

REQUEST FOR COUNCIL ACTION CITY OF SAN DIEGO	CERTIFICATE NUMBER (FOR AUDITOR'S USE ONLY)
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TO: Public Facilities Financing Authority	FROM (ORIGINATING DEPARTMENT): City Attorney	DATE: 3/6/2015
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SUBJECT: Public Facilities Financing Authority of the City of San Diego Approval of Issuance of the Authority's Lease Revenue Refunding Bonds, Series 2015 (Ballpark Refunding) and Approving Certain Documents and Actions in Connection Therewith.

PRIMARY CONTACT (NAME, PHONE): Brant C. Will, 619-236-6220	SECONDARY CONTACT (NAME, PHONE): ,
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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.	Nuesca, Mary	03/06/2015
	CFO		
	COO		
	CITY ATTORNEY		
	COUNCIL PRESIDENTS OFFICE	Jurado-Sainz, Diana	03/06/2015

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 Refunding Bonds, Series 2015 (2015 Bonds) in a principal amount not to exceed \$136,000,000, authorizing the form and content of all related legal documents and approving all actions heretofore taken in connection with the issuance, delivery, and sale of the 2015 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:	This activity is not a project as defined in the CEQA Guidelines, Section 15378, and is therefore not subject to CEQA per CEQA Guidelines, Section 15060(c)(3).			
CITY CLERK INSTRUCTIONS:	Please include as a companion item to the second reading of City Ordinance O-2015-76 Cor. on March 17, 2015.			

**COUNCIL ACTION
EXECUTIVE SUMMARY SHEET
CITY OF SAN DIEGO**

DATE: 3/6/2015

ORIGINATING DEPARTMENT: City Attorney

SUBJECT: Public Facilities Financing Authority of the City of San Diego Approval of Issuance of the Authority's Lease Revenue Refunding Bonds, Series 2015 (Ballpark Refunding) and Approving Certain Documents and Actions in Connection Therewith.

COUNCIL DISTRICT(S): All

CONTACT/PHONE NUMBER: Brant C. Will/619-236-6220

REQUESTED ACTION:

Approve the resolution authorizing the issuance of the 2015 Bonds.

STAFF RECOMMENDATION:

Approve the resolution.

EXECUTIVE SUMMARY OF ITEM BACKGROUND:

The City Council of the City of San Diego has requested the assistance of the Authority in issuing the Authority's Lease Revenue Refunding Bonds, Series 2015, in order to refund the Authority's Lease Revenue Refunding Bonds, Series 2007A. The bonds are related to the City's financing of the construction of Petco Park. The 2007A Bonds will be refunded on an advance refunding basis and meet the City's advance refunding threshold of 4% net present value savings as required by the Debt Policy. The Leased Property, the Ballpark and adjacent Park at the Park, will be the same for both the 2007A Bonds and the 2015 Bonds and the final maturity is approximately the same, occurring in Fiscal Year 2032.

The 2015 Bonds will only be issued after a Preliminary Official Statement is approved by the City Council and the Authority, which is expect to occur in late May or early June, with the 2015 Bonds closing approximately 45 to 60 days after. The refunding proceeds will be held in an escrow fund until February 15, 2017, when the outstanding bonds will be redeemed.

FISCAL CONSIDERATIONS:

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):

COMMUNITY PARTICIPATION AND PUBLIC OUTREACH EFFORTS:

KEY STAKEHOLDERS AND PROJECTED IMPACTS:

Nuesca, Mary

Originating Department



THE CITY OF SAN DIEGO
REPORT TO THE CITY COUNCIL

DATE ISSUED: February 13, 2015 REPORT NO: 15-011

ATTENTION: Council President and City Council

SUBJECT: Public Facilities Financing Authority of City of San Diego Lease Revenue Refunding Bonds, Series 2015 (Ballpark Refunding)

REFERENCE: Budget and Government Efficiency Committee Report No. 15-006, titled Economic Bond Refunding Opportunities – General Fund, Sewer Utility Fund, and Community Facilities District Credits, dated January 16, 2015

REQUESTED ACTIONS:

1. Authorize the issuance of the Public Facilities Financing Authority of the City of San Diego (the “Authority”) Lease Revenue Refunding Bonds, Series 2015 (Ballpark Refunding) (the “Series 2015 Bonds”) in a principal amount not to exceed \$136 million and the execution of related financing documents to refund the outstanding Lease Revenue Refunding Bonds, Series 2007A (Ballpark Refunding) (the “Series 2007A Bonds”). The related financing documents include a Site Lease, a Facility Lease, a Bond Indenture, a Bond Purchase Agreement, an Escrow Agreement, a Third Reaffirmation of Assignment Agreement and a Continuing Disclosure Certificate;
2. Authorize the City Attorney to retain and enter into an agreement with Nixon Peabody LLP to provide Bond and Disclosure Counsel services in connection with the issuance of the Refunding Bonds; and,
3. Authorize the Chief Financial Officer to establish one or more special interest bearing account(s) for the proceeds of the Series 2015 Bonds.

STAFF RECOMMENDATION:

Approve the requested actions.

SUMMARY:

I. Background

The original Public Facilities Financing Authority of the City of San Diego Lease Revenue Bonds, Series 2002 (Ballpark Project) (the “Original Ballpark Bonds”) were issued in the amount of \$169.7 million in February 2002 under a General Fund backed lease revenue bond structure to finance a portion of the construction of the Ballpark (also referred to as Petco Park) and an adjacent Public Park, and certain related infrastructure.

In March 2007, the City refunded the Original Ballpark Bonds through the issuance of the Series 2007A Bonds, which were privately placed in a principal amount of \$156.6 million. As of February 15, 2015, there will be \$125.3 million in outstanding principal of the Series 2007A Bonds, and the bonds can be called starting February 15, 2017.

Given the current attractiveness of the municipal market coupled with the potential for rate increases later in 2015 and beyond, the City will be best positioned to attain economic savings by locking in current favorable rates to mitigate future interest rate risk, and moving forward with a refunding of the outstanding Series 2007A Bonds, which are eligible to be refunded on an “advance refunding” basis.

An advance refunding, which may only be conducted once for each bond issue under IRS guidelines, is utilized when refunding bonds are issued more than 90 days prior to the date the bonds can be called. In this case, proceeds from the refunding bonds are placed in an escrow fund in an amount sufficient, along with interest earnings, to pay scheduled debt service payments on the refunded bonds until the bonds are eligible to be called, and to redeem all remaining bonds on the call date. Pursuant to the City’s Debt Policy, the City will consider conducting an advance refunding if net present value (NPV) savings of at least 4% can be achieved. As discussed under Fiscal Considerations below, the proposed refunding is expected to exceed this threshold. In addition, consistent with a refunding evaluation threshold commonly used by the market, NPV savings is expected to be greater than the amount of negative arbitrage. (Negative arbitrage arises in today’s market because the interest rate earned in the refunding escrow fund is lower than the interest rate on the refunding bonds.) Annual debt service savings produced by the refunding would benefit the General Fund.

II. Discussion

A. Summary of the Series 2015 Ballpark Refunding Bonds

- *Issuer:* Public Facilities Financing Authority of the City of San Diego
- *Not to Exceed Amount:* \$136 million.

- **Debt Service Reserve Fund:** Currently, the Series 2007A Bonds carry a debt service reserve fund with \$3.8 million in cash and a \$7.5 million Ambac surety policy.¹ The \$3.8 million will be released from the Series 2007A Bonds and applied as a source of funds for the refunding, thus reducing the issuance size of the refunding bonds and increasing cashflow savings.
- **Method of Sale:** Public Offering; Negotiated Sale.
- **Tax Status:** The Series 2015 Bonds will be issued as a tax-exempt issuance. Consistent with the IRS regulations for tax-exempt bonds, the weighted average life of the bonds will not exceed 120% of the remaining useful life of the project funded by the bonds. In addition, although the Padres L.P., a private entity, has use of the Ballpark, net Ballpark related revenue received by the City (net of operating and maintenance contributions), is not expected to exceed certain established limits set by the IRS for a bond issue to be tax-exempt.
- **Structure:** The bonds will be issued under the Indenture and Amended and Restated Site and Facility Leases established with the Series 2015 Bonds (see Legal Structure).
- **Repayment Source:** Payable from General Fund.
- **Principal and Interest payments:** To improve the credit and marketability of the Series 2015 Bonds, the full debt service payment due in the fiscal year will be deposited with the Trustee each fiscal year on October 15 to cover the October 15 payment and in advance of the April 15 payment.
- **Final Maturity:** 17 year term; the final maturity of the refunding bonds will occur in the same Fiscal Year as the Series 2007A Bonds (FY2032).

B. Legal Structure

The Public Facilities Financing Authority of the City of San Diego (the “Authority”) is the issuer of the Series 2015 Bonds. The legal structure for the Series 2015 Bonds involves lease agreements between the City and the Authority under which the City leases unencumbered City-owned property to the Authority and, in turn, the Authority leases the same property back to the City. The lease payments made by the City are assigned by the Authority to the Trustee to pay the debt service on the Series 2015 Bonds. The leased property for the Series 2007A Bonds will remain the same for the Series 2015 Bonds. It includes the Ballpark² and adjacent park (also known as the Park-at-the Park). The Financing Team initially explored the possibility of leasing only the Ballpark and releasing the adjacent park from the lease; however, the release of the park does not currently appear to be feasible due to limitations in the covenants, conditions, and restrictions concerning the leased property established during project implementation.

¹ A surety policy is a commitment issued by a bond insurance company that is deposited into the Debt Service Reserve Fund in lieu of cash.

² Padres L.P. owns certain identified components of the Ballpark, which will not be included in the leasing arrangement.

To establish the annual fair rental value, a legal requirement to issuing lease revenue bonds, the property was appraised by an independent appraisal company. While the appraisal value is not available as of the date of this report, it will be included in the final Financing Ordinance reviewed by City Council and verbally communicated in staff's presentation. In addition, as required under the lease financing structure, the maximum annual debt service payable by the City on the lease revenue bonds will not be in excess of the annual fair rental value of the Leased Property. The Ballpark will be leased until the final maturity of the Series 2015 Bonds.

C. City Council Authorization

The City Council is requested to (i) authorize the issuance of the Series 2015 Bonds; (ii) approve the financing legal documents; (iii) authorize the City Attorney to appoint the Bond and Disclosure Counsel; and (iv) authorize the Chief Financial Officer to establish one or more special interest-bearing accounts for the bond proceeds contingent upon approval of the bond documents and contingent upon the issuance of the bonds. Certain of the financing legal documents, including the leases, the indenture, the bond purchase agreement, the escrow agreement and a continuing disclosure certificate would be approved via ordinance, and are subject to a 30 day referendum period.

Staff will be docketing the Preliminary Official Statement (POS) for the Series 2015 Bonds separately to be authorized via resolution in May 2015, closer to the distribution of the POS to potential investors.

Financing & Legal Documents

The financing Ordinance approves and authorizes the execution of the following financing documents:

1. Form of Amended and Restated Site Lease (Site Lease) – The Site Lease is the agreement between the City and the Authority under which the City leases the City owned portion of Ballpark to the Authority.
2. Form of Amended and Restated Ballpark Facility Lease (Facility Lease) – The Facility Lease is the agreement between the City and the Authority under which the City leases the Ballpark back from the Authority. The lease payments made by the City are equal to the principal and interest payments on the bonds issued by the Authority. The Facility Lease contains certain covenants of the City, including that it will take the necessary action to include all lease payments due under the lease in the City's operating budget each year.
3. Form of Indenture (Indenture) – The Indenture is an agreement between the Authority and the Trustee for the bonds. The Indenture provides for the issuance of the bonds, and includes information regarding the amount of the bonds, the maturities and interest rates on the bonds, the use of bond proceeds, and the nature of the security for the bonds (i.e., that the bonds are limited obligations of the Authority payable from lease payments). The Indenture also sets forth terms, including the specific rights, responsibilities, and obligations of each party with respect to the issuance of the bonds.

4. Form of the Continuing Disclosure Certificate (CDC) – The CDC details the City’s ongoing obligation to file annual reports and material events with the Municipal Securities Rulemaking Board through its Electronic Municipal Market Access system for the benefit of the bondholders.
5. Form of the Bond Purchase Agreement (BPA) – The BPA is an agreement among the City, the Authority, and the Underwriters for the transaction pursuant to which the Authority agrees to sell, and the Underwriters agree to buy, the bonds. It specifies the purchase price of the bonds, and certain terms of the bonds, such as interest rates and maturities. The agreement also specifies documents that the parties must receive prior to bond closing, including the Bond Counsel opinion regarding the validity and tax exempt nature of the bonds as well as certain opinions and certificates of the City Attorney and other City and Authority officials. Such opinions and certificates would confirm, among other things, that all steps necessary to authorize the execution of the financing documents and the issuance of the bonds have been properly taken.
6. Form of Escrow Agreement – The Escrow Agreement between the Authority and the Trustee provides for the deposit of moneys in the escrow account to refund all outstanding principal since the Series 2015 Bonds will be issued prior to the first eligible redemption date of the Series 2007A Bonds. The agreement sets forth the manner in which funds are to be invested pending their expenditure and a schedule of debt service payments to be made with respect to the bonds being refunded.
7. Third Reaffirmation of Assignment Agreement – The Third Reaffirmation of Assignment Agreement is an agreement between the Authority and the Trustee under which the Authority reaffirms its assignment to the Trustee of its rights to receive lease payments under the Facility Lease.

D. Financing Time Line

Following are the critical milestones related to the execution of the Series 2015 Bonds, including the authorization of the financing ordinance and the POS.

March 2015	Introduction & approval (two readings) of the financing ordinance authorizing the issuance of the Series 2015 Bonds, and the financing documents.
	Authority approval of the Series 2015 Bonds
May 2015	City Council approval of the disclosure document (POS) for Series 2015 Bonds (occurs 60 days following City Council approval of the financing ordinance)
Late-May/Early-June 2015	Pricing
July 2015	Bond Closing

E. Financing Team

The City's Financing Team for the Series 2015 Bonds consists of staff of the Department of Finance, including the Chief Financial Officer and staff of the Debt Management Department, the Comptroller's Office, the Treasurer's Office, the Risk Management Department, and the Financial Management Department. The Financing Team also includes staff of the Real Estate Assets Department, and the City Attorney's Office. External members include: Public Resources Advisory Group ("PRAG") as the Financial Advisor; Nixon Peabody LLP, as Bond and Disclosure Counsel; Wells Fargo Bank, National Association as Trustee; Chicago Title Company as title insurance provider; and DF Davis Real Estate, Inc. as Appraiser.

Financial Advisor: PRAG was selected to provide financial advisory services for this transaction through a competitive process utilizing the City's As-needed Financial Advisors Pool based on the firm's experience in General Fund lease revenue bond financings, negotiated method of sale, and the fee proposal. The fee to PRAG for this issuance, which is contingent upon the successful closing of the Series 2015 Ballpark Refunding Bonds, is for an amount not to exceed \$55,000, plus out of pocket expenses not to exceed \$1,500.

Bond and Disclosure Counsel: The City Attorney's Office has identified via a RFP process Nixon Peabody LLP to serve as Bond and Disclosure Counsel for the Series 2015 Ballpark Refunding Bonds and pay an amount not to exceed \$110,000 inclusive of reasonable out of pocket expenses. The fees payable to Bond and Disclosure Counsel shall be contingent upon the closing of the bonds and paid out of bond proceeds.

Trustee: Wells Fargo Bank, the existing trustee for the Series 2007A Bonds, will continue to serve as the Trustee for this new refunding issuance. Compensation for the Trustee includes \$3,500 for the transaction and ongoing annual fees of \$4,000. Through an agreement that was entered into in 2002 in connection with the Original Ballpark Bonds, the City prepaid \$67,500 for trustee services. As a result of the refunding, a balance of approximately \$38,000 will remain unexpended and will be credited toward the annual fees for the Series 2015 Bonds until exhausted. Wells Fargo Bank will also serve as Escrow Agent for a fee of \$2,500.

Underwriting Syndicate: RBC Capital Markets LLC was selected to serve as Senior Manager for the Series 2015 Bonds. In addition, the underwriting syndicate will include three Co-Managers: Bank of America Merrill Lynch, William Blair & Co., and Stern Brothers & Co. They were selected through a competitive process utilizing the City's established pool of Underwriters. The solicitation specific to the Series 2015 Bonds was issued on November 13, 2014. In total, 18 underwriting proposals were received of which 11 firms proposed to serve as a Senior Manager or Co-Manager and 7 firms proposed solely as a Co-Manager.

The syndicate members were identified based on the investment banking experience of the firms on similar transactions, capacity to underwrite the transaction, and bond marketing outreach capabilities.

FISCAL CONSIDERATIONS:

A. Bond Proceeds, Interest Rate, Projected Debt Service and Savings

Based upon current pricing conditions, the total proceeds from the Series 2015 Bonds is expected to be approximately \$134 million which, together with the monies released from the Series 2007A Bonds debt service reserve fund, will be used to refund the Series 2007A Bonds and pay for financing costs of issuance.

Estimated Sources and Uses of Funds *

Estimated Sources

Bond Proceeds	\$134,107,000
Release of the Series 2007A Bonds Debt Service Reserve Fund	3,802,000
Total Sources of Funds	\$137,909,000

Estimated Uses

Escrow Fund to refund 2007 Bonds ⁽¹⁾	\$137,187,000
Costs of Issuance ⁽²⁾	722,000
Total Uses of Funds	\$137,909,000

* Preliminary; subject to change. Based on interest rates as of January 9, 2015.

⁽¹⁾ Includes debt service on Series 2007A Bonds to the call date (February 15, 2017) and redemption of remaining principal on the call date, net of escrow earnings.

⁽²⁾ Costs of Issuance includes underwriter's discount, bond and disclosure counsel fees, financial advisory fees, trustee and escrow fees, title insurance costs, appraisal fees, verification agent fees, rating agency fees, Preliminary Official Statement and Official Statement electronic printing/posting costs, and City staff costs.

The estimated All-in True Interest Cost (All-in TIC) on the Series 2015 Bonds based on current market conditions is approximately 2.90%; the estimated annual lease payment would be approximately \$9.9 million. In comparison, the All-in TIC for the Series 2007A Bonds is 4.84%, and the annual lease payment is \$11.3 million. This translates to cumulative cash flow savings to the General Fund of approximately \$24 million over the remaining 17 year term of the bond issue, an average annual cash flow savings of approximately \$1.4 million in Fiscal Years 2016 – 2032. The net present value savings is estimated at 12.5%. The following table provides a financing comparison between the Series 2007A Bonds and the proposed Series 2015 Bonds.

	Series 2007A Bonds	Series 2015 Bonds (Estimate)
Bond Proceeds	\$156.6 million	\$134.1 million
Annual Lease Payment	\$11.3 million	\$9.9 million
All-in TIC	4.8%	2.9%
Final Maturity	February 2032	October 2031
Total Debt Service ⁽¹⁾	\$192.4 million	\$167.9 million

⁽¹⁾ For the Series 2007A Bonds, the Total Debt Service figure reflects the amount remaining following the payment of debt service due February 15, 2015.

PREVIOUS COUNCIL and/or COMMITTEE ACTION:

On January 28, 2015, Debt Management presented four proposed economic refunding items to the Budget and Government Efficiency Committee, of which one was the Series 2015 Bonds. The Budget and Government Efficiency Committee forwarded the Series 2015 Bonds to the City Council for approval.

COMMUNITY PARTICIPATION AND PUBLIC OUTREACH EFFORTS:

Not applicable.

KEY STAKEHOLDERS:

Business entities included in the financing: Nixon Peabody LLP (Bond and Disclosure Counsel); Wells Fargo Bank, National Association (Trustee/Escrow Agent); Public Resources Advisory Group (Financial Advisor); RBC Capital Markets LLC, Bank of America Merrill Lynch, William Blair & Co., and Stern Brothers & Co. (Underwriters); Standard & Poor's (Rating Agency); Fitch Ratings (Rating Agency); Chicago Title Company (Title Insurance); D.F. Davis Real Estate, Inc.(Appraiser); and the Printer (Electronic Printing of POS and OS).



