capacity of underwriters or wholesalers) was not greater than the price corresponding to the yield shown on the cover of the Official Statement for such maturity;

(iii) in the case of unsold Series ____ Bonds, we reasonably expected, as of the sale date of the Series ____ Bonds, to sell a substantial amount (at least ten percent) of such Series ____ Bonds to the public at the price for such Series ____ Bonds corresponding to the yield shown on the cover of the Official Statement;

(iv) at the time we agreed to purchase the Series ____ Bonds, based upon then prevailing market conditions, we had no reason to believe any of the Series ____ Bonds would be initially sold to the public (excluding such bond houses, brokers or similar persons or organizations acting in the capacity of underwriters or wholesalers) at an initial offering price greater than or an initial offering yield less than the fair market value thereof;

(v) based upon the initial offering prices or yields, the aggregate issue price of the Series ____ Bonds is \$ _____ (the Series ____ Bonds having been sold with [net] [original issue discount] [bond premium] of \$ _____).

[PURCHASER]

By: _____
Authorized Representative