Lakshmi Kommi
Debt Management Director



Mary Lewis
Chief Financial Officer

ORDINANCE NUMBER O-_____ (NEW SERIES)

DATE OF FINAL PASSAGE _____

AN ORDINANCE OF THE COUNCIL OF THE CITY OF SAN DIEGO APPROVING THE FORMS OF AND AUTHORIZING THE EXECUTION AND DELIVERY OF AN AMENDED AND RESTATED SITE LEASE, AN AMENDED AND RESTATED BALLPARK FACILITY LEASE, AND A BOND PURCHASE AGREEMENT; AUTHORIZING THE EXECUTION, DELIVERY AND PERFORMANCE OF A THIRD REAFFIRMATION OF ASSIGNMENT AGREEMENT, AN INDENTURE AND AN ESCROW AGREEMENT 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 OF THE AUTHORITY'S LEASE REVENUE REFUNDING BONDS, SERIES 2015 (BALLPARK REFUNDING); AND APPROVING OTHER DOCUMENTS AND ACTIONS IN CONNECTION THEREWITH.

WHEREAS, the California Government Code, Article 1 of Chapter 5 of Division 7 of Title 1 authorizes and empowers local agencies to form a joint powers authority and California Government Code, Article 4 of Chapter 5 of Division 7 of Title 1 (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 City as Successor Agency to the Redevelopment Agency of the City of San Diego, and the Housing Authority of the City of San Diego have heretofore entered into a Third Amended and Restated Joint Exercise of Powers Agreement dated January 1, 2013 (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 heretofore issued its \$156,560,000 Public Facilities Financing Authority of the City of San Diego Lease Revenue Refunding Bonds, Series 2007A (Ballpark Refunding), of which \$125,255,000 aggregate principal amount is currently outstanding (the Series 2007A Bonds); and

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

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

WHEREAS, the City has determined that: (i) the issuance of the Series 2015 Bonds (defined below) by the Authority to refund all or a portion of the Series 2007A Bonds (the portion of the Series 2007A Bonds being refunded, the Refunded Bonds) will achieve interest

rate savings and will benefit the inhabitants of the City; and (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 refund the Refunded Bonds (the Refunding); and

WHEREAS, the City is leasing the Leased Property, which has been appraised at a value of \$539,000,000, to the Authority for the purpose of reducing the City's debt service costs associated with the construction of the Ballpark in 2002; 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, in order to accomplish the refinancing of the Refunded Bonds and to achieve such public purposes, and to timely issue bonds when savings are available, the City has determined to request and approve the Authority's issuance of not to exceed \$136,000,000 aggregate principal amount of its Public Facilities Financing Authority of the City of San Diego Lease Revenue Refunding Bonds, Series 2015 (Ballpark Refunding) (the Series 2015 Bonds) pursuant to the Marks-Roos Local Bond Pooling Act of 1985 and secured by the Indenture (the Indenture), by and between the Authority and Wells Fargo Bank, National Association (the Trustee); and

WHEREAS, in order to provide for the payment of the Series 2015 Bonds, the City will enter into an Amended and Restated Site Lease, dated as of July 1, 2015 (the Site Lease), which amends and restates the 2007A Site Lease, by and between the Authority and the City, under

which the Authority will lease from the City certain real property belonging to the City, together with the portion of the improvements located thereon that are owned by the City, consisting of (i) the Ballpark exclusive of certain improvements owned by the Padres and (ii) the Park (the Leased Property) and an Amended and Restated Ballpark Facility Lease, dated as of July 1, 2015 (the Facility Lease), which amends and restates the 2007A Facility Lease, by and between the Authority and the City, under which the Authority leases the Leased Property back to the City and the City will agree to make Base Rental Payments to the Authority which are calculated to be sufficient to enable the Authority to pay the principal of and interest on the Series 2015 Bonds when due and payable; and

WHEREAS, the City has determined that the Series 2015 Bonds be sold by a negotiated sale pursuant to the terms of a Bond Purchase Agreement (a Purchase Agreement) among the City, the Authority and the underwriters therein named (collectively the Underwriters); and

WHEREAS, there has been presented to this meeting the following documents relating to the issuance of the Series 2015 Bonds: a proposed form of 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-_____ -1, under which the City will lease the Leased Property to the Authority; a proposed form of Facility 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-_____ -2, under which the Authority will lease the Leased Property to the City; a proposed form of Third Reaffirmation of Assignment Agreement, by and between the Authority and the Trustee (the Assignment Agreement), a copy of which is on file in the office of the City Clerk as Document No. 00-_____ -3, under which the Authority reaffirms its assignment to the Trustee for the benefit of bondholders of its rights under the Site Lease and the Facility Lease; a proposed form of 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-_____-4, under which the Authority will issue the Series 2015 Bonds; a proposed form of Escrow Agreement between the Authority and the Trustee, as Escrow Agent, a copy of which is on file in the office of the City Clerk as Document No. 00-_____-5, under which the Trustee, as Escrow Agent, will hold, invest and apply monies for the redemption of the Refunded Bonds; a proposed form of Purchase Agreement regarding the Series 2015 Bonds among the City, the Authority and the Underwriters, a copy of which is on file in the office of City Clerk as Document No. 00-_____-6, under which the Series 2015 will be sold; and 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-_____-7 (the documents described in paragraphs 1 through 7, are collectively referred to as the Financing Documents); 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 (the “Council”), 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 the refunding of the Refunded Bonds, 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 Site Lease, pursuant to which the City leases the Leased 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 the Site Lease substantially in the form 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 Leased Property) 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 Facility 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 the Facility Lease substantially in the form 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 Leased Property) 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 Assignment Agreement, pursuant to which the Authority reaffirms its assignment to the Trustee for the benefit of bondholders of its rights under the Site Lease and the Facility Lease, and the execution, delivery and performance by the Authority, of the Assignment Agreement substantially in the form 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 Assignment Agreement 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 form and content of the Indenture, pursuant to which the Authority will issue the Series 2015 Bonds, and the execution, delivery and performance by the Authority, of the Indenture substantially in the form 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 Indenture 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 7. The form and content of the Escrow Agreement, pursuant to which the Trustee, as Escrow Agent, will hold, invest and apply monies for the redemption of the Refunded Bonds, and the execution, delivery and performance by the Authority of the Escrow Agreement substantially in the form 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 Escrow Agreement 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 8. The City Attorney or his specified designee is authorized to retain Nixon Peabody LLP as bond counsel and disclosure counsel for the City and the Authority in connection with the issuance of the Series 2015 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 contract or other arrangements shall be in an amount not to exceed \$110,000.

Section 9. The City hereby authorizes and approves, and requests the Authority to approve and authorize, the issuance and sale by the Authority of its Series 2015 Bonds in a total aggregate principal amount not to exceed \$136,000,000 by negotiated sale, provided that: (i) the Chief Financial Officer or Chief Operating Officer determines that either: (A) there is an economic benefit in the form of aggregate net present value savings of at least 4 percent, expressed as a percentage of the par amount of the Refunded Bonds; or (B) the Chief Financial

Officer or the Chief Operating Officer determines that refunding all or a portion of the Refunded Bonds is in the best financial interest of the City, and (ii) there shall first be presented to the Disclosure Practices Working Group and this Council for approval a form of preliminary official statement. Each of the Chief Financial Officer and the Chief Operating Officer, in consultation with the City's financial advisor, is hereby authorized to approve the Series 2015 Bonds pricing, the timing of the issuance and sale of the Series 2015 Bonds, the redemption terms, maturities, interest rates, and other Series 2015 Bond features, and the underwriters for the Series 2015 Bonds.

Section 10. The form and content of the Purchase Agreement are hereby authorized and approved. Each Authorized Signatory is hereby severally authorized and directed for and in the name and on behalf of the City, to execute and deliver the Purchase Agreement in connection with the purchase and sale of the Series 2015 Bonds, substantially in the form presented to and considered at this meeting, with such changes and additions therein, including without limitation naming the underwriters for the Series 2015 Bonds, as such Authorized Signatory shall determine are necessary and desirable and shall require or approve 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 thereof.

Section 11. The anticipated source of revenue for payment of the Series 2015 Bonds hereby authorized is the Base Rental Payments to be made by the City under and as defined in the Facility Lease.

Section 12. 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 a Continuing Disclosure Certificate in connection with the purchase and sale of the Series 2015 Bonds, substantially in the form presented to and considered at this meeting, with such changes and additions therein as 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 13. Authorized officers of the City are hereby authorized and directed to pay all the fees and other costs of issuance of the Series 2015 Bonds in accordance with the Purchase Agreement and as otherwise agreed with the City and the respective parties thereto, including applicable California Debt and Investment Advisory Commission fees and printer fees.

Section 14. All actions heretofore taken by any officers, employees or agents of the City with respect to the issuance, delivery or sale of the Series 2015 Bonds, or in connection with or related to any of the Financing Documents or of the other documents referenced herein or related to consummating the Refunding, 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, payment of necessary and appropriate fees and expenses

of bond counsel, disclosure counsel, financial advisor and other professionals 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 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 Series 2015 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, the establishment of any debt service reserve fund securing the Series 2015 Bonds, and establishing the redemption provisions of the Series 2015 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 Series 2015 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 Section 9 hereof.

Section 15. The Chief Financial Officer is authorized to establish one or more special interest-bearing account(s) to deposit proceeds of the Series 2015 Bonds.

Section 16. That a full reading of this ordinance is dispensed with prior to passage, a written copy having been made available to the 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
02/13/15
02/26/15 COR. COPY
Or.Dept:Debt Mgmt.
Doc. No.: 955723_2

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

ELIZABETH S. MALAND
City Clerk

By _____
Deputy City Clerk

Approved: _____
(date)

KEVIN L. FAULCONER, Mayor

Vetoed: _____
(date)

KEVIN L. FAULCONER, Mayor

INDENTURE

PUBLIC FACILITIES FINANCING AUTHORITY OF THE CITY OF SAN DIEGO

LEASE REVENUE REFUNDING BONDS, SERIES 2015

(BALLPARK REFUNDING)

Log of Outstanding Items

<u>Page</u>	<u>Outstanding Items</u>	<u>Responsible Party</u>	<u>Expected Availability</u>
Cover	Principal Amount of Bonds	Bond Counsel	Bond Pricing
1	Principal Amount of Bonds	Bond Counsel	Bond Pricing
13	Principal Amount of Bonds	Bond Counsel	Bond Pricing
13	Maturity Date, Principal Amount and Interest Rate	Bond Counsel	Bond Pricing
20	Principal Amount of Bonds, Underwriters' discount, original issue premium	Bond Counsel	Bond Pricing
20	Amount of Deposit to Escrow Fund	Bond Counsel	Bond Pricing
20	Amount Received from 2007A Trustee, if any	Bond Counsel	Bond Pricing
20	Amount of Deposit to Costs of Issuance Fund	Bond Counsel	Bond Pricing
S-1	Signatures	Authority Trustee	Pre-Closing
A-1	Bond Number, Principal Amount, Interest Rate, Maturity Date, Dated Date, CUSIP	Bond Counsel	Bond Pricing
A-2	Principal Amount of Bonds	Bond Counsel	Bond Pricing
A-5	Bond Authentication Date	Bond Counsel	Bond Pricing
B-1	Form of Costs of Issuance Fund Requisition	City	Upon Requisition

INDENTURE

by and between

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

and

WELLS FARGO BANK, NATIONAL ASSOCIATION

as Trustee

Dated as of July 1, 2015

Relating to

\$_____
PUBLIC FACILITIES FINANCING AUTHORITY OF THE CITY OF SAN DIEGO
LEASE REVENUE REFUNDING BONDS, SERIES 2015
(BALLPARK REFUNDING)

ARTICLE I DEFINITIONS; AUTHORIZATION AND PURPOSE OF BONDS; EQUAL SECURITY	2
Section 1.01 Definitions.....	2
Section 1.02 Rules of Construction	11
Section 1.03 Authorization and Purpose of Series 2015 Bonds	12
Section 1.04 Equal Security.....	12
Section 1.05 Timing of Actions	12
Section 1.06 Content of Certificates	12
Section 1.07 Actions by Authority and City	13
ARTICLE II ISSUANCE OF BONDS.....	13
Section 2.01 Authorization of Series 2015 Bonds	13
Section 2.02 Terms of the Series 2015 Bonds	13
Except as otherwise provided in Section 2	14
Section 2.03 Transfer and Exchange of Bonds	14
Section 2.04 Book-Entry System.....	15
Section 2.05 Registration Books.....	16
Section 2.06 Form and Execution of Bonds	16
Section 2.07 Temporary Bonds.....	17
Section 2.08 Bonds Mutilated, Lost, Destroyed or Stolen.....	17
Section 2.09 CUSIP Numbers.....	18
Section 2.10 Conditions for the Issuance of Additional Bonds	18
Section 2.11 Proceedings for Authorization of Additional Bonds	18
Section 2.12 Limitations on the Issuance of Obligations Payable from Revenues	19
ARTICLE III APPLICATION OF PROCEEDS.....	20
Section 3.01 Application of Proceeds of Sale of Series 2015 Bonds	20
Section 3.02 Establishment and Application of Costs of Issuance Fund.....	20
Section 3.03 Additional Funds and Accounts.....	20
Section 3.04 Validity of Bonds	20
ARTICLE IV REDEMPTION OF BONDS	21
Section 4.01 Terms of Redemption	21
Section 4.02 Selection of Bonds for Redemption	21
Section 4.03 Notice of Redemption	21

TABLE OF CONTENTS

(continued)

	Page
Section 4.04 Partial Redemption of Bonds	22
Section 4.05 Effect of Redemption	22
Section 4.06 Purchase of Bonds in Lieu of Optional Redemption	23
ARTICLE V REVENUES; FUNDS AND ACCOUNTS; PAYMENT OF PRINCIPAL AND INTEREST	24
Section 5.01 Pledge and Assignment; Revenue Fund	24
Section 5.02 Establishment and Maintenance of Accounts for Use of Money in the Revenue Fund	25
Section 5.03 [Reserved]	25
Section 5.04 Redemption Fund	26
Section 5.05 Insurance and Condemnation Fund; Title Insurance	26
Section 5.06 Investments	27
ARTICLE VI PARTICULAR COVENANTS	29
Section 6.01 Punctual Payment	29
Section 6.02 Against Encumbrances	29
Section 6.03 Power to Issue Bonds and Make Pledge and Assignment	29
Section 6.04 Accounting Records	29
Section 6.05 Compliance with Indenture	29
Section 6.06 Tax Covenants for Series 2015 Bonds	29
Section 6.07 Rebate Fund for the Series 2015 Bonds	30
Section 6.08 Against Sale or Disposition of the Leased Property	31
Section 6.09 Payment of Claims	32
Section 6.10 Payment of Taxes and Compliance with Governmental Regulations	32
Section 6.11 Insurance	32
Section 6.12 Collection of Amounts Due Under Lease; Amendments	32
Section 6.13 Waiver of Laws	32
Section 6.14 Further Assurances	32
ARTICLE VII EVENTS OF DEFAULT AND REMEDIES	33
Section 7.01 Events of Default; Notice	33
Section 7.02 Remedies Upon Event of Default	33
Section 7.03 Application of Revenues and Other Funds After Default	34
Section 7.04 Trustee to Represent Bond Owners	35

TABLE OF CONTENTS

(continued)

	Page
Section 7.05 Bond Owners' Direction of Proceedings	35
Section 7.06 Limitation on Bond Owners' Right to Sue	35
Section 7.07 Absolute Obligation of Authority	36
Section 7.08 Termination of Proceedings	36
Section 7.09 Remedies Not Exclusive	36
Section 7.10 No Waiver of Default.....	36
Section 7.11 Parties Interested Herein	37
Section 7.12 Remedies Subject to Provisions of Law	37
ARTICLE VIII THE TRUSTEE	37
Section 8.01 Duties, Immunities and Liabilities of Trustee.....	37
Section 8.02 Merger or Consolidation	39
Section 8.03 Liability of Trustee	39
Section 8.04 Right to Rely on Documents.....	41
Section 8.05 Preservation and Inspection of Documents.....	42
Section 8.06 Compensation and Indemnification	42
ARTICLE IX MODIFICATION OR AMENDMENT OF THIS INDENTURE.....	42
Section 9.01 Amendments Permitted.....	42
Section 9.02 Consent of Owners.....	44
Section 9.03 City's Consent to Supplemental Indentures.....	45
Section 9.04 Effect of Supplemental Indenture	45
Section 9.05 Endorsement of Bonds; Preparation of New Bonds	45
Section 9.06 Amendment of Particular Bonds.....	46
ARTICLE X DEFEASANCE.....	46
Section 10.01 Discharge of Indenture.....	46
Section 10.02 Deposit of Money or Securities with Trustee to Defeas Bonds	48
ARTICLE XI MISCELLANEOUS	51
Section 11.01 Liability of Authority Limited to Revenues.....	51
Section 11.02 Limitation of Rights to Parties and Bond Owners	51
Section 11.03 Funds and Accounts	51
Section 11.04 Unclaimed Funds	51
Section 11.05 Waiver of Notice; Requirement of Mailed Notice.....	52
Section 11.06 Destruction of Bonds	52

TABLE OF CONTENTS

(continued)

	Page
Section 11.07 Severability of Invalid Provisions.....	52
Section 11.08 Notices	52
Section 11.09 Evidence of Acts of Owners	53
Section 11.10 Holidays	54
Section 11.11 Credit Enhancement Providers	54
Section 11.12 Money Held for Particular Bonds	55
Section 11.13 Waiver of Personal Liability.....	55
Section 11.14 Successor Is Deemed Included in All References to Predecessor	55
Section 11.15 Execution in Several Counterparts.....	55
Section 11.16 Governing Law	55
EXHIBIT A FORM OF SERIES 2015 BOND	A-1
EXHIBIT B FORM OF COSTS OF ISSUANCE FUND REQUISITION	B-1
EXHIBIT C FEE SCHEDULE OF TRUSTEE	C-1

INDENTURE

This INDENTURE, dated as of July 1, 2015 (the “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”). (Capitalized terms used in the Whereas clauses that are not defined therein have the meanings provided in Section 1.01 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 January 1, 2013 (the “JPA Agreement”), by and between The City of San Diego (the “City”), the City as Successor Agency to the Redevelopment Agency of the City of San Diego (the “Agency”), and the Housing Authority of the City of San Diego, and under the provisions of Article 4 of Chapter 5 of Division 7 of Title 1 of the Government Code of the State of California (“Act”); and

WHEREAS, pursuant to Article 4 of the Act and the JPA Agreement, the Authority is authorized to issue bonds for financing and refinancing public capital improvements whenever there are significant public benefits; and

WHEREAS, at the request of the City, the Authority has heretofore issued its \$156,560,000 Public Facilities Financing Authority of the City of San Diego, Lease Revenue Refunding Bonds, Series 2007A (Ballpark Refunding), of which \$125,255,000 aggregate principal amount is currently outstanding (the “Series 2007A Bonds”); and

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

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

WHEREAS, the City has determined that there are significant public benefits to refund the Series 2007A Bonds, and in order to provide funds for such refunding, the City has requested the Authority to issue its Lease Revenue Refunding Bonds, Series 2015 (Ballpark Refunding) (the “Series 2015 Bonds”) in the aggregate principal amount of \$_____ pursuant to this Indenture; and

WHEREAS, in order to provide for the repayment of the Series 2015 Bonds, the City will lease certain real property belonging to the City, together with the portion of the improvements located thereon that are owned by the City, consisting of (i) the Ballpark exclusive of Padres Improvements and (ii) the Park (collectively, the “Leased Property”) to the Authority pursuant to an Amended and Restated Site Lease, dated as of July 1, 2015 (the “Site Lease”), which amends and restates the 2007A Site Lease, and the Authority will lease back the Leased Property to the City pursuant to an Amended and Restated Ballpark Facility Lease, dated as of July 1, 2015 (the “Facility Lease”), which amends and restates the 2007A Facility Lease, under which the City will be required to make base rental payments to the Authority which will be calculated to be sufficient to enable the Authority to pay the principal of and interest on Series 2015 Bonds when due and payable; and

WHEREAS, in order to provide for the authentication and delivery of the Series 2015 Bonds and any Series of Additional Bonds to be issued hereunder, to establish and declare the terms and conditions upon which the 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 Indenture; and

WHEREAS, the Authority has determined that all acts and proceedings required by law necessary to make the Series 2015 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 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 the Indenture have been in all respects duly authorized.

NOW, THEREFORE, THIS INDENTURE WITNESSETH, that to secure the payment of the principal of, premium, if any, and interest on all Bonds at any time issued and outstanding under this Indenture, 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 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 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 Bonds, as follows:

ARTICLE I

DEFINITIONS; AUTHORIZATION AND PURPOSE OF BONDS; EQUAL SECURITY

Section 1.01 Definitions. Unless the context otherwise requires, the terms defined in this Section 1.01 shall for all purposes of this Indenture, of any Supplemental Indenture, of the Facility Lease, of the Bonds and of any certificate, opinion, request or other documents herein mentioned, have the meanings herein specified. All other capitalized terms used herein without definition shall have the meaning given to such terms in the Facility Lease.

“Additional Bonds” means all bonds of the Authority authorized by and at any time Outstanding pursuant hereto and executed, issued and delivered in accordance with Section 2.10 and 2.11 hereof.

“Authority” means the Public Facilities Financing Authority of the City of San Diego, a joint powers agency created by the City, the Agency and the Housing Authority of the City of San Diego pursuant to California Government Code Sections 6500 et seq. and the JPA Agreement, and any successor thereto.

“Authorized Representative” means: (a) with respect to the Authority, its Chair, Vice Chair, Treasurer or Secretary or any other person designated as an Authorized Representative of the Authority by a Written Certificate of the Authority signed by its Chair, and filed with the City and the Trustee; and (b) with respect to the City, its Chief Operating Officer or its Chief Financial Officer, or any other person duly designated by its Chief Operating Officer or its Chief Financial Officer as an Authorized Representative of the City by a written certificate of the Chief Operating Officer or the Chief Financial Officer filed with the City and the Trustee.

“Ballpark” means the baseball park constructed on certain real property belonging to the City.

“Bond Counsel” means (a) Nixon Peabody LLP, or (b) any other firm of attorneys, designated by the City, of nationally recognized standing in matters pertaining to the exclusion from gross income for federal income tax purposes of interest on obligations issued by states and their political subdivisions, duly admitted to the practice of law before the highest court of any state of the United States of America. Any Opinion of Bond Counsel may be based, insofar as it relates to factual matters, upon information that is in the possession of the City or the Trustee, as applicable, upon a certificate or opinion of, or representation by, an officer or officers of the City, the Trustee or the Authority, unless such Counsel knows, or in the exercise of reasonable care should have known, that the certificate or opinion or representation with respect to the matters upon which their opinion may be based, is erroneous.

“Base Rental Payments” means the aggregate amount of all the payments required to be paid by the City pursuant to Section 5.01 of the Facility Lease.

“Bonds” means the Series 2015 Bonds and any Additional Bonds, authorized by and at any time Outstanding pursuant to the Indenture.

“Business Day” means any day other than (i) a Saturday or Sunday, (ii) a day on which commercial banks in San Diego, California or New York, New York are authorized or required by law to close, or (iii) a day upon which the Trustee is authorized by law to remain closed.

“City” means the City of San Diego, a municipal corporation organized and existing under and by virtue of its charter and the laws of the State.

“Closing Date” means the date of delivery of the Series 2015 Bonds to the original purchasers thereof.

“Code” means the Internal Revenue Code of 1986, as amended from time to time, or, where pertinent, its statutory predecessor, the Internal Revenue Code of 1954, as amended (the “1954 Code”). References to the Code and Sections of the Code include relevant applicable regulations and proposed regulations thereunder and under the 1945 Code, as amended from time to time, and any successor provision to those Sections, regulations or proposed regulations and, in addition, all revenue rulings, announcements, notices, procedures and judicial determinations under the foregoing applicable to the Bonds.

“Continuing Disclosure Certificate” means that certain Continuing Disclosure Certificate relating to the Series 2015 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.

“Costs of Issuance” means all expenses directly or indirectly incurred in connection with the authorization, execution and delivery of the Site Lease, the Facility Lease and the Indenture (including any supplements or amendments) and the Bonds, including but not limited to all compensation, fees and expenses (including but not limited to fees and expenses for legal counsel) of the Authority or the City, initial fees and expenses of the Trustee (including but not limited to fees and expenses for legal counsel), compensation to any financial consultants or underwriters, verification agent fees, legal fees and expenses, title insurance, appraisal fees, filing and recording costs, rating agency fees, costs of preparation, reproduction and publication of documents, out-of-pocket expenses of the Authority or the City, Authority and City staff costs and costs of printing.

“Costs of Issuance Fund” means the fund by that name established and held by the Trustee pursuant to Section 3.02.

“Debt Service” means, during any period of computation, the amount obtained for such period by totaling the following amounts: (a) the principal amount of all Outstanding Bonds coming due and payable by their terms in such period; and (b) the interest which would be due during such period on the aggregate principal amount of Bonds which would be Outstanding in such period if the Bonds are retired as scheduled, but deducting and excluding from such aggregate amount the amount of Bonds no longer Outstanding.

“Defeasance Obligations” means (a) Federal Securities and Federal Certificates which are fixed rate and not callable for redemption prior to their maturity by any person other than the owner thereof and (b) other Permitted Investments (i) which either are not callable for redemption prior to their maturities by any person other than the owner thereof or for which an option to redeem prior to maturity has previously been irrevocably exercised (or an irrevocable covenant to exercise such option has previously been made by the person entitled to exercise such option) and the redemption date of such securities has thereby been irrevocably fixed prior to the use of any such securities as Defeasance Obligations, and (ii) which are rated, at the time of their initial deposit with the Trustee as Defeasance Obligations, by S&P and Moody’s in their highest Rating Category.

“Escrow Agent” means Wells Fargo Bank, National Association, a national banking association organized and existing under the laws of the United States of America, or its successor, as Escrow Agent under the Escrow Agreement.

“Escrow Agreement” means that certain Escrow Agreement, dated as of July 1, 2015, by and between the Authority and the Escrow Agent.

“Event of Default,” with respect to this Indenture, means any of the events specified in Section 7.01 and, with respect to the Facility Lease, means any of the events specified in Section 10.1 of the Facility Lease.

“Facility Lease” means that certain Amended and Restated Ballpark Facility Lease, dated as of July 1, 2015, 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 this Indenture.

“Federal Certificates” means evidences of indebtedness or ownership of proportionate interests in future principal and interest payments of Federal Securities, including depository receipts thereof, wherein (i) a bank or trust company acts as custodian and holds the underlying Federal Securities; (ii) the owner of the Federal Certificate is a real party in interest with the right to proceed directly and individually against the obligor of the underlying Federal Securities; and (iii) the underlying Federal Securities are held in trust in a special account, segregated from the custodian’s general assets, and are not available to satisfy any claim of the custodian or any person claiming through the custodian, or any person to whom the custodian may be obligated.

“Federal Securities” means: direct obligations of the United States of America (including obligations issued or held in book-entry form on the books of the Department of the Treasury) or evidence of ownership in a portion thereof (which may consist of specified portions of interest thereon and obligations of the Resolution Funding Corporation which constitute interest strips) if held by a custodian on behalf of the Trustee; obligations the principal of and interest on which are unconditionally guaranteed by the United States of America; and prerefunded municipal obligations rated, at the time of purchase, by Moody’s and S&P in their highest Rating Category; provided that “structured securities” (including flip notes, range notes, inverse floaters and step-ups) will not be considered Federal Securities; provided further that floaters (based on single, interest rate based indices) and callable securities of the above-enumerated agencies may be treated as Federal Securities.

“Fiscal Year” means any twelve-month period extending from July 1 in one calendar year to June 30 of the succeeding calendar year, both dates inclusive, or any other twelve-month period selected and designated by the Authority or the City, as applicable, as its official fiscal year period.

“Fitch” means Fitch Ratings, New York, New York, or its successors, and if such organization shall for any reason no longer perform the functions of a securities rating agency, “Fitch” shall be deemed to refer to any other nationally recognized securities rating agency designated by the City.

“Indenture” means this 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 hereof.

“Independent Accountant” means any certified public accountant or firm of such accountants duly licensed and entitled to practice and practicing as such under the laws of the State or a comparable successor, appointed and paid by the City, and who, or each of whom:

(a) is in fact independent according to the Statement of Auditing Standards No. 1 and not under the domination of the Authority or the City;

(b) does not have a substantial financial interest, direct or indirect, in the operations of the Authority or the City; and

(c) is not connected with the Authority or the City as a member, officer or employee of the Authority or the City, but who may be regularly retained to audit the accounting records of and make reports thereon to the Authority or the City.

“Insurance and Condemnation Fund” means the fund by that name established and held by the Trustee pursuant to Section 5.05.

“Interest Account” means the account by that name established in the Revenue Fund pursuant to Section 5.02.

“Interest Payment Date” means for the Series 2015 Bonds each April 15 and October 15, commencing October 15, 2015, and for any series of Additional Bonds, such dates as shall be specified in the Supplemental Indenture authorizing such Additional Bonds.

“Joint Use and Management Agreement” means that certain Joint Use and Management Agreement, dated as of February 1, 2000, as amended by Amendment No. 1 to the Joint Use and Management Agreement, dated as of May 21, 2012, each by and between the City and the Padres, and as it may from time to time be amended and supplemented in accordance with the terms thereof.

“Leased Property” means that certain real property and improvements that are leased by the City to the Authority pursuant to the Site Lease and sublease back by the Authority to the City pursuant to the Facility Lease, as may be modified pursuant to the Facility Lease.

“Moody’s” means Moody’s Investors Service, New York, New York, or its successors, and if such organization shall for any reason no longer perform the functions of a securities rating agency, “Moody’s” shall be deemed to refer to any other nationally recognized securities rating agency designated by the City.

“Net Proceeds” means amounts derived by the City from any policy of casualty insurance with respect to any portion of the Leased Property, or the proceeds of any taking of the Leased Property or any portion thereof in eminent domain proceedings (including sale under threat of such proceedings), to the extent remaining after payment therefrom of all expenses incurred in the collection and administration thereof.

“Office” means, with respect to the Trustee, the designated corporate trust office of the Trustee which is initially located in Los Angeles, California, except that with respect to presentation of Bonds for payment or for registration of transfer and exchange, such term shall

mean the office or agency of the Trustee at which, at any particular time, its corporate agency business shall be conducted.

“Original Purchaser” means the original purchaser(s) of the Series 2015 Bonds upon their delivery by the Trustee on the Closing Date.

“Outstanding,” when used as of any particular time with reference to Bonds, means (subject to the provisions of Article X) all Bonds theretofore, or thereupon being, authenticated and delivered by the Trustee under this Indenture except: (a) Bonds theretofore canceled by the Trustee or surrendered to the Trustee for cancellation; (b) Bonds with respect to which all liability of the Authority shall have been discharged in accordance with Section 10.02, including Bonds (or portions thereof) described in Article X; and (c) Bonds for the transfer or exchange of or in lieu of or in substitution for which other Bonds shall have been authenticated and delivered by the Trustee pursuant to the Indenture.

“Owner,” whenever used herein with respect to a Bond, means the person in whose name the ownership of such Bond is registered on the Registration Books.

“Padres” means the Padres, L.P., a Delaware limited partnership.

“Padres Improvements” means those improvements on the baseball park constructed on certain real property belonging to the City which are identified in the Joint Use and Management Agreement as being owned by the Padres.

“Participating Underwriter” shall have the meaning ascribed thereto in the Continuing Disclosure Certificate.

“Permitted Investments” means any of the following which at the time of investment are legal investments under the laws of the State for the moneys proposed to be invested therein:

- (i) Federal Securities or Federal Certificates;
- (ii) The following listed obligations of government-sponsored agencies which are not backed by the full faith and credit of the United States of America:
 - (1) Federal Home Loan Mortgage Corporation (FHLMC) senior debt obligations and Participation certificates (excluded are stripped mortgage securities which are purchased at prices exceeding their principal amounts)
 - (2) Farm Credit System (formerly Federal Land Banks, Federal Intermediate Credit Banks and Banks for Cooperatives) consolidated system-wide bonds and notes
 - (3) Federal Home Loan Banks (FHL Banks) consolidated debt obligations
 - (4) Federal National Mortgage Association (FNMA) senior debt obligations and mortgage-backed securities (excluded are stripped mortgage securities which are purchased at prices exceeding their principal amounts)

(iii) Obligations of any state, territory or commonwealth of the United States of America or any political subdivision thereof or any agency or department of the foregoing, that are rated, at the time of purchase, in the highest Rating Category by two Rating Agencies;

(iv) United States dollar denominated senior unsecured unsubordinated obligations issued or unconditionally guaranteed by the International Bank for Reconstruction and Development, International Finance Corporation, or Inter-American Development Bank. Investments under this subdivision shall be rated “AA” or better by a Rating Agency.

(v) Bonds, notes, debentures or other evidences of indebtedness issued or guaranteed by any corporation which are rated, at the time of purchase, by “A1/P1/F1” by two Rating Agencies or, if the term of such indebtedness is longer than one year, rated in the highest Rating Category by two Rating Agencies;

(vi) Taxable commercial paper or tax-exempt commercial paper with a maturity of not more than 270 days, which are rated, at the time of purchase, “A1/P1/F1” by two Rating Agencies;

(vii) Deposit accounts or certificates of deposit, whether negotiable or non-negotiable, issued by a state or national bank (including the Trustee) or a state or federal savings and loan association or a state-licensed branch of a foreign bank; provided, however, that such certificates of deposit or deposit accounts shall be either (a) continuously insured by the Federal Deposit Insurance Corporation; or (b) have maturities of not more than 365 days (including certificates of deposit) and are issued by any state or national bank or a state or federal savings and loan association, the short-term obligations of which are rated, at the time of purchase, in the highest short term rating by two Rating Agencies ;

(viii) Bills of exchange or time drafts drawn on and accepted by a commercial bank, otherwise known as bankers acceptances, which bank has short-term obligations outstanding which are rated, at the time of purchase, by two Rating Agencies in the highest short-term Rating Category, and which bankers acceptances mature not later than 365 days from the date of purchase;

(ix) Any repurchase agreement: (a) with (i) any bank or trust company organized under the laws of any state of the United States or any national banking association (including the Trustee), or a state-licensed branch of a foreign bank, having a minimum permanent capital of one hundred million dollars (\$100,000,000) and having short-term debt which is rated, at the time of the purchase, by two Rating Agencies in one of the three highest short-term Rating Categories; or (ii) any government bond dealer reporting to, trading with, and recognized as a primary dealer by, the Federal Reserve Bank of New York; and (b) which agreement is secured by any one or more of the securities and obligations described in clause (i) or (ii) of this definition and having maturities equal to or less than 5 years from the date of delivery, which shall have a market value (valued at least monthly) not less than 102% of the principal amount of such investment and shall be placed with the Trustee or other fiduciary, as custodian for the Trustee, by the bank, trust company, national banking association or bond dealer executing such repurchase agreement. The entity executing each such repurchase agreement required to be so secured shall furnish the Trustee with an undertaking satisfactory to

the Trustee that the aggregate market value of all such obligations securing each such repurchase agreement (as valued at least monthly) will be an amount equal to 102% the principal amount of such repurchase agreement, and the Trustee shall be entitled to rely on each such undertaking;

(x) Any cash sweep or similar account arrangement of or available to the Trustee, the investments of which are limited to investments described in clauses (i), (ii), (iii) and (ix) of this definition and any money market fund, the entire investments of which are limited to investments described in clauses (i), (ii) (iii) and (ix) of this definition and which money market fund is rated, at the time of purchase, by at least one Rating Agency in the highest Rating Category;

(xi) Any guaranteed investment contract, including forward delivery agreements (“FDAs”) and forward purchase agreements (“FPAs”), with a financial institution or insurance company which has (or which is unconditionally guaranteed by a legal entity which has), at the date of execution thereof, an outstanding issue of unsecured, uninsured and unguaranteed debt obligations or a claims-paying ability which is rated, at the time of purchase, by two Rating Agencies in one of two highest long-term Rating Categories. Only Permitted Investments described in clause (i) and (ii) above and having maturities equal to or less than 30 years from their date of delivery will be considered eligible for any collateralization/delivery purposes for guaranteed investment contracts, FDAs or FPAs;

(xii) Certificates, notes, warrants, bonds or other evidence of indebtedness of the State or of any political subdivision or public agency thereof which are rated, at the time of purchase, by two Rating Agencies in the highest short-term Rating Category or within one of the three highest long-term Rating Categories, but excluding securities that do not have a fixed par value and/or whose terms do not promise a fixed dollar amount at maturity or call date;

(xiii) For amounts less than \$250,000, interest-bearing demand or time deposits (including certificates of deposit) in a nationally or state-chartered bank, or a state or federal savings and loan association in the State, fully insured by the Federal Deposit Insurance Corporation, including the Trustee or any affiliate thereof;

(xiv) Investments in Constant Net Asset Value taxable money market funds or portfolios restricted to obligations with an average maturity of one year or less and which funds or portfolios are: (a) rated, at the time of purchase, by two Rating Agencies in one of the two highest Rating Categories; or (b) have or are portfolios guaranteed as to payment of principal and interest by the full faith and credit of the United States of America;

(xv) Investments in the City’s pooled investment fund;

(xvi) Shares of beneficial interest in diversified management companies investing exclusively in securities and obligations described in clauses (i) through (xiii) of this definition and which companies are: (a) rated, at the time of purchase, by two Rating Agencies in the highest Rating Category; or (b) have an investment advisor registered with the Securities and Exchange Commission with not less than five years’ experience investing in such securities and obligations and with assets under management in excess of five hundred million dollars (\$500,000,000);

(xvii) Shares in a California common law trust established pursuant to Title 1, Division 7, Chapter 5 of the Government Code of the State which consists exclusively of investments permitted by Section 53601 of Title 5, Division 2, Chapter 4 of the Government Code of the State, as it may be amended; and

(xviii) Any other investment, with confirmation (or other action, satisfactory to the City) from each rating agency that has a current rating on the Bonds at the time of initial purchase thereof, that its rating on the Bonds will not be lowered or withdrawn as a result of such investment.

“Principal Account” means the account by that name established in the Revenue Fund pursuant to Section 5.02.

“Rating Agency” means Moody’s, S&P or Fitch, or any other nationally recognized statistical rating organization.

“Rating Category” means one of the generic categories of rating by a Rating Agency applicable to a Permitted Investment, without regard to any refinement or graduation of such rating category by a plus or minus sign or a numeral.

“Record Date” means, with respect to any Interest Payment Date, the last calendar day of the month preceding such Interest Payment Date, whether or not such day is a Business Day.

“Redemption Fund” means the fund by that name established pursuant to Section 5.04.

“Refunded Bonds” means the Series 2007A Bonds refunded with proceeds of the Series 2015 Bonds.

“Registration Books” means the records maintained by the Trustee pursuant to Section 2.05 for the registration and transfer of ownership of the Bonds.

“Revenue Fund” means the fund by that name established and held by the Trustee pursuant to Section 5.01 and all accounts and funds therein.

“Revenues” means (a) all Base Rental Payments, prepayments, insurance proceeds and condemnation proceeds with respect to the Leased Property and (b) the Revenue Fund and all interest and other income deposited, pursuant to Section 5.01, in the Revenue Fund.

“Securities Depositories” means The Depository Trust Company, 55 Water Street, 50th Floor, New York, NY 10041-0099, Attention: Call Notification Department, Fax (212) 855-7232; and, in accordance with then current guidelines of the Securities and Exchange Commission, such other addresses and/or such other securities depositories as the City may designate in a Written Certificate of the City delivered to the Trustee.

“Series,” or “series” whenever used herein with respect to Bonds, means all of the Bonds designated as being of the same series, authenticated and delivered in a simultaneous transaction, regardless of variations in maturity, interest rate, redemption and other provisions, and any

Bonds thereafter authenticated and delivered upon transfer or exchange or in lieu of or in substitution for (but not to refund) such Bonds as herein provided.

“Series 2007A Bonds” means the \$156,560,000 Public Facilities Financing Authority of the City of San Diego, Lease Revenue Bonds, Series 2007A (Ballpark Refunding), of which \$125,255,000 aggregate principal amount is currently outstanding.

“Series 2007A Indenture” means the Indenture, dated as of March 1, 2007, between the Authority and the Series 2007A Trustee, pursuant to which the Series 2007A Bonds were issued.

“Series 2007A Trustee” means Wells Fargo Bank, National Association, and any successor trustee appointed pursuant to the Series 2007A Indenture.

“Series 2015 Bonds” means the Authority’s Lease Revenue Refunding Bonds, Series 2015 (Ballpark Refunding).

“Site Lease” means that certain Amended and Restated Site Lease, dated as of July 1, 2015, by and between the City, as lessor, and the Authority, as lessee, together with any duly authorized and executed amendments thereto.

“Standard & Poor’s” or “S&P” means Standard & Poor’s Ratings Services, a Standard & Poor’s Financial Services LLC business or its successors and if such organization shall no longer perform the functions of a securities rating agency, “Standard & Poor’s” shall be deemed to refer to any other nationally recognized securities rating agency designated by the City.

“State” means the State of California.

“Supplemental Indenture” means any indenture hereafter duly authorized and entered into between the Authority and the Trustee, supplementing, modifying or amending the Indenture; but only if and to the extent that such Supplemental Indenture is specifically authorized hereunder.

“Tax Certificate” means the Tax and Nonarbitrage Agreement of the Authority and City, dated the Closing Date, with respect to tax matters relating to the Series 2015 Bonds.

“Trustee” means Wells Fargo Bank, National Association, a national banking association organized and existing under the laws of the United States of America, or its successor, as Trustee hereunder as provided in Section 8.01.

“Written Certificate,” “Certificate,” “Written Request,” “Request” and “Written Requisition” of the Authority or the City mean, a written certificate, request or requisition signed in the name of the Authority or the City by its Authorized Representative. Any such instrument and supporting opinions or representations, if any, may, but need not, be combined in a single instrument with any other instrument, opinion or representation, and the two or more so combined shall be read and construed as a single instrument.

Section 1.02 Rules of Construction. All references in the Indenture to “Articles,” “Sections” and other subdivisions are to the corresponding Articles, Sections or subdivisions of

the Indenture; and the words “herein,” “hereof,” “hereunder,” and other words of similar import refer to the Indenture as a whole and not to any particular Article, Section or subdivision hereof.

Section 1.03 Authorization and Purpose of Series 2015 Bonds. The Authority has reviewed all proceedings heretofore taken relative to the authorization of the Series 2015 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 2015 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 2015 Bonds in the manner and form provided in this Indenture. Accordingly, the Authority hereby authorizes the issuance of the Series 2015 Bonds pursuant to this Indenture for the purposes described herein.

Section 1.04 Equal Security. In consideration of the acceptance of the Bonds by the Owners thereof, this 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 herein set forth 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 1.05 Timing of Actions. Whenever in this Indenture there is designated a time of day at or by which a certain action must be taken, such time shall be local time in San Diego, California, except as otherwise specifically provided herein. If the date for making any payment or the last day for the performance of any act or the exercise of any right, as provided in this Indenture, shall not be a Business Day, such payment may be made or act performed or right exercised on the next succeeding Business Day with the same force and effect as if done on the nominal date provided in this Indenture, except as otherwise specifically provided herein. Notwithstanding the foregoing, if an Interest Payment Date for the Bonds falls on a day which is not a Business Day, then amounts due with respect to the Outstanding Bonds on such Interest Payment Date shall be paid on the next succeeding Business Day but interest shall accrue only to such Interest Payment Date.

Section 1.06 Content of Certificates. Every Written Certificate, Certificate, Written Request, Request and Written Requisition of the Authority with respect to compliance with any agreement, condition, covenant or provision provided herein shall include (a) a statement that the person or persons making or giving such certificate have read such agreement, condition, covenant or provision and the definitions herein relating thereto; (b) a brief statement as to the nature and scope of the examination or investigation upon which the statements contained in such certificate are based; (c) a statement that, in the opinion of the signers, they have made or caused to be made such examination or investigation as is necessary to enable them to express an informed opinion as to whether or not such agreement, condition, covenant or provision has been complied with; and (d) a statement as to whether, in the opinion of the signers, such agreement, condition, covenant or provision has been complied with.

Any certificate of the Authority or the City may be based, insofar as it relates to legal matters, upon an Opinion of Counsel unless the person making or giving such certificate knows that the Opinion of Counsel with respect to the matters upon which his certificate may be based, as aforesaid, is erroneous, or in the exercise of reasonable care should have known that the same was erroneous. Any Opinion of Counsel may be based, insofar as it relates to factual matters information with respect to which is in the possession of the Authority or the City, upon a representation by an officer or officers of the Authority or the City unless the counsel executing such Opinion of Counsel knows that the representation with respect to the matters upon which his opinion may be based, as aforesaid, is erroneous, or in the exercise of reasonable care should have known that the same was erroneous.

Section 1.07 Actions by Authority and City. Except as otherwise expressly provided herein, for all purposes of the 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 II

ISSUANCE OF BONDS

Section 2.01 Authorization of Series 2015 Bonds. The Authority hereby authorizes the issuance of the Series 2015 Bonds, which shall constitute special limited obligations of the Authority, for the purpose of providing funds: to refund the Refunded Bonds and to pay Costs of Issuance related thereto.

The Series 2015 Bonds are hereby designated the “Public Facilities Financing Authority of the City of San Diego, Lease Revenue Refunding Bonds, Series 2015 (Ballpark Refunding).” The aggregate principal amount of Series 2015 Bonds initially issued and Outstanding under this Indenture shall equal \$____. At any time after the execution of this Indenture, the Authority may execute and the Trustee shall authenticate and, upon the Written Request of the Authority, deliver the Series 2015 Bonds. This Indenture constitutes a continuing agreement with the Trustee and the Owners from time to time of the Series 2015 Bonds to secure the full payment of the principal of and interest on all the Series 2015 Bonds, subject to the covenants, provisions and conditions contained in the this Indenture.

Section 2.02 Terms of the Series 2015 Bonds. The Series 2015 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 2015 Bond shall have more than one maturity date. The Series 2015 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:

<u>Maturity Date</u>	<u>Principal Amount</u>	<u>Interest Rate</u>
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Except as otherwise provided in Section 2.04 hereof, interest on the Series 2015 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 2015 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 2015 Bond 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 2.04 hereof. Principal of and interest on the Series 2015 Bonds shall be payable in lawful money of the United States of America.

Each Series 2015 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 September 30, 2015, in which event it shall bear interest from the Closing Date; provided, however, that if, as of the date of authentication of any Series 2015 Bond, interest thereon is in default, such Series 2015 Bond shall bear interest from the Interest Payment Date to which interest has previously been paid or made available for payment thereon.

Section 2.03 Transfer and Exchange of Bonds. Any Bond may, in accordance with its terms, be transferred on the Registration Books by the person in whose name it is registered, in person or by his duly authorized attorney, upon surrender of such Bond for cancellation, accompanied by delivery of a written instrument of transfer, duly executed in a form acceptable to the Trustee. Transfer of any Bond shall not be permitted by the Trustee during the period established by the Trustee for selection of Bonds for redemption or if such Bond has been selected for redemption pursuant to Article IV. Whenever any Bond or Bonds shall be surrendered for transfer, the Authority shall execute and the Trustee shall authenticate and shall deliver a new Bond or Bonds for a like aggregate principal amount and of like maturity. The Trustee may require the Bond Owner requesting such transfer to pay any tax or other governmental charge required to be paid with respect to such transfer. The cost of printing Bonds and any services rendered or expenses incurred by the Trustee in connection with any transfer shall be paid by the Authority. Any Bond may be exchanged at the Office of the Trustee for a like aggregate principal amount of Bonds of other authorized denominations and of like maturity. Exchange of any Bond shall not be permitted during the period established by the Trustee for selection of Bonds for redemption or if such Bond has been selected for redemption pursuant to Article IV. The Trustee may require the Bond Owner requesting such exchange to pay any tax or other governmental charge required to be paid with respect to such exchange. The

cost of printing Bonds and any services rendered or expenses incurred by the Trustee in connection with any transfer shall be paid by the Authority.

Section 2.04 Book-Entry System. Notwithstanding any provision of this Indenture to the contrary:

(a) The Bonds shall be initially issued and registered in the name of “Cede & Co.,” as nominee of The Depository Trust Company, and shall be evidenced by one certificate maturing on each of the maturity dates set forth in Section 2.02 hereof to be in a denomination corresponding to the total principal therein designated to mature on such date. Registered ownership of such Bonds, or any portions thereof, may not thereafter be transferred except:

(i) to any successor of The Depository Trust Company or its nominee, or of any substitute depository designated pursuant to paragraph (ii) of this subsection (a) (“substitute depository”); provided that any successor of The Depository Trust Company or substitute depository shall be qualified under any applicable laws to provide the service proposed to be provided by it;

(ii) to any substitute depository designated in a written request of the Authority, upon (A) the resignation of The Depository Trust Company or its successor (or any substitute depository or its successor) from its functions as depository or (B) a determination by the Authority that The Depository Trust Company or its successor is no longer able to carry out its functions as depository; provided that any such substitute depository shall be qualified under any applicable laws to provide the services proposed to be provided by it; or

(iii) to any person as provided below, upon (A) the resignation of The Depository Trust Company or its successor (or any substitute depository or its successor) from its functions as depository or (B) a determination by the Authority that The Depository Trust Company or its successor is no longer able to carry out its functions as depository; provided that no substitute depository which is not objected to by the Authority and the Trustee can be obtained.

(b) In the case of any transfer pursuant to paragraph (i) or paragraph (ii) of subsection (a) of this Section 2.04, upon receipt of all Outstanding Bonds by the Trustee, together with a written request of an Authorized Representative of the Authority to the Trustee, a single new Bond shall be issued, authenticated and delivered for each maturity of such Bond then outstanding, registered in the name of such successor or such substitute depository or their nominees, as the case may be, all as specified in such written request of an Authorized Representative of the Authority. In the case of any transfer pursuant to paragraph (iii) of subsection (a) of this Section 2.04, upon receipt of all Outstanding Bonds by the Trustee together with a written request of an Authorized Representative of the Authority, new Bonds shall be issued, authenticated and delivered in such denominations and registered in the names of such persons as are requested in a written request of the Authority provided the Trustee shall not be required to deliver such new Bonds within a period less than sixty (60) days from the date of receipt of such a written request of an Authorized Representative of the Authority.

(c) In the case of partial redemption or an advance refunding of any Bonds evidencing all of the principal maturing in a particular year, The Depository Trust Company shall, at the Authority's expense, deliver the Bonds to the Trustee for cancellation and re-registration to reflect the amounts of such reduction in principal.

(d) The Authority and the Trustee shall be entitled to treat the person in whose name any Bond is registered as the absolute Owner thereof for all purposes of this Indenture and any applicable laws, notwithstanding any notice to the contrary received by the Trustee or the Authority; and the Authority and the Trustee shall have no responsibility for transmitting payments to, communication with, notifying or otherwise dealing with any beneficial owners of the Bonds. Neither the Authority nor the Trustee will have any responsibility or obligations, legal or otherwise, to the beneficial owners or to any other party including The Depository Trust Company or its successor (or substitute depository or its successor), except for the registered owner of any Bond.

(e) So long as all outstanding Bonds are registered in the name of Cede & Co. or its registered assign, the Authority and the Trustee shall reasonably cooperate with Cede & Co., as sole registered Owner, or its registered assign in effecting payment of the principal and redemption premium, if any, and interest due with respect to the Bonds by arranging for payment in such manner that funds for such payments are properly identified and are made immediately available on the date they are due.

(f) So long as all Outstanding Bonds are registered in the name of Cede & Co. or its registered assigns (hereinafter, for purposes of this paragraph (f), the "Owner"):

(i) All notices and payments addressed to the Owners shall contain the Bonds' CUSIP number.

(ii) Notices to the Owner shall be forwarded in the manner set forth in the form of blanket issuer letter of representations (prepared by The Depository Trust Company) executed by the Authority and received and accepted by The Depository Trust Company.

Section 2.05 Registration Books. The Trustee will keep or cause to be kept, at the Office of the Trustee, sufficient records for the registration and transfer of ownership of the Bonds, which shall at all reasonable times upon reasonable prior notice be open to inspection during regular business hours by the Authority and the City; and, upon presentation for such purpose, the Trustee shall, under such reasonable regulations as it may prescribe, register or transfer or cause to be registered or transferred, on such records, the ownership of the Bonds as hereinbefore provided.

Section 2.06 Form and Execution of Bonds. The 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 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 Bonds shall cease to be such officer before the delivery of the 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 Bonds. Only those 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 Bonds so authenticated and registered have been duly authorized, executed, issued and delivered hereunder and are entitled to the benefit, protection and security hereof.

Section 2.07 Temporary Bonds. The Bonds may be issued in temporary form exchangeable for definitive Bonds when ready for delivery. Any temporary Bonds may be printed, lithographed or typewritten, shall be of such denominations as may be determined by the Authority, shall be in fully registered form without coupons and may contain such reference to any of the provisions of this Indenture as may be appropriate. Every temporary Bond shall be executed by the Authority and authenticated by the Trustee upon the same conditions and in substantially the same manner as the definitive Bonds. If the Authority issues temporary Bonds it will execute and deliver definitive Bonds as promptly thereafter as practicable, and thereupon the temporary Bonds may be surrendered, for cancellation, at the Office of the Trustee and the Trustee shall authenticate and deliver in exchange for such temporary Bonds an equal aggregate principal amount of definitive Bonds of authorized denominations. Until so exchanged, the temporary Bonds shall be entitled to the same benefits under this Indenture as definitive Bonds authenticated and delivered hereunder.

Section 2.08 Bonds Mutilated, Lost, Destroyed or Stolen. If any Bond shall become mutilated, the Authority, at the expense of the Owner of said Bond, shall execute, and the Trustee shall thereupon authenticate and deliver, a new Bond of like tenor in exchange and substitution for the Bond so mutilated, but only upon surrender to the Trustee of the Bond so mutilated. Every mutilated Bond so surrendered to the Trustee shall be canceled by it and delivered to, or upon the order of, the Authority. If any Bond shall be lost, destroyed or stolen, evidence of such loss, destruction or theft may be submitted to the Authority and the Trustee and, if such evidence be satisfactory to them an indemnity satisfactory to them shall be given, the Authority, at the expense of the Owner of such lost, destroyed or stolen Bond, shall execute, and the Trustee shall thereupon authenticate and deliver, a new Bond of like tenor in lieu of and in substitution for the Bond so lost, destroyed or stolen (or if any such Bond shall have matured or shall have been called for redemption, instead of issuing a substitute Bond, the Trustee may pay the same without surrender thereof upon receipt of indemnity satisfactory to the Trustee). The Authority may require payment by the Owner of a sum not exceeding the actual cost of preparing each new Bond issued under this Section 2.8 and of the expenses which may be incurred by the Authority and the Trustee in the premises. Any Bond issued under the provisions of this Section 2.8 in lieu of any Bond alleged to be lost, destroyed or stolen shall constitute an original additional contractual obligation on the part of the Authority whether or not the Bond so alleged to be lost, destroyed or stolen be at any time enforceable by anyone, and shall be entitled to the benefits of this Indenture with all other Bonds secured by this Indenture.

Section 2.09 CUSIP Numbers. The Trustee, the Authority and the City shall not be liable for any defect or inaccuracy in the CUSIP number that appears on any Bond or in any redemption notice. The Trustee may, in its discretion, include in any redemption notice a statement to the effect that the CUSIP numbers on the Bonds have been assigned by an independent service and are included in such notice solely for the convenience of the Owners and that neither the Trustee, the Authority nor the City shall be liable for any inaccuracies in such numbers.

Section 2.10 Conditions for the Issuance of Additional Bonds. The Authority may at any time issue Additional Bonds pursuant to a Supplemental Indenture, payable from the Revenues as provided herein and secured by a pledge of and charge and lien upon the Revenues as provided herein equal to the pledge, charge and lien securing the Outstanding Bonds theretofore issued hereunder, and subject to the following specific conditions, which are hereby made conditions precedent to the issuance of any such Additional Bonds:

(a) No Event of Default shall be continuing after giving effect to the issuance of the Additional Bonds and the application of the proceeds thereof.

(b) The Supplemental Indenture shall require that the proceeds of the sale of such Additional Bonds shall be applied to the financing, acquiring, constructing, maintaining, operating, improving and leasing the Ballpark (including payment of interest during the estimated period of any construction and for a period of not to exceed twelve (12) months thereafter), or for the refunding or repayment of any Bonds then Outstanding issued to finance or refinance the Ballpark, including the payment of costs and expenses of and incident to the authorization and sale of such Additional Bonds.

(c) The aggregate principal amount of Bonds issued and at any time Outstanding hereunder shall not exceed any limit imposed by law, by this Indenture or by any Supplemental Indenture.

(d) The Facility Lease shall have been amended, if necessary, so that the Base Rental Payments payable by the City thereunder in each Fiscal Year shall at least equal projected Debt Service, including Debt Service on the Additional Bonds, in each Fiscal Year.

(e) If the additional facilities, if any, to be leased are not situated on Leased Property described in the Facility Lease and the Site Lease, then the Facility Lease and Site Lease shall have been amended to add such additional Leased Property.

Nothing herein shall prevent payment of Debt Service on any Series of Additional Bonds from being secured and payable from sources, or by property, instruments or documents, not applicable to the Bonds or any one or more Series of Additional Bonds.

Section 2.11 Proceedings for Authorization of Additional Bonds. Whenever the Authority and the City shall determine to execute and deliver any Additional Bonds pursuant to Section 2.10, the Authority and the Trustee shall enter into a Supplemental Indenture providing for the issuance of such Additional Bonds, specifying the maximum principal amount of such Additional Bonds and prescribing the terms and conditions of such Additional Bonds.

The Supplemental Indenture shall prescribe the form or forms of such Additional Bonds and, subject to the provisions of Section 2.10, shall provide for the distinctive designation, denominations, method of numbering, dates, interest rates, provisions for redemption (if desired) and places of payment of principal and interest.

Before such Additional Bonds shall be issued, the City and the Authority shall file or cause to be filed the following documents with the Trustee:

(a) An Opinion of Bond Counsel setting forth (1) that such Bond Counsel has examined the Supplemental Indenture and the amendment to the Facility Lease and to the Site Lease required by Section 2.10(d) and (e), as applicable; (2) that the execution and delivery of the Additional Bonds have been duly authorized by the City and the Authority; (3) that said amendment to the Facility Lease and to the Site Lease, when duly executed by the City and the Authority, will be a valid and binding obligation of the City and the Authority; and (4) that the issuance of such Additional Bonds will not, in and of itself, adversely affect the exclusion from gross income for federal income tax purposes of interest on the Bonds then Outstanding.

(b) A Certificate of the City that the requirements of Section 2.10 have been met.

(c) A Certificate of the City stating that the insurance required by Sections 6.03 and 6.05 of the Facility Lease is in effect.

Upon the delivery to the Trustee of the foregoing instruments and upon the Trustee's receipt of Certificates of the City and of the Authority stating that all applicable provisions of this Indenture have been complied with (so as to permit the execution and delivery of the Additional Bonds in accordance with the Supplemental Indenture then delivered to the Trustee), the Trustee shall execute and deliver said Additional Bonds, in the aggregate principal amount specified in such Supplemental Indenture, to, or upon the Written Request of the Authority.

Section 2.12 Limitations on the Issuance of Obligations Payable from Revenues. The Authority will not, so long as any of the Bonds are Outstanding, issue any obligations or securities, however denominated, payable in whole or in part from Revenues except the following:

(a) Bonds of any Series authorized pursuant to Sections 2.10 and 2.11;

(b) Obligations which are junior and subordinate to the payment of the Debt Service for the Bonds and any other amounts payable hereunder and related to the Bonds; which subordinated obligations are payable as to principal, premium, interest, reserve fund requirements, if any, and other amounts payable thereunder, only out of Revenues after the prior payment of all amounts then required to be paid hereunder from Revenues for payment of Debt Service and any other amounts payable hereunder and related to the Bonds, as the same become due and payable and at the times and in the manner as required in the Indenture.

ARTICLE III

APPLICATION OF PROCEEDS

Section 3.01 Application of Proceeds of Sale of Series 2015 Bonds.

(a) Upon the receipt of payment for the Series 2015 Bonds on the Closing Date of \$_____ (being the principal amount of the Series 2015 Bonds of \$_____, less an underwriter's discount of \$_____, plus a net original issue premium of \$_____), the Trustee shall apply the proceeds of sale thereof as follows:

(i) The Trustee shall transfer the amount of \$_____ to the Escrow Agent pursuant to the Escrow Agreement, [which amount together with the \$_____ received by the Series 2007A Trustee from prior funds and accounts established in connection with the Series 2007A Bonds,] will be used for the purpose of refunding the Refunded Bonds.

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

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

Section 3.02 Establishment and Application of 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 "Costs of Issuance Fund." Notwithstanding any other provision of this Indenture, the Cost of Issuance Fund is not pledged to, nor does it secure, the Bonds.

The moneys in the 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.

Within 180 days following the Closing Date, or upon the earlier Written Request of the City, all amounts remaining in the Costs of Issuance Fund shall be transferred by the Trustee to the Revenue Fund to be used for the payment of interest on the Bonds.

Section 3.03 Additional Funds and Accounts. The Authority may, by Supplemental Indenture, create additional funds, accounts and subaccounts under this Indenture for such purposes as the Authority deems appropriate, including the creation of additional funds in connection with the issuance of Additional Bonds.

Section 3.04 Validity of Bonds. The validity of the authorization and issuance of the Bonds is not dependent on and shall not be affected in any way by any proceedings taken by the Authority or the Trustee with respect to or in connection with the Facility Lease. The recital contained in the Bonds that the same are issued pursuant to the Constitution and laws of the State

shall be conclusive evidence of their validity and of compliance with the provisions of law in their issuance.

ARTICLE IV

REDEMPTION OF BONDS

Section 4.01 Terms of Redemption.

(a) Optional Redemption of Series 2015 Bonds. The Series 2015 Bonds maturing on or before [____] are not subject to optional redemption prior to their respective stated maturities. The Series 2015 Bonds maturing on or after [____], 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 [____], from any available source of funds of the City, at a redemption price equal to the principal amount of the Series 2015 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) Special Mandatory Redemption From Insurance or Condemnation Proceeds of Series 2015 Bonds. The Series 2015 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 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 4.02 Selection of Bonds for Redemption. Whenever provision is made in this Indenture for the redemption of less than all of the Bonds of a particular maturity, the Trustee shall select the Bonds to be redeemed from all Bonds of such maturity or such given portion thereof not previously called for redemption, by lot in any manner which the Trustee in its sole discretion shall deem appropriate. For purposes of such selection, the Trustee shall treat each Bond as consisting of separate \$5,000 portions and each such portion shall be subject to redemption as if such portion were a separate Bond. If less than all the Outstanding Bonds are called for redemption from proceeds of eminent domain or insurance at any one time, the City shall specify to the Trustee a principal amount in each maturity to be redeemed.

Section 4.03 Notice of Redemption. (a) Notice of redemption shall be mailed by first class mail, postage prepaid, not less than thirty (30) nor more than sixty (60) days before any redemption date, to the respective Owners of any Bonds designated for redemption at their addresses appearing on the Registration Books, and to the Securities Depositories. Each notice of redemption shall state the name of the Bonds (including Series) to be redeemed, the date of the notice, the redemption date, the place or places of redemption, whether less than all of the

Bonds (or all Bonds of a single maturity) are to be redeemed, the CUSIP numbers and (in the event that not all Bonds within a maturity are called for redemption) Bond numbers of the Bonds to be redeemed, the maturity or maturities of the Bonds to be redeemed and in the case of Bonds to be redeemed in part only, the respective portions of the principal amount thereof to be redeemed. Each such notice shall also state that on the redemption date there will become due and payable on each of said Bonds the redemption price thereof, and that from and after such redemption date interest thereon shall cease to accrue, and shall require that such Bonds be then surrendered. Neither the failure to receive any notice nor any defect therein shall affect the sufficiency of the proceedings for such redemption or the cessation of accrual of interest from and after the redemption date. 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. Notice of redemption of Bonds shall be given by the Trustee, at the expense of the City, for and on behalf of the Authority.

(b) Notwithstanding the foregoing, in the case of any optional redemption of the Bonds under Section 4.01(a) above, the notice of redemption shall state that the redemption is conditioned upon receipt by the Trustee of sufficient moneys to redeem the Bonds on the anticipated redemption date, and that the optional redemption shall not occur if, by no later than the scheduled redemption date, sufficient moneys to redeem the Bonds have not been deposited with the Trustee. In the event that the Trustee does not receive sufficient funds by the scheduled optional redemption date to so redeem the Bonds to be optionally redeemed, such event shall not constitute an Event of Default, the Trustee shall send written notice to the Owners and to the Securities Depositories to the effect that the redemption did not occur as anticipated, and the Bonds for which notice of optional redemption was given shall remain Outstanding for all purposes of this Indenture.

The City shall have the right to rescind any optional or special mandatory redemption by written notice to the Trustee on or prior to the date fixed for redemption. The Trustee shall mail notice of rescission of redemption in the same manner notice of redemption was originally provided.

Section 4.04 Partial Redemption of Bonds. Upon surrender of any Bonds redeemed in part only, the Authority shall execute and the Trustee shall authenticate and deliver to the Owner thereof, at the expense of the Authority, a new Bond or Bonds of authorized denominations equal in aggregate principal amount to the unredeemed portion of the Bonds surrendered and of the same interest rate and maturity.

Section 4.05 Effect of Redemption. Notice of redemption having been duly given as aforesaid, and moneys for payment of the redemption price of, together with interest accrued to the date fixed for redemption on, the Bonds (or portions thereof) so called for redemption being held by the Trustee, on the redemption date designated in such notice, the Bonds (or portions thereof) so called for redemption shall become due and payable, interest on the Bonds so called for redemption shall cease to accrue, said Bonds (or portions thereof) shall cease to be entitled to any benefit or security under this Indenture, and the Owners of said Bonds shall have no rights in respect thereof except to receive payment of the redemption price thereof.

All Bonds redeemed pursuant to the provisions of this Article shall be canceled by the Trustee upon surrender thereof and destroyed in accordance with its record retention policies then in effect.

Section 4.06 Purchase of Bonds in Lieu of Optional Redemption. If any Bond is called for optional redemption in whole or in part, the City may elect, as provided in this Section 4.07, to have such Bond purchased in lieu of redemption in accordance with this Section.

(a) Purchase in Lieu of Optional Redemption. Purchase in lieu of redemption shall be available as to all Bonds called for optional redemption or for such lesser portion of such Bonds as constitute authorized denominations. In a Written Certificate, the City may direct the Trustee (or another agent appointed by the City to make such purchase upon behalf of the City), to purchase all or such lesser portion of the Bonds called for optional redemption. Any such direction to the Trustee must: (i) be in writing; (ii) state either that all the Bonds called for redemption therein identified are to be purchased or, if less than all of the Bonds called for redemption are to be purchased, identify those Bonds to be purchased by maturity date and outstanding principal amount in authorized denominations; and (iii) be received by the Trustee no later than 12:00 noon one Business Day prior to the scheduled redemption date thereof.

If so directed, the Trustee shall purchase such Bonds on the date which otherwise would be the redemption date of such Bonds. Any of the Bonds called for redemption that are not purchased in lieu of redemption shall be redeemed as otherwise required by the Indenture on such redemption date.

(b) Withdrawal of Direction to Purchase. On or prior to the scheduled redemption date, any direction given to the Trustee pursuant to this Section may be withdrawn by the City by delivering a Written Certificate to the Trustee. Subject generally to the terms of the Indenture, should a direction to purchase be withdrawn, the scheduled redemption of such Bonds shall not occur.

(c) Purchaser. If the purchase is directed by the City, the purchase shall be made for the account of the City or its designee.

(d) Purchase Price. The purchase price of the Bonds purchased in lieu of redemption shall be equal to the outstanding principal of, accrued and unpaid interest on and the redemption premium, if any, which would have been payable on such Bonds on the scheduled redemption date for such redemption. To pay the purchase price of such Bonds, the Trustee shall use money deposited by the City with the Trustee for such purpose. The Trustee shall not purchase the Bonds pursuant to this Section if, by no later than the redemption date, sufficient moneys have not been deposited with the Trustee or such moneys are deposited, but are not available.

(e) No Notice to Bondholders. No notice of the purchase in lieu of redemption shall be required to be given to the Owners (other than the notice of redemption otherwise required under Section 4.04).

ARTICLE V

REVENUES; FUNDS AND ACCOUNTS; PAYMENT OF PRINCIPAL AND INTEREST

Section 5.01 Pledge and Assignment; Revenue Fund.

(a) Subject only to the provisions of the Indenture permitting the application thereof for the purposes and on the terms and conditions set forth herein, all of the Revenues including any other amounts (including proceeds of the sale of the Bonds) held in the Revenue Fund are hereby pledged to secure the payment of the principal of, premium, if any, and interest on the Bonds in accordance with their terms and the provisions of this Indenture, and the Revenues shall not be used for any other purpose while any of the Bonds remain Outstanding; provided, however, that out of the Revenues and other moneys there may be applied in such sums and for such purposes as are permitted hereunder. This pledge shall constitute a pledge of and charge and lien upon the Revenues for the payment of Debt Service on the Bonds in accordance with the terms hereof. Said pledge shall constitute a first lien on and security interest in such assets and shall attach, be perfected and be valid and binding from and after the Closing Date, without any physical delivery thereof or further act.

(b) The Authority hereby transfers in trust, grants a security interest in and assigns to the Trustee, for the benefit of the Owners from time to time of the Bonds: (i) all of the Revenues and (ii) all of the rights of the Authority in the Facility Lease (except for certain rights to indemnification set forth therein), and in the Site Lease (except for certain rights to indemnification set forth therein). The Trustee shall be entitled to and shall collect and receive all of the Revenues, and any Revenues collected or received by the Authority shall be deemed to be held, and to have been collected or received, by the Authority as the agent of the Trustee and shall forthwith be paid by the Authority to the Trustee. The Trustee also shall be entitled to and shall, subject to the provisions of Article VIII, take all steps, actions and proceedings which the Trustee determines to be reasonably necessary in its judgment to enforce, either jointly with the Authority or separately, all of the rights of the Authority, all of the obligations of the City under the Facility Lease.

The assignment of the Facility Lease and the Site Lease to the Trustee is solely in its capacity as Trustee under this Indenture and the duties, powers and liabilities of the Trustee in acting thereunder shall be subject to the provisions of this Indenture, including, without limitation, the provisions of Article VIII hereof. The Trustee shall not be responsible for any representations, warranties, covenants or obligations of the Authority.

(c) The Trustee agrees to provide written notice to the City at least five Business Days prior to each Interest Payment Date of the amount, if any, on deposit in the Revenue Fund which shall serve as a credit against, and shall relieve the City of making, the Base Rental Payments due from the City on such Interest Payment Date.

(d) Subject to Section 5.06, all Revenues shall be promptly deposited by the Trustee upon receipt thereof in a fund designated as the "Revenue Fund" which the Trustee shall establish, maintain and hold in trust; except that all moneys received by the Trustee and required hereunder or under the Facility Lease to be deposited in the Redemption Fund or the Insurance

and Condemnation Fund shall be promptly deposited in such Funds. Within the Revenue Fund there shall be established an Interest Account and a Principal Account. All Revenues deposited with the Trustee shall be held, disbursed, allocated and applied by the Trustee only as provided in this Indenture.

Section 5.02 Establishment and Maintenance of Accounts for Use of Money in the Revenue Fund. (a) Revenue Fund. All money in the Revenue Fund shall be set aside by the Trustee in the following respective accounts and funds within the Revenue Fund (each of which is hereby created and each of which the Trustee hereby covenants and agrees to cause to be maintained) in the following order of priority:

- (i) Interest Account; and
- (ii) Principal Account.

All money in each of such accounts and funds shall be held in trust by the Trustee and shall be applied, used and withdrawn only for the purposes hereinafter authorized in this Section.

(b) Interest Account. On or before each Interest Payment Date, and on or before each redemption date, the Trustee shall set aside from the Revenue Fund and deposit in the Interest Account that amount of money which is equal to the amount of interest coming due and payable on all Outstanding Bonds on such date.

No deposit need be made in the Interest Account if the amount contained therein is at least equal to the aggregate amount of interest coming due and payable on all Outstanding Bonds on such Interest Payment Date.

All money in the Interest Account shall be used and withdrawn by the Trustee solely for the purpose of paying the interest on the Bonds as it shall become due and payable (including accrued interest on any Bonds purchased or redeemed prior to maturity).

(c) Principal Account. On or before each October 15, commencing October 15, 2015, the Trustee shall set aside from the Revenue Fund and deposit in the Principal Account an amount of money equal to the principal amount of all Outstanding Bonds maturing on such October 15. On or before each redemption date, the Trustee shall transfer from the Revenue Fund and deposit in the Principal Account the principal amount of the Bonds to be redeemed, and premium, if any.

No deposit need be made in the Principal Account if the amount contained therein is at least equal to the aggregate amount of the principal of all Outstanding Bonds maturing by their terms on such October 15.

All money in the Principal Account shall be used and withdrawn by the Trustee solely for the purpose of paying the principal of the Bonds as they shall become due and payable, whether at maturity or redemption, and premium, if any.

Section 5.03 [Reserved].

Section 5.04 Redemption Fund. The Trustee shall establish and maintain the Redemption Fund, amounts in which shall be used and withdrawn by the Trustee solely for the purpose of paying the principal of the Bonds to be redeemed pursuant to Sections 4.01(a), (b), or (c); provided, however, that at any time prior to the selection of Bonds for redemption, the Trustee may apply such amounts to the purchase of Bonds at public or private sale, in accordance with Section 4.02.

Section 5.05 Insurance and Condemnation Fund; Title Insurance.

(a) Establishment of Fund. Upon the receipt of any proceeds of insurance or eminent domain with respect to any portion of the Leased Property, the Trustee shall establish and maintain an Insurance and Condemnation Fund, to be held and applied as hereinafter set forth in this Section 5.05.

(b) Application of Insurance Proceeds. Any Net Proceeds of insurance against accident to or destruction of the Leased Property collected by the City in the event of any such accident or destruction shall be paid to the Trustee by the City pursuant to Section 7.01 of the Facility Lease and deposited by the Trustee promptly upon receipt thereof in the Insurance and Condemnation Fund. If the City fails to determine and notify the Trustee in writing of its determination, within forty-five (45) days following the date of such deposit, to replace, repair, restore, modify or improve the Leased Property, then such Net Proceeds shall be promptly transferred by the Trustee to the Redemption Fund and applied to the redemption of Bonds pursuant to Section 4.01(b) to the extent that such Net Proceeds permit. All proceeds deposited in the Insurance and Condemnation Fund and not so transferred to the Redemption Fund shall be applied to the prompt replacement, repair, restoration, modification or improvement of the damaged or destroyed portions of the Leased Property by the City, upon receipt of Written Requisitions of the City, as agent for the Authority, which: (i) states with respect to each payment to be made (A) the requisition number, (B) the name and address of the person to whom payment is due, (C) the amount to be paid and (D) that each obligation mentioned therein has been properly incurred, is a proper charge against the Insurance and Condemnation Fund, has not been the basis of any previous withdrawal; and (ii) specifies in reasonable detail the nature of the 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. Any balance of the proceeds remaining after such work has been completed as certified by the City to the Trustee shall after payment of amounts due the Trustee be paid to the City.

(c) Application of Eminent Domain Proceeds. If all or any part of the Leased Property shall be taken by eminent domain proceedings (or sold to a government threatening to exercise the power of eminent domain) the Net Proceeds therefrom shall be deposited with the Trustee in the Insurance and Condemnation Fund pursuant to Section 7.01 of the Facility Lease and shall be applied and disbursed by the Trustee as follows:

(i) If the City has not given written notice to the Trustee, within forty-five (45) days following the date on which such Net Proceeds are deposited with the Trustee, of its determination that such Net Proceeds are needed for the replacement of the Leased Property or such portion thereof, the Trustee shall transfer such Net Proceeds to

the Redemption Fund to be applied towards the redemption of the Bonds pursuant to Section 4.01(b).

(ii) If the City has given written notice to the Trustee, within forty-five (45) days following the date on which such Net Proceeds are deposited with the Trustee, of its determination that such Net Proceeds are needed for replacement of the Leased Property or such portion thereof, the Trustee shall pay to the City, or to its order, from said proceeds such amounts as the City may expend for such repair or rehabilitation, upon the filing of Written Requisitions of the City as agent for the Authority in the form and containing the provisions set forth in subsection (b) of this Section 5.05. 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.

(d) Title Insurance. Proceeds of any policy of title insurance received by the Trustee in respect of the Leased Property or any portion thereof for the benefit of the Owners, shall be applied and disbursed by the Trustee as follows:

(i) If the City determines that the title defect giving rise to such proceeds has not materially affected the City's right to the use and possession of the Leased Property and will not result in an abatement of Base Rental Payments by the City under the Facility Lease, upon Written Request of the City such proceeds shall, if there is first delivered to the Trustee a Written Certificate of a City Representative to the effect that the annual fair rental value of the Leased Property, notwithstanding the title defect for which the payment was made, is at least equal to the maximum amount of Base Rental Payments becoming due under the Facility Lease in the then current Lease Year or any subsequent Lease Year, be paid to the City to be used for any lawful purpose. If the City cannot deliver the certificate described in the preceding sentence, then such amounts shall be transferred to the Redemption Fund and used to redeem Bonds pursuant to Section 4.01(b) hereof, unless the City otherwise directs in writing that such amounts are to be transferred to the Rebate Fund.

(ii) If any portion of the Leased Property has been affected by such title defect and if the City certifies in writing that such title defect will result in an abatement of Base Rental Payments by the City under the Facility Lease, then upon Written Request of the City: either (A) such insurance proceeds shall be used by the City to remove the title defect, or (B) the Trustee shall, if not notified in writing by a City Representative within 90 days of the receipt by the Trustee of the insurance proceeds that the City will use the proceeds to remove the title defect, deposit such proceeds in the Redemption Fund and such proceeds shall be applied to redeem Bonds in the manner provided in Section 4.01(b) hereof.

(iii) Any excess proceeds with respect to title insurance remaining after application pursuant to the terms of this Indenture shall be paid to the City to be used for any lawful purpose.

Section 5.06 Investments. All moneys in any of the funds or accounts established with the Trustee pursuant to this Indenture shall be invested by the Trustee solely in Permitted

Investments. Such investments shall be made by the City (as agent for the Authority) pursuant to a written notification of the City filed with the Trustee at least two (2) Business Days in advance of the making of such investments which written notification shall constitute the City's determination that such investments constitute a Permitted Investment. The City will provide its broker/dealers with the necessary Trustee settlement instructions for any executed trade(s). In the absence of any such directions from the City, the Trustee shall invest any such moneys in Permitted Investments described in subparagraph (x) of the definition thereof. Permitted Investments purchased as an investment of moneys in any fund shall be deemed to be part of such fund or account. The Authority shall take the liquidity needs of the moneys held hereunder into account in making investments.

Unless otherwise provided in a Supplemental Indenture, all interest or gain derived from the investment of amounts in any of the funds or accounts established hereunder (except the Costs of Issuance Fund and Rebate Fund) shall be deposited by the Trustee in the Revenue Fund, except that interest or gain derived from the investment of the amount in the Costs of Issuance Fund and the Rebate Fund shall be retained therein.

To the extent that any investment agreement requires the payment of fees, such fees shall be paid from available moneys in the Revenue Fund after the deposit of moneys described in Section 5.02 (a) through (c) above. For purposes of acquiring any investments hereunder, the Trustee may commingle funds held by it hereunder. The Trustee or any of its affiliates may act as agent in the acquisition or disposition of any investment and may impose its customary charges therefor. The Trustee or its affiliates may act as sponsor or depository with respect to any Permitted Investment. To the extent that any Permitted Investment purchased by the Trustee are registrable securities such Permitted Investment shall be registered in the name of the Trustee on behalf of the Owners. The Trustee shall incur no liability for losses arising from any investments made pursuant to this Section 5.06.

The Authority acknowledges (and the City by its execution of the Site Lease acknowledges) that to the extent regulations of the Comptroller of the Currency or other applicable regulatory entity grant the Authority the right to receive brokerage confirmations of security transactions as they occur, the Authority specifically waives receipt of such confirmations to the extent permitted by law. The Trustee will furnish the Authority and the City periodic cash transaction statements which include detail for all investment transactions made by the Trustee hereunder.

Such investments shall be valued by the Trustee not less often than quarterly, at the market value thereof, exclusive of accrued interest.

The Trustee may utilize securities pricing services that may be available to it making such valuations, including those within its accounting system with respect to the Bonds, and conclusively rely thereon.

ARTICLE VI

PARTICULAR COVENANTS

Section 6.01 Punctual Payment. The Authority shall punctually pay or cause to be paid the principal of and interest on all the Bonds in strict conformity with the terms of the Bonds and of this Indenture, according to the true intent and meaning thereof, but only out of Revenues and other assets pledged for such payment as provided in this Indenture.

Section 6.02 Against Encumbrances. The Authority shall not create, or permit the creation of, any pledge, lien, charge or other encumbrance upon the Revenues and other assets pledged or assigned under this Indenture while any of the Bonds are Outstanding, except the pledge and assignment created by this Indenture. Subject to this limitation, the Authority expressly reserves the right to enter into one or more other indentures for any of its corporate purposes, and reserves the right to issue other obligations for such purposes. Nothing in this section shall in any way limit the City's ability (i) to encumber its assets other than Leased Property or (ii) to encumber the Leased Property in accordance with the terms of the Facility Lease.

Section 6.03 Power to Issue Bonds and Make Pledge and Assignment. The Authority is duly authorized pursuant to law to issue the Bonds and to enter into this Indenture and to pledge and assign the Revenues and other assets purported to be pledged and assigned, respectively, under this Indenture in the manner and to the extent provided in this Indenture. The Bonds and the provisions of this Indenture are and will be the legal, valid and binding special obligations of the Authority in accordance with their terms, and the Authority and the Trustee shall at all times, subject to the provisions of Article VIII and to the extent permitted by law, defend, preserve and protect said pledge and assignment of Revenues and other assets and all the rights of the Bond Owners under this Indenture against all claims and demands of all persons whomsoever.

Section 6.04 Accounting Records. The Trustee shall at all times keep, or cause to be kept, proper books of record and account, prepared in accordance with corporate trust industry standards, in which complete and accurate entries shall be made of all transactions made by it relating to the proceeds of Bonds, the Revenues, the Facility Lease and all funds and accounts established pursuant to this Indenture. Such books of record and account shall be available for inspection by the Authority and the City, during business hours and under reasonable circumstances.

Section 6.05 Compliance with Indenture. The Trustee will not execute or deliver any Bonds in any manner other than in accordance with the provisions hereof, and the Authority will not suffer or permit any default by it to occur hereunder, but will faithfully comply with, keep, observe and perform all the agreements, conditions, covenants and terms hereof required to be complied with, kept, observed and performed by it.

Section 6.06 Tax Covenants for Series 2015 Bonds. The Authority covenants to and for the benefit of the Owners of the Series 2015 Bonds that, notwithstanding any other provisions of this Indenture (other than Section 11.01 hereof), 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 2015 Bonds or the moneys and investments held in the funds and accounts established under this Indenture which would cause the Series 2015 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 2015 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 2015 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 2015 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 2015 Bonds to be “federally guaranteed” within the meaning of section 149(b) of the Code.

In furtherance of the covenants in this Section 6.06, the Authority shall execute, deliver and comply with the provisions of the Tax Certificate for Series 2015 Bonds, which is by this reference incorporated into this Indenture and made a part of this Indenture as if set forth in this Indenture in full including all of the defined terms therein, and by its acceptance of this Indenture the Trustee acknowledges receipt of such Tax Certificate and acknowledges its incorporation in this Indenture by this reference. The Trustee agrees it will invest funds held under this Indenture in accordance with the terms of this Indenture (this covenant shall extend throughout the term of the Series 2015 Bonds, to all funds and accounts created under this Indenture and all moneys on deposit to the credit of any fund or account).

Section 6.07 Rebate Fund for the Series 2015 Bonds.

(a) The Trustee shall establish and maintain, when required, a fund separate from any other fund established and maintained hereunder designated as the Rebate Fund for the Series 2015 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 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 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 2015 Bonds, for payment to the federal government of the United States of America.

All amounts deposited into or on deposit in the Rebate Fund shall be governed by this Section 6.07, by Section 6.06 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 Rebate Fund by the Trustee from deposits by the City, if and to the extent required, so that the balance in the Rebate Fund shall equal the Rebate Requirement for the Series 2015 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 6.07, other than from moneys held in the funds and accounts created under this 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 Rebate Fund in Permitted Investments. Moneys shall not be transferred from the 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 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 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 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 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 this Indenture, including in particular Article X, the obligation to remit the Rebate Requirement to the United States and to comply with all other requirements of this Section 6.07, Section 6.06 and the Tax Certificate shall survive the defeasance or payment in full of the Series 2015 Bonds.

Section 6.08 Against Sale or Disposition of the Leased Property. Except as provided in the Facility Lease, the Authority will not sell or otherwise dispose of the Leased Property, enter into any agreement which impairs the use of the Leased Property or any part thereof necessary to secure adequate Revenues for the payment of the interest on and principal of and redemption

premiums, if any, with respect to the Bonds, or which would otherwise impair the rights of the Owners with respect to the Revenues.

Section 6.09 Payment of Claims. The Authority will pay and discharge or cause to be paid and discharged any and all lawful claims for labor, materials or supplies which, if unpaid, might become a legal charge or lien upon the Leased Property or the Revenues or any part thereof or upon any funds under the control of the Authority or the Trustee superior to or on a parity with the charge and lien upon the Revenues securing the Bonds, or which might impair the security of the Bonds.

Section 6.10 Payment of Taxes and Compliance with Governmental Regulations. The Authority will pay and discharge or cause to be paid and discharged all applicable taxes, assessments and other governmental charges that may be levied, assessed or charged upon the Leased Property or any part thereof or upon the Revenues or any part thereof promptly as and when the same shall become due and payable. The Authority will duly observe and conform with all valid applicable regulations and requirements of any governmental authority relative to the use of the Leased Property or any part thereof, but the Authority shall not be required to comply with any such regulations or requirements so long as the application or the validity thereof shall be contested in good faith.

Section 6.11 Insurance. The Authority will maintain or caused to be maintained insurance with respect to the Leased Property as required by the Facility Lease.

Section 6.12 Collection of Amounts Due Under Lease; Amendments. The Trustee shall promptly collect all amounts due from the City pursuant to the Facility Lease. Subject to the provisions of Article VIII, the Trustee shall enforce, and take all steps, actions and proceedings which the Trustee determines to be reasonably necessary for the enforcement of all of its rights thereunder as assignee of the Authority, for the enforcement of all of the obligations of the City under the Facility Lease.

The Authority shall not amend, modify or terminate any of the terms of the Facility Lease or the Site Lease, or consent to any such amendment, modification or termination, without the prior written consent of the Trustee. The Trustee shall give such written consent only if it determines the requirements of Section 11.05 of the Facility Lease have been complied with.

Section 6.13 Waiver of Laws. The Authority shall not at any time insist upon or plead in any manner whatsoever, or claim or take the benefit or advantage of, any stay or extension of law now or at any time hereafter in force that may affect the covenants and agreements contained in this Indenture or in the Bonds, and all benefit or advantage of any such law or laws is hereby expressly waived by the Authority to the extent permitted by law.

Section 6.14 Further Assurances. The Authority will make, execute and deliver any and all such further indentures, instruments and assurances as may be reasonably necessary or proper to carry out the intention or to facilitate the performance of this Indenture and for the better assuring and confirming unto the Owners of the Bonds of the rights and benefits provided in this Indenture.

ARTICLE VII

EVENTS OF DEFAULT AND REMEDIES

Section 7.01 Events of Default; Notice. The following events shall be Events of Default hereunder:

(a) Default in the due and punctual payment of the principal, redemption premium, if any or sinking fund installments of any Bonds when and as the same shall become due and payable, whether at maturity as therein expressed, by proceedings for redemption (other than as permitted by Section 4.04(b)) or otherwise.

(b) Default in the due and punctual payment of any installment of interest on any Bonds when and as the same shall become due and payable.

(c) Default by the Authority in the observance of any of the other covenants, agreements or conditions on its part in this Indenture or in the Bonds contained, if such default shall have continued for a period of sixty (60) days after written notice thereof, specifying such default and requiring the same to be remedied, shall have been given to the Authority by the Trustee; provided, however, that if in the reasonable opinion of the Authority the default stated in the notice can be corrected, but not within such sixty (60) day period, such default shall not constitute an Event of Default hereunder if the Authority shall commence to cure such default within such sixty (60) day period and thereafter diligently and in good faith cure such failure in a reasonable period of time.

(d) The occurrence and continuation of an event of default under and as defined in the Facility Lease.

If an Event of Default occurs hereunder, the Trustee shall give notice, at the expense of the City, of such Event of Default to the Owners. Such notice shall state that an Event of Default has occurred and shall provide a brief description of such Event of Default. The Trustee in its discretion may withhold notice if it deems it in the best interests of the Owners. Such notice provided shall be given by first-class mail, postage prepaid, to the Owners within 30 days of the Trustee's receipt of knowledge of the occurrence of such Event of Default.

Section 7.02 Remedies Upon Event of Default.

(a) Upon the occurrence and continuance of any Event of Default, then and in every such case the Trustee in its discretion may, and upon the written request of the Owners of not less than 50% in principal amount of the Bonds then Outstanding and receipt of indemnity to its satisfaction, and payment of its fees and expenses, including the fees and expenses of its counsel, shall in its own name and as the Trustee of an express trust:

(1) by mandamus, or other suit, action or proceeding at law or in equity, enforce all rights of the Owners hereunder, and require the Authority or the City to carry out any agreements with or for the benefit of the Owners of Bonds and to perform its or their duties under the Facility Lease and this Indenture, provided that any such remedy

may be taken only to the extent permitted under the applicable provisions of the Facility Lease or this Indenture, as the case may be;

- (2) bring suit upon the Bonds;
- (3) by action or suit in equity require the Authority to account as if it were the trustee of an express trust for the Owners of Bonds; or
- (4) by action or suit in equity enjoin any acts or things which may be unlawful or in violation of the rights of the Owners of Bonds hereunder.

(b) Upon the occurrence of an Event of Default, the Trustee shall be entitled as a matter of right to the appointment of a receiver or receivers for the Revenues, ex parte, and without notice, and the Authority consents to the appointment of such receiver upon the occurrence of an Event of Default. In the case of any receivership, insolvency, bankruptcy, or other judicial proceedings affecting the Authority or the City, the Trustee shall be entitled to file such proofs of claims and other documents as may be necessary or advisable in order to have the claims of the Trustee and the Bond Owners allowed in such proceedings, without prejudice, however, to the right of any Bond Owner to file a claim on his or her own behalf; provided, the Trustee shall be entitled to compensation and reimbursement for the reasonable fees and expenses of its counsel and indemnity for its reasonable expenses and liability from the Authority, the City or the Bond Owners, as appropriate.

(c) Notwithstanding the foregoing, neither this Indenture nor the Bonds provide for the remedy of acceleration of principal or interest due with respect to the Bonds prior to their stated due dates.

Section 7.03 Application of Revenues and Other Funds After Default. If an Event of Default shall occur and be continuing, all Revenues and any other funds then held or thereafter received by the Trustee under any of the provisions of this Indenture shall be applied by the Trustee as follows and in the following order:

(a) To the payment of any expenses necessary in the opinion of the Trustee to protect the interests of the Owners of the Bonds and payment of reasonable fees, charges and expenses of the Trustee (including reasonable fees and disbursements of its counsel) incurred in and about the performance of its powers and duties under this Indenture;

(b) To the payment of the principal of and interest then due on the Bonds (upon presentation of the Bonds to be paid, and stamping or otherwise noting thereon of the payment if only partially paid, or surrender thereof if fully paid) in accordance with the provisions of this Indenture, as follows:

First: To the payment to the persons entitled thereto of all installments of interest then due in the order of the maturity of such installments, and, if the amount available shall not be sufficient to pay in full any installment or installments maturing on the same date, then to the payment thereof ratably, according to the amounts due thereon, to the persons entitled thereto, without any discrimination or preference; and

Second: To the payment to the persons entitled thereto of the unpaid principal of any Bonds which shall have become due, whether at maturity or by redemption, with interest on the overdue principal at the rate borne by the respective Bonds (to the extent permitted by law), and, if the amount available shall not be sufficient to pay in full all the Bonds, together with such interest, then to the payment thereof ratably, according to the amounts of principal due on such date to the persons entitled thereto, without any discrimination or preference.

Section 7.04 Trustee to Represent Bond Owners. The Trustee is hereby irrevocably appointed (and the successive respective Owners of the Bonds, by taking and holding the same, shall be conclusively deemed to have so appointed the Trustee) as trustee and true and lawful attorney-in-fact of the Owners of the Bonds for the purpose of exercising and prosecuting on their behalf such rights and remedies as may be available to such Owners under the provisions of the Bonds, this Indenture and applicable provisions of any law. Upon the occurrence and continuance of an Event of Default or other occasion giving rise to a right in the Trustee to represent the Bond Owners, the Trustee in its discretion may, and upon the written request of the Owners of a majority in aggregate principal amount of the Bonds then Outstanding, and upon being indemnified to its satisfaction therefor, the Trustee shall, proceed to protect or enforce its rights or the rights of such Owners by such appropriate action, suit, mandamus or other proceedings as it shall deem most effectual to protect and enforce any such right, at law or in equity, either for the specific performance of any covenant or agreement contained herein, or in aid of the execution of any power herein granted, or for the enforcement of any other appropriate legal or equitable right or remedy vested in the Trustee or in such Owners under the Bonds, this Indenture or any other law; and upon instituting such proceeding, the Trustee shall be entitled, as a matter of right, to the appointment of a receiver of the Revenues and other assets pledged under this Indenture, pending such proceedings. All rights of action under this Indenture or the Bonds or otherwise may be prosecuted and enforced by the Trustee without the possession of any of the Bonds or the production thereof in any proceeding relating thereto, and any such suit, action or proceeding instituted by the Trustee shall be brought in the name of the Trustee for the benefit and protection of all the Owners of such Bonds, subject to the provisions of this Indenture.

Section 7.05 Bond Owners' Direction of Proceedings. Anything in this Indenture to the contrary notwithstanding, the Owners of a majority in aggregate principal amount of the Bonds then Outstanding shall have the right, by an instrument or concurrent instruments in writing executed and delivered to the Trustee, and upon indemnification of the Trustee to its reasonable satisfaction, to direct the method of conducting all remedial proceedings taken by the Trustee hereunder, provided that such direction shall not be otherwise than in accordance with law and the provisions of this Indenture, and that the Trustee shall have the right to decline to follow any such direction which in the opinion of the Trustee would expose it to liability.

Section 7.06 Limitation on Bond Owners' Right to Sue. Notwithstanding any other provision hereof, no Owner of any Bonds shall have the right to institute any suit, action or proceeding at law or in equity, for the protection or enforcement of any right or remedy under this Indenture, the Facility Lease or any other applicable law with respect to such Bonds, unless (a) such Owner shall have given to the Trustee written notice of the occurrence of an Event of Default; (b) the Owners of a majority in aggregate principal amount of the Bonds then Outstanding shall have made written request upon the Trustee to exercise the powers

hereinbefore granted or to institute such suit, action or proceeding in its own name; (c) such Owner or Owners shall have tendered to the Trustee reasonable indemnity against the costs, expenses and liabilities to be incurred in compliance with such request; (d) the Trustee shall have failed to comply with such request for a period of sixty (60) days after such written request shall have been received by, and said tender of indemnity shall have been made to, the Trustee; and (e) no direction inconsistent with such written request shall have been given to the Trustee during such sixty (60) day period by the Owners of a majority in aggregate principal amount of the Bonds then Outstanding.

Such notification, request, tender of indemnity and refusal or omission are hereby declared, in every case, to be conditions precedent to the exercise by any Owner of Bonds of any remedy hereunder or under law; it being understood and intended that no one or more Owners of Bonds shall have any right in any manner whatever by his or their action to affect, disturb or prejudice the security of this Indenture or the rights of any other Owners of Bonds, or to enforce any right under the Bonds, this Indenture, the Facility Lease or other applicable law with respect to the Bonds, except in the manner herein provided, and that all proceedings at law or in equity to enforce any such right shall be instituted, had and maintained in the manner herein provided and for the benefit and protection of all Owners of the Outstanding Bonds, subject to the provisions of this Indenture.

Section 7.07 Absolute Obligation of Authority. Nothing in Section 7.06 or in any other provision of this Indenture or in the Bonds contained shall affect or impair the obligation of the Authority, which is absolute and unconditional, to pay the principal of and interest and premium (if any) on the Bonds to the respective Owners of the Bonds at their respective dates of maturity, or upon call for redemption, as herein provided, but only out of the Revenues and other assets herein pledged therefor, or affect or impair the right of such Owners, which is also absolute and unconditional, to enforce such payment by virtue of the contract embodied in the Bonds.

Section 7.08 Termination of Proceedings. If any proceedings taken by the Trustee or any one or more Bond Owners on account of any Event of Default shall have been discontinued or abandoned for any reason or shall have been determined adversely to the Trustee or the Bond Owners, then the Authority, the Trustee and the Bond Owners, subject to any determination in such proceedings, shall be restored to their former positions and rights hereunder, severally and respectively, and all rights, remedies, powers and duties of the Authority, the Trustee and the Bond Owners shall continue as though no such proceedings had been taken.

Section 7.09 Remedies Not Exclusive. No remedy herein conferred upon or reserved to the Trustee or the Owners of the Bonds is intended to be exclusive of any other remedy or remedies, and each and every such remedy, to the extent permitted by law, shall be cumulative and in addition to any other remedy given hereunder or now or hereafter existing at law or in equity or otherwise.

Section 7.10 No Waiver of Default. No delay or omission of the Trustee or any Owner of the Bonds to exercise any right or power arising upon the occurrence of any Event of Default shall impair any such right or power or shall be construed to be a waiver of any such Event of Default or an acquiescence therein; and every power and remedy given by this Indenture to the

Trustee or the Owners of the Bonds may be exercised from time to time and as often as may be deemed expedient.

Section 7.11 Parties Interested Herein. Nothing in this Indenture expressed or implied is intended or shall be construed to confer upon, or to give to, any person or entity, other than the City, the Authority, the Trustee, their officers, employees and agents, and the Owners any right, remedy or claim under or by reason of this Indenture, or any covenant, condition or stipulation hereof, and all covenants, stipulations, promises and agreements in this Indenture contained by and on behalf of the Authority shall be for the sole and exclusive benefit of the City, the Authority, the Trustee, their officers, employees and agents, and the Owners.

Section 7.12 Remedies Subject to Provisions of Law. All rights, remedies and powers provided by this Article may be exercised only to the extent that the exercise thereof does not violate any applicable provision of the City Charter and other applicable law, and all of the provisions of this Article are intended to be subject to the City Charter and all other applicable mandatory provisions of law which may be controlling and to be limited to the extent necessary so that they will not render this instrument or the provisions hereof invalid or unenforceable under the provisions of the City Charter or other applicable law.

ARTICLE VIII

THE TRUSTEE

Section 8.01 Duties, Immunities and Liabilities of Trustee.

(a) The Trustee shall, prior to an Event of Default, and after the curing or waiver of all Events of Default which may have occurred, perform such duties and only such duties as are expressly and specifically set forth in this Indenture and no implied duties or covenants shall be read into this Indenture against the Trustee. The Trustee shall, during the existence of any Event of Default (which has not been cured or waived), exercise such of the rights and powers vested in it by this Indenture, and use the same degree of care and skill in its exercise, as a prudent man would exercise or use under the circumstances in the conduct of his own affairs.

(b) The City may remove the Trustee at any time unless an Event of Default shall have occurred and then be continuing, and shall remove the Trustee if at any time requested to do so by the Owners of not less than a majority in aggregate principal amount of the Bonds then Outstanding (or their attorneys duly authorized in writing) or if at any time the Trustee shall cease to be eligible in accordance with subsection (e) of this Section 8.01, or shall become incapable of acting, or shall be adjudged a bankrupt or insolvent, or a receiver of the Trustee or the Leased Property shall be appointed, or any public officer shall take control or charge of the Trustee or of the Leased Property or affairs for the purpose of rehabilitation, conservation or liquidation, in each case by giving written notice of such removal to the Trustee and the City and thereupon shall appoint a successor Trustee by an instrument in writing. Any such removal shall be made upon at least thirty (30) days' prior written notice to the Trustee.

(c) The Trustee may at any time resign by giving written notice of such resignation to the Authority and the City, and by giving the Bond Owners notice of such resignation by mail at

the addresses shown on the Registration Books. Upon receiving such notice of resignation, the City as agent for the Authority shall promptly appoint a successor Trustee by an instrument in writing.

(d) Any removal or resignation of the Trustee and appointment of a successor Trustee shall become effective upon acceptance of appointment by the successor Trustee. If no successor Trustee shall have been appointed and have accepted appointment within sixty (60) days of giving notice of removal or notice of resignation as aforesaid, the City (as agent of the Authority) shall petition any court of competent jurisdiction for the appointment of a successor Trustee, and such court may thereupon, after such notice (if any) as it may deem proper, appoint such successor Trustee. Any successor Trustee appointed under this Indenture, shall signify its acceptance of such appointment by executing and delivering to the Authority, the City and its predecessor Trustee a written acceptance thereof, and thereupon such successor Trustee, without any further act, deed or conveyance, shall become vested with all the moneys, estates, properties, rights, powers, trusts, duties and obligations of such predecessor Trustee, with like effect as if originally named Trustee herein; but, nevertheless at the Written Request of the City (as agent of the Authority) or the request of the successor Trustee, such predecessor Trustee shall execute and deliver any and all instruments of conveyance or further assurance and do such other things as may reasonably be required for more fully and certainly vesting in and confirming to such successor Trustee all the right, title and interest of such predecessor Trustee in and to any Leased Property held by it under this Indenture and shall pay over, transfer, assign and deliver to the successor Trustee any money or other Leased Property subject to the trusts and conditions herein set forth. Upon request of the successor Trustee, the Authority shall execute and deliver any and all instruments as may be reasonably required for more fully and certainly vesting in and confirming to such successor Trustee all such moneys, estates, properties, rights, powers, trusts, duties and obligations. Upon acceptance of appointment by a successor Trustee as provided in this subsection, the Authority shall promptly mail or cause the successor trustee to mail a notice of the succession of such Trustee to the trusts hereunder to each rating agency which is then rating the Bonds and to the Bond Owners at the addresses shown on the Registration Books. If the Authority fails to mail such notice within fifteen (15) days after acceptance of appointment by the successor Trustee, the successor Trustee shall cause such notice to be mailed at the expense of the Authority.

(e) Any Trustee appointed under this Indenture shall be a corporation or association organized and doing business under the laws of any state or the United States of America or the District of Columbia, shall be authorized under such laws to exercise corporate trust powers, shall have (or, in the case of a corporation or national banking association included in a bank holding company system, the related bank holding company shall have) a combined capital and surplus of at least one hundred million dollars (\$100,000,000), shall be subject to supervision or examination by federal or state agency, so long as any Bonds are Outstanding. If such corporation or national banking association publishes a report of condition at least annually pursuant to law or to the requirements of any supervising or examining agency above referred to then for the purpose of this subsection (e), the combined capital and surplus of such corporation or national banking association shall be deemed to be its combined capital and surplus as set forth in its most recent report of condition so published. In case at any time the Trustee shall cease to be eligible in accordance with the provisions of this subsection (e), the Trustee shall resign immediately in the manner and with the effect specified in this Section 8.01.

Section 8.02 Merger or Consolidation. Any bank or trust company into which the Trustee may be merged or converted or with which it may be consolidated or any bank or trust company resulting from any merger, conversion or consolidation to which it shall be a party or any bank or trust company to which the Trustee may sell or transfer all or substantially all of its corporate trust business, provided such bank or trust company shall be eligible under subsection (e) of Section 8.01 shall be the successor to such Trustee, without the execution or filing of any paper or any further act, anything herein to the contrary notwithstanding.

Section 8.03 Liability of Trustee.

(a) The recitals of facts herein and in the Bonds contained shall not be taken as statements of the Trustee, and the Trustee shall not assume responsibility for the correctness of the same, or make any representations as to the validity or sufficiency of this Indenture, the Bonds or the Facility Lease, nor shall the Trustee incur any responsibility in respect thereof, other than as expressly stated herein in connection with the respective duties or obligations herein or in the Bonds assigned to or imposed upon it. The Trustee shall, however, be responsible for its representations contained in its certificate of authentication on the Bonds. The Trustee shall not be liable in connection with the performance of its duties hereunder, except for its own negligence. The Trustee may become the Owner of Bonds with the same rights it would have if it were not Trustee, and, to the extent permitted by law, may act as depository for and permit any of its officers or directors to act as a member of, or in any other capacity with respect to, any committee formed to protect the rights of Bond Owners, whether or not such committee shall represent the Owners of a majority in principal amount of the Bonds then Outstanding.

(b) The Trustee shall not be liable for any error of judgment made in good faith by a responsible officer, unless it shall be proved that the Trustee was negligent in ascertaining the pertinent facts.

(c) The Trustee shall not be liable with respect to any action taken or omitted to be taken by it in good faith in accordance with the direction of the Owners of not less than a majority in aggregate principal amount of the Bonds at the time Outstanding relating to the time, method and place of conducting any proceeding for any remedy available to the Trustee, or exercising any trust or power conferred upon the Trustee under this Indenture.

(d) The Trustee shall not be liable for any action taken by it in good faith and believed by it to be authorized or within the discretion or rights or powers conferred upon it by this Indenture.

(e) The Trustee shall not be deemed to have knowledge of any Event of Default hereunder, or any other event which, with the passage of time, the giving of notice, or both, would constitute an Event of Default hereunder unless and until it shall have actual knowledge thereof, or a corporate trust officer shall have received written notice thereof, at its Office. Except as otherwise expressly provided herein, the Trustee shall not be bound to ascertain or inquire as to the performance or observance by the Authority or the City of any of the terms, conditions, covenants or agreements herein, under the Facility Lease or of any of the documents executed in connection with the Bonds, or as to the existence of an Event of Default or an event which would, with the giving of notice, the passage of time, or both, constitute an Event of

Default. The Trustee shall not be responsible for the validity, effectiveness or priority of any collateral given to or held by it. Without limiting the generality of the foregoing, the Trustee shall not be required to ascertain or inquire as to the performance or observance by the City and the Authority of the terms, conditions, covenants or agreements set forth in the Facility Lease, other than the covenants of the City to make Base Rental Payments to the Trustee when due, such reports and certifications as the City are required to file with the Trustee thereunder.

(f) Except for giving notice of an Event of Default pursuant to Section 7.01 hereof, no provision of this Indenture shall require the Trustee to expend or risk its own funds or otherwise incur any financial liability in the performance of any of its duties hereunder, or in the exercise of any of its rights or powers, if it is not assured to its satisfaction that the repayment of such funds or adequate indemnity against such risk or liability is reasonably assured to it.

(g) The Trustee may execute any of the trusts or powers hereunder or perform any duties hereunder either directly or through agents or attorneys and the Trustee shall not be responsible for any misconduct or negligence on the part of any agent or attorney appointed with due care by it hereunder.

(h) The Trustee shall be under no obligation to exercise any of the rights or powers vested in it by this Indenture at the request or direction of Owners pursuant to this Indenture, unless such Owners shall have offered to the Trustee reasonable security or indemnity against the costs, expenses and liabilities which might be incurred by it in compliance with such request or direction. No permissive power, right or remedy conferred upon the Trustee hereunder shall be construed to impose a duty to exercise such power, right or remedy.

(i) Whether or not therein expressly so provided, every provision of this Indenture and the Facility Lease relating to the conduct or affecting the liability of or affording protection to the Trustee shall be subject to the provisions of Section 8.01(a), this Section 8.03 and Section 8.04 hereof.

(j) The Trustee shall not be concerned with or accountable to anyone for the subsequent use or application of any moneys which shall be released or withdrawn in accordance with the provisions hereof.

(k) The Trustee makes no representation or warranty, expressed or implied as to the title, value, design, compliance with specifications or legal requirements, quality, durability, operation, condition, merchantability or fitness for any particular purpose for the use contemplated by the Authority or the City of the Leased Property. In no event shall the Trustee be liable for incidental, indirect, special, punitive, or consequential damages in connection with or arising from the Facility Lease or this Indenture for the existence, furnishing or use of the Leased Property.

(l) Except to the extent that information was provided by the Trustee, the Trustee shall have no responsibility with respect to any information, statement, or recital in any official statement, offering memorandum or any other disclosure material prepared or distributed with respect to the Bonds.

(m) The indemnities extended to the Trustee also extend to its directors, officers, employees and agents.

(n) The Trustee may become the owner or pledgee of any Bonds with the same rights it would have if it were not Trustee.

(o) The Trustee shall not be considered in breach of or in default in its obligations hereunder or progress in respect thereto in the event of enforced delay (“unavoidable delay”) in the performance of such obligations due to unforeseeable causes beyond its control and without its fault or negligence, including, but not limited to, Acts of God or of the public enemy or terrorists, acts of a government, acts of the other party, fires, floods, epidemics, quarantine restrictions, strikes, freight embargoes, earthquakes, explosion, mob violence, riot, inability to procure or general sabotage or rationing of labor, equipment, facilities, sources of energy, material or supplies in the open market, litigation or arbitration involving a party or others relating to zoning or other governmental action or inaction pertaining to the Leased Property, malicious mischief, condemnation, and unusually severe weather or delays of suppliers or subcontractors due to such causes or any similar event and/or occurrences beyond the control of the Trustee.

(p) The Trustee agrees to accept and act upon facsimile transmission of written instructions and/or directions pursuant to this Indenture provided, however, that: (a) subsequent to such facsimile transmission of written instructions and/or directions the Trustee shall forthwith receive the originally executed instructions and/or directions, (b) such originally executed instructions and/or directions shall be signed by a person as may be designated and authorized to sign for the party signing such instructions and/or directions, and (c) the Trustee shall have received a current incumbency certificate containing the specimen signature of such designated person.

(q) The Trustee shall reply to reasonable inquiries by the City regarding the Trustee’s performance of its duties under this Indenture.

Section 8.04 Right to Rely on Documents. The Trustee shall be protected in acting upon any notice, facsimile, e-mail, resolution, request, requisition, consent, order, certificate, report, opinion, bonds or other paper or document believed by them to be genuine and to have been signed or presented by the proper party or parties. The Trustee may consult with counsel, who may be counsel of or to the Authority, with regard to legal questions, and the opinion or advice of such counsel shall be full and complete authorization and protection in respect of any action taken or suffered by it hereunder in good faith and in accordance therewith.

The Trustee may treat the Owners of the Bonds appearing in the Registration Books as the absolute owners of the Bonds for all purposes and the Trustee shall not be affected by any notice to the contrary.

Whenever in the administration of the trusts imposed upon it by this Indenture the Trustee shall deem it necessary or desirable that a matter be proved or established prior to taking or suffering any action hereunder, such matter (unless other evidence in respect thereof be herein specifically prescribed) may be deemed to be conclusively proved and established by a Written

Certificate, Written Request or Written Requisition of the Authority or the City, and such Written Certificate, Written Request or Written Requisition shall be full warrant to the Trustee for any action taken or suffered in good faith under the provisions of this Indenture in reliance upon such Written Certificate, Written Request or Written Requisition, but in its discretion the Trustee may, in lieu thereof, accept other evidence of such matter or may require such additional evidence as to it may deem reasonable.

Section 8.05 Preservation and Inspection of Documents. All documents received by the Trustee under the provisions of this Indenture shall be retained by the Trustee and shall be subject at all reasonable times to the inspection of the Authority, the City and any Bond Owner, and their agents and representatives duly authorized in writing, at reasonable hours and under reasonable conditions.

Section 8.06 Compensation and Indemnification. The Authority shall pay to the Trustee from time to time compensation for all services rendered under this 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 Indenture, in accordance with the fee schedule attached hereto as Exhibit C, as Exhibit C may be amended from time to time by written agreement of the City and the Trustee.

The Authority shall indemnify, defend and hold harmless the Trustee against any loss, liability or expense incurred without negligence or willful misconduct on its part, arising out of or in connection with the acceptance or administration of this trust, including costs and expenses of defending itself against any claim or liability in connection with the exercise or performance of any of its powers hereunder. As security for the performance of the obligations of the Authority under this Section 8.06 to the Trustee, the Trustee shall have a lien prior to the lien of the Bonds upon all Leased Property and funds held or collected by the Trustee as such, except funds held in trust for the payment of principal of or interest on particular Bonds. The rights of the Trustee and the obligations of the Authority under this Section 8.06 shall survive the resignation or removal of the Trustee or the discharge of the Bonds and this Indenture.

ARTICLE IX

MODIFICATION OR AMENDMENT OF THIS INDENTURE

Section 9.01 Amendments Permitted.

(a) This Indenture and any of the rights and obligations of the Authority and of the Owners of the Bonds and of the Trustee may be modified or amended from time to time and at any time by an indenture or indentures supplemental thereto, which the Authority and the Trustee may enter into when the written consents of the Owners of a majority in aggregate principal amount of all Bonds then Outstanding which are affected by the amendment, shall have been filed with the Trustee; provided, however, no such modification or amendment without the consent of the Owners of all of the Bonds then Outstanding which would be affected thereby, shall (i) extend the fixed maturity of any Bonds, 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 each Bond

so affected, or (ii) reduce the aforesaid percentage of Bonds the consent of the Owners of which is required to effect any such modification or amendment, or (iii) permit the creation of any lien on the Revenues and other assets pledged under this Indenture prior to or on a parity with the lien created by this Indenture except as permitted herein, or (iv) deprive the Owners of the Bonds of the lien created by this Indenture on such Revenues and other assets (except as expressly provided in this Indenture), without the consent of the Owners of all of the Bonds then Outstanding. It shall not be necessary for the consent of the Bond Owners to approve the particular form of any Supplemental Indenture, but it shall be sufficient if such consent shall approve the substance thereof. Consent of the Owners may be obtained as provided in Section 9.02 hereof.

(b) In addition to any Supplemental Indenture authorized pursuant to Section 2.10 hereof, this Indenture and the rights and obligations of the Authority, of the Trustee and the Owners of the Bonds may also be modified or amended from time to time and at any time by a Supplemental Indenture, which the Authority and the Trustee may enter into without the consent of any Bond Owners, for any one or more of the following purposes:

(i) to add to the covenants and agreements of the Authority in this Indenture contained, other covenants and agreements thereafter to be observed, to pledge or assign additional security for the Bonds (or any portion thereof), or to surrender any right or power herein reserved to or conferred upon the Authority, or to close the Indenture against, or provide limitations and restrictions in addition to the limitations and restrictions contained in the Indenture on, the authentication and delivery of Additional Bonds;

(ii) to make such provisions for the purpose of curing any ambiguity, inconsistency or omission, or of curing or correcting any defective provision, contained in this Indenture, or in regard to matters or questions arising under this Indenture, as the Authority may deem necessary or desirable;

(iii) to modify, amend or supplement this Indenture in such manner as to permit the qualification hereof under the Trust Indenture Act of 1939, as amended, or any similar federal statute hereafter in effect, and to add such other terms, conditions and provisions as may be permitted by said act or similar federal statute; or

(iv) to modify, amend or supplement this Indenture in such manner as to cause interest on the Bonds to remain excludable from gross income under the Code.

(v) to permit the Trustee to comply with any duties imposed upon it by law;

(vi) to provide for the refunding or advance refunding of any Bonds, so long as such amendment is not inconsistent with Article X hereof;

(vii) to evidence the appointment of a separate trustee or the succession of a new trustee hereunder;

(viii) to make any amendments appropriate or necessary to provide for or facilitate the delivery of credit enhancement for any Bonds; or

(ix) 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.

(c) The Trustee may in its discretion, but shall not be obligated to, enter into any such Supplemental Indenture authorized by subsections (a) or (b) of this Section 9.01 which materially adversely affects the Trustee's own rights, duties or immunities under this Indenture or otherwise.

(d) Prior to the Trustee entering into any Supplemental Indenture hereunder, there shall be delivered to the Trustee an opinion of Bond Counsel stating, in substance, that such Supplemental Indenture has been adopted in compliance with the requirements of this Indenture and that the adoption of such Supplemental Indenture will not, in and of itself, adversely affect the exclusion from gross income for purposes of federal income taxes of interest on the Bonds.

(e) Provisions of this Section are subject to Section 9.03 hereof.

Section 9.02 Consent of Owners. (a) If at any time the Authority (or the City on behalf of the Authority) shall request the Trustee to enter into any Supplemental Indenture requiring consent of the Owners, the Trustee, upon being satisfactorily indemnified with respect to expenses, shall cause notice (unless waived by the affected Owners in their consent) of the proposed Supplemental Agreement to be mailed to each affected Owners, as shown in the Registration Books at the close of business on the 15th day preceding that mailing and at its address as it appears on the Registration Books on that 15th day preceding the mailing. The notice shall describe briefly the nature of the proposed amendment and shall state that copies thereof are on file at the office of the Trustee designated therein for inspection by all such Owners.

Consent of Owners may also be evidenced: (i) by Bonds being sold to such Owners under an official statement or other offering document which describes the proposed amendment and states that their purchase shall be treated as their consent to such amendment; or (ii) in any other manner acceptable to the Trustee.

If the Supplemental Indenture will not take effect so long as any particular Bonds remain Outstanding, the consent of the Owners of such Bonds shall not be required and such Bonds shall not be deemed to be Outstanding for the purpose of determining the required consents.

(b) Disqualified Bonds. Bonds owned or held by or for the account of the Authority or the City shall not be deemed Outstanding for the purpose of any consent or other action or any calculation of Outstanding Bonds provided in this Article, and shall not be entitled to consent to or take any other action provided in this Article; provided, however, that the Trustee shall not be deemed to have knowledge that any Bond is owned or held by or for the account of the Authority or the City unless the Authority or the City is the registered Owner or the Trustee has received written notice that any other registered Owner is holding for the account of the Authority or City.

(c) The Trustee shall not be subject to any liability to any Owner of Bonds by reason of the Trustee's failure to mail, or the failure of any such Owner to receive, the notice required

by this Section. Any failure of that nature shall not affect the validity of the Supplemental Indenture when there has been consent thereto as provided in this Section.

(d) If the Trustee shall receive, within a period not exceeding one year as prescribed by the City upon behalf of the Authority, following the mailing of the notice (unless waived by the affected Owners in their consent), an instrument or document or instruments or documents, in a form or forms to which the Trustee does not object reasonably, purporting to be executed by the Owners of not less than a majority in aggregate principal amount of the affected Outstanding Bonds, but not otherwise, the Trustee shall execute and deliver the Supplemental Indenture in substantially the form to which reference is made in the notice, without liability or responsibility to any affected Owner, regardless of whether that Owner shall have consented thereto. The instrument or document or instruments or documents described in this paragraph shall refer to the proposed Supplemental Indenture in the form described in the notice and shall consent specifically to the Supplemental Indenture in substantially that form.

(e) At any time after the Owners of the required percentage of the Bonds shall have filed their consents with the Trustee to the Supplemental Indenture, the Trustee shall make and file with the Authority and City a written statement that the Owners of the required percentage of the Bonds have filed those consents. That written statement shall be conclusive evidence that the consents have been so filed. Prior to the Trustee filing such written statement, a consent may be revoked in writing by the Owner who gave the consent or by a subsequent Owner of the Bonds by a written revocation received by the Trustee.

Section 9.03 City's Consent to Supplemental Indentures. Anything herein to the contrary notwithstanding, so long as the City is not in default under the Facility Lease, a Supplemental Indenture under this Article shall not become effective unless and until the City shall have consented in writing to the execution and delivery of such Supplemental Indenture. In this regard, the Trustee shall cause notice of the proposed execution and delivery of any Supplemental Indenture, together with a copy of the proposed Supplemental Indenture, to be mailed by first-class mail to the City at least 30 days prior to the proposed date of execution and delivery of any Supplemental Indenture.

Section 9.04 Effect of Supplemental Indenture. Upon the execution of any Supplemental Indenture pursuant to this Article IX, this Indenture shall be deemed to be modified and amended in accordance therewith, and the respective rights, duties and obligations under this Indenture of the Authority, the Trustee and all Owners of Bonds Outstanding shall thereafter be determined, exercised and enforced hereunder subject in all respects to such modification and amendment, and all the terms and conditions of any such Supplemental Indenture shall be deemed to be part of the terms and conditions of this Indenture for any and all purposes.

Section 9.05 Endorsement of Bonds; Preparation of New Bonds. Bonds delivered after the execution of any Supplemental Indenture pursuant to this Article may, and if the Authority so determines shall, bear a notation by endorsement or otherwise in form approved by the Authority and the Trustee as to any modification or amendment provided for in such Supplemental Indenture, and, in that case, upon demand on the Owner of any Bonds Outstanding at the time of such execution and presentation of his Bonds for the purpose at the Office of the Trustee or at

such additional offices as the Trustee may select and designate for that purpose, a suitable notation shall be made on such Bonds. If the Supplemental Indenture shall so provide, new Bonds so modified as to conform, in the opinion of the Authority and the Trustee, to any modification or amendment contained in such Supplemental Indenture, shall be prepared and executed by the Authority and authenticated by the Trustee, and upon demand on the Owners of any Bonds then Outstanding shall be exchanged at the Office of the Trustee, without cost to any Bond Owner, for Bonds then Outstanding, upon surrender for cancellation of such Bonds, in equal aggregate principal amount of the same series and maturity.

Section 9.06 Amendment of Particular Bonds. The provisions of this Article IX shall not prevent any Bond Owner from accepting any amendment as to the particular Bonds held by him.

ARTICLE X

DEFEASANCE

Section 10.01 Discharge of Indenture. (a) Any or all of the Outstanding Bonds may be paid by the Authority in any of the following ways, provided that the Authority also pays or causes to be paid any other sums payable hereunder by the Authority:

- (i) by paying or causing to be paid the principal of and interest and premium (if any) on such Bonds, as and when the same become due and payable;
- (ii) by depositing with the Trustee, in trust, at or before maturity, Defeasance Obligations in the necessary amount (as provided in Section 10.02) to pay or redeem such Bonds; or
- (iii) by delivering to the Trustee, for cancellation by it, such Bonds.

If the Authority shall also pay or cause to be paid all other sums payable hereunder by the Authority, then and in that case, at the election of the Authority evidenced by a Written Certificate of the Authority (or of the City upon behalf of the Authority), filed with the Trustee, signifying the intention of the Authority to discharge all such indebtedness and this Indenture), and notwithstanding that any of such Bonds shall not have been surrendered for payment, this Indenture and the pledge of Revenues and other assets made under this Indenture with respect to such Bonds and all covenants, agreements and other obligations of the Authority under this Indenture with respect to such Bonds shall cease, terminate, become void and be completely discharged and satisfied (except for those provisions surviving by reason of Section 10.01(c) in the event that the Bonds are deemed to be paid and discharged pursuant to Section 10.02 hereof). In such event, upon the Written Request of the Authority (or of the City upon behalf of the Authority), the Trustee shall execute and deliver to the Authority and City all such instruments as may be necessary or desirable to evidence such discharge and satisfaction, and the Trustee shall pay over, transfer, assign or deliver to the City all moneys or securities or other Leased Property held by it pursuant to this Indenture which are not required for the payment or redemption of any of such Bonds not theretofore surrendered for such payment or redemption.

If the Authority shall pay or cause to be paid, or there shall otherwise be paid, to the Owners of the Outstanding Bonds of a particular Series, or of a particular maturity or particular Bonds within a Series, the Debt Service due or to become due thereon, at the times and in the manner stipulated therein and in the Indenture, such Bonds shall cease to be entitled to any lien, pledge, benefit or security under the Indenture, and all covenants, agreements and obligations of the Authority to the Owners of such Bonds shall thereupon cease, terminate and become void and be discharged and satisfied (subject to provisions of subsection (c), below, if applicable).

Bonds or interest installments, for the payment or redemption of which moneys shall have been set aside and held in trust by the Trustee (through deposit by the City of funds for such payment or redemption or otherwise) at the maturity or redemption date thereof, shall be deemed to have been paid within the meaning and with the effect expressed in this Section 10.01(a).

(b) If, in connection with a redemption of all or any part of the Bonds, or in connection with providing for payment of all or any part of the Bonds pursuant to this Article X, moneys and/or Defeasance Obligations are deposited with the Trustee sufficient to pay Debt Service on all or a portion of the Bonds being defeased in accordance with Section 10.02 to any date after the first date on which such Bonds may be redeemed, the City on behalf of the Authority may expressly reserve and retain the right to subsequently change the date on which any such Bonds are to be redeemed. The City may further reserve and retain the right to restructure the moneys and/or Defeasance Obligations held by the Trustee for payment such Bonds as provided in Section 10.02(c), (d) or (e), and to apply any of the proceeds, which are available following such restructuring and are not needed to pay Debt Service on the Bonds being defeased, for any lawful purpose.

If the City desires to reserve and retain any such rights, it shall so advise the Trustee at the time of the deposits of such funds with the Trustee and the Trustee shall include a statement of such reserved and retained rights in the notice given to Owners pursuant to Section 10.02(b).

(c) Notwithstanding the foregoing, any provisions of the Indenture which relate to:

- (i) the maturity of Bonds;
- (ii) the interest payments and dates thereof;
- (iii) the optional and mandatory redemption provisions;
- (iv) the credits against any mandatory sinking fund requirements;
- (v) the exchange, transfer and registration of Bonds;
- (vi) the replacement of mutilated, destroyed, lost or stolen Bonds;
- (vii) the safekeeping and cancellation of Bonds;
- (viii) the nonpresentment of Bonds;
- (ix) the holding of moneys in trust;

- (x) the repayments to the Authority from the escrow fund;
- (xi) the timely payment of any rebate of arbitrage earnings to the United States and any other provisions which relate to exclusion of interest on the Bonds from gross income for federal income tax purposes; and
- (xii) the duties of the Trustee in connection with all of the foregoing and payment of its fees and expenses;

shall remain in effect and shall be binding upon the Authority, the Trustee and the Owners, notwithstanding the release, discharge and satisfaction of the Indenture. The provisions of this Section 10.01(c) shall survive the release, discharge and satisfaction of the Indenture.

Section 10.02 Deposit of Money or Securities with Trustee to Defeasance Bonds.

(a) Whenever in this Indenture it is provided or permitted that there be deposited with or held in trust by the Trustee money or securities in the necessary amount to pay or redeem any Bonds, the money or securities so to be deposited or held may include money or securities held by the Trustee in the funds and accounts established pursuant to this Indenture and available for such purposes.

(b) Subject to the provisions of subsection (c) and subsection (d) of this Section 10.02, any Outstanding Bonds shall, prior to the maturity or redemption date thereof, be deemed to have been paid, within the meaning and with the effect expressed in Section 10.01(a), if:

(i) in case any of said Bonds are to be redeemed on any date prior to their maturity, the City upon behalf of the Authority shall have given to the Trustee written instructions, accepted in writing by the Trustee, to mail as provided in Article IV of the Indenture notice of redemption of such Bonds (other than Bonds which have been purchased or otherwise acquired by the City and delivered to the Trustee as hereinafter provided prior to the mailing of such notice of redemption);

(ii) there shall have been deposited with the Trustee (or another trust company selected by the City which meets the requirements of Section 8.01(e)), in trust for the Owners of such Bonds, either moneys in an amount which shall be sufficient, or Defeasance Obligations (including any Defeasance Obligations issued or held in book-entry form on the books of the Department of the Treasury of the United States) the principal of and the interest on which when due will provide moneys which, together with the moneys, if any, deposited with the Trustee at the same time, shall be sufficient (without regard to further investment or reinvestment of either the principal amount thereof or the interest earnings therefrom, which earnings are to be held likewise in trust and so committed, except as provided herein) to pay when due the Debt Service due and to become due on said Bonds on or prior to the redemption date or maturity date thereof, as the case may be;

(iii) in the event said Bonds are not by their terms subject to redemption within the next succeeding 60 days, the City upon behalf of the Authority shall have given written instructions to the Trustee in form satisfactory to it to mail a notice to the Owners

of such Bonds, within 15 days of the date on which the Bonds are deemed to be paid and discharged, at their address as it appears on the Registration Books on that date on which such Bonds are deemed to be paid and discharged. The notice shall: (1) state the numbers of the Bonds deemed to be paid and discharged, or shall state that all Bonds of a particular Series are deemed to be paid and discharged; (2) that the deposit required by (ii) above has been made with the Trustee and that said Bonds are deemed to have been paid in accordance with this Section 10.02; and (3) state such maturity or redemption date upon which moneys are expected to be available for the payment of the Debt Service on said Bonds (other than Bonds which have been purchased or otherwise acquired by the City and delivered to the Trustee as hereinafter provided prior to the mailing of the notice of redemption referred to in clause (i) hereof);

(iv) the Trustee shall have received a report of an independent firm of certified public accountants or a financial consulting firm of recognized standing in the field of municipal bonds to the effect that the amount of principal of and interest when due on the Defeasance Obligations and any money deposited at the same time with the Trustee shall be sufficient to pay when due the Debt Service due and to become due on said Bonds prior to and on the redemption or maturity date thereof, as the case may be; and

(v) if the Bonds deemed paid with Defeasance Obligations were issued as obligations the interest on which was excluded from gross income for federal tax purposes, then the City shall furnish to the Trustee an opinion of Bond Counsel to the effect that the provisions for paying such Bonds (assuming compliance by the Authority, the City and the Trustee with their duties under the Indenture and any related escrow agreement) will not, by itself, cause such Bonds to lose such exclusion.

Any notice of redemption mailed pursuant to (i) with respect to Bonds which constitute less than all of the Outstanding Bonds of any maturity within a Series shall specify the letter and number or other distinguishing mark of each such Bond.

Defeasance Obligations shall consist of securities which are not subject to redemption prior to their maturity other than at the option of the holder thereof, or shall consist of securities as to which an irrevocable notice of redemption of such securities on a specified redemption date has been given and such securities are not otherwise subject to redemption prior to such specified date.

(c) The Trustee shall, if so directed by the City, (i) prior to the maturity date of Bonds that have been deemed to have been paid in accordance with this Section 10.02 (the "Defeased Bonds") which are not to be redeemed prior to their maturity date or (ii) prior to mailing of the notice of redemption referred to in clause (i) above with respect to any Defeased Bonds which are to be redeemed on any date prior to their maturity, apply moneys deposited with the Trustee for such Defeased Bonds and redeem or sell Defeasance Obligations so deposited with the Trustee and apply the proceeds thereof to the purchase of such Defeased Bonds and the Trustee shall immediately thereafter cancel all such Defeased Bonds so purchased; provided, however, that the moneys and Defeasance Obligations remaining on deposit with the Trustee after such purchase and cancellation of such Defeasance Bonds must be determined by the Trustee to be sufficient to pay when due the Debt Service due or to become due on all remaining unpaid

Defeased Bonds, in respect of which such moneys and Defeasance Obligations are being held by the Trustee, on or prior to the redemption date or maturity date thereof, as the case may be.

(d) If, at any time (i) prior to the maturity date of Defeased Bonds which are not to be redeemed prior to their maturity date or (ii) prior to the mailing of the notice of redemption referred to in clause (i) with respect to any Defeased Bonds which are to be redeemed on any date prior to their maturity, the City shall purchase or otherwise acquire any such Defeased Bonds and deliver such Defeased Bonds to the Trustee prior to their maturity date or redemption date, as the case may be, the Trustee shall immediately cancel all such Defeased Bonds so delivered; and such delivery of Defeased Bonds to the Trustee shall be accompanied by Written Request from the City to the Trustee as to the manner in which such Defeased Bonds are to be applied against the obligation of the Trustee to pay or redeem Defeased Bonds. Such directions of the City shall also specify the portion, if any, of such Defeased Bonds so purchased or delivered and cancelled to be applied against the obligation of the Trustee to pay Defeased Bonds upon their maturity date or dates and the portion, if any, of such Defeased Bonds so purchased or delivered and cancelled to be applied against the obligation of the Trustee to redeem Defeased Bonds on any date or dates prior to their maturity.

(e) If on any date: (i) as a result of any purchases, acquisitions and cancellations of Defeased Bonds as provided in this Section 10.02 the total amount of moneys and Defeasance Obligations remaining on deposit with the Trustee under this Section 10.02 is in excess of the total, determined by the Trustee, which would have been required to be deposited with the Trustee on such date in respect of the remaining unpaid Defeased Bonds in order to satisfy subclause (b)(ii) of this Section 10.02, the Trustee shall, if requested by the City in Written Certificate, sell specified Defeasance Obligations and transfer the amount of such excess as directed by the City; or (ii) the City directs the Trustee in Written Certificate to sell and re-invest specified Defeasance Obligations as directed by the City;

then before any such excess is so transferred or any such Defeasance Obligations sold and re-invested, as applicable, the Trustee shall have received a report, of an independent firm of certified public accountants or a financial consulting firm of recognized standing in the field of municipal bonds, to the effect that the amount of money and the principal of and interest when due on the Defeasance Obligations remaining on deposit with the Trustee after such transfer or sale or re-investment, as applicable, shall be sufficient to pay when due the Debt Service due and to become due on said unpaid Defeased Bonds on or prior to the redemption or maturity date thereof, as the case may be.

(f) Except as otherwise provided in Section 10.02, neither Defeasance Obligations nor moneys deposited with the Trustee pursuant to this Section 10.02 nor principal or interest payments on any such Defeasance Obligations shall be withdrawn or used for any purpose other than, and shall be held in trust by the Trustee solely for, the payment of the Debt Service on the Defeased Bonds; provided that any cash received from such principal or interest payments on such Defeasance Obligations deposited with the Trustee (i) to the extent such cash will not be required at any time for such purpose as determined by the Trustee, shall be transferred as directed by the City, and (ii) to the extent such cash will be required for such purpose at a later date, shall, to the extent practicable and as directed by the City, be reinvested by the Trustee in Defeasance Obligations maturing at times and in amounts sufficient to pay when due the Debt

Service due on said remaining unpaid Defeased Bonds on or prior to such redemption date or maturity date thereof, as the case may be, and interest earned from such reinvestments shall be transferred as directed by the City.

ARTICLE XI

MISCELLANEOUS

Section 11.01 Liability of Authority Limited to Revenues. Notwithstanding anything in this Indenture or in the Bonds, the Authority shall not be required to advance any moneys derived from any source other than the Revenues and other assets pledged under this Indenture for any of the purposes in this Indenture mentioned, whether for the payment of the principal of or interest on the Bonds or for any other purpose of this Indenture. Nevertheless, the Authority may, but shall not be required to, advance for any of the purposes hereof any funds of the Authority which may be made available to it for such purposes.

Section 11.02 Limitation of Rights to Parties and Bond Owners. Nothing in this Indenture or in the Bonds expressed or implied is intended or shall be construed to give to any person other than the Authority, the Trustee, the City and the Owners of the Bonds, any legal or equitable right, remedy or claim under or in respect of this Indenture or any covenant, condition or provision therein or herein contained; and all such covenants, conditions and provisions are and shall be held to be for the sole and exclusive benefit of the Trustee, the City, the Authority and the Owners of the Bonds.

Section 11.03 Funds and Accounts. Any fund or account required by this Indenture to be established and maintained by the Trustee may be established and maintained in the accounting records of the Trustee, either as a fund or an account, and may, for the purposes of such records, any audits thereof and any reports or statements with respect thereto, be treated either as a fund or as an account; but all such records with respect to all such funds and accounts shall at all times be maintained in accordance with industry standards to the extent practicable, and with due regard for the requirements of Section 5.06 and for the protection of the security of the Bonds and the rights of every Owner thereof. The Trustee may establish such funds and accounts as it deems necessary to perform its obligations hereunder. The Trustee shall deliver a monthly accounting to the Authority and to the City of the funds and accounts held hereunder; provided, that the Trustee shall not be obligated to deliver an accounting for any fund or account that has had no activity since the last reporting date and that has a balance of zero.

Section 11.04 Unclaimed Funds. Notwithstanding any provisions of this Indenture, and subject to applicable provisions of State law, any moneys held by the Trustee in trust for the payment of the principal of, premium, if any, or interest on, any Bonds and remaining unclaimed for two (2) years after the principal of all of the Bonds has become due and payable (whether at maturity or upon call for redemption as provided in this Indenture), if such moneys were so held at such date, or two (2) years after the date of deposit of such moneys if deposited after said date when all of the Bonds became due and payable, shall be repaid to the City free from the trusts created by this Indenture, and all liability of the Trustee with respect to such moneys shall thereupon cease; provided, however, that before the repayment of such moneys to the City as aforesaid, the Trustee shall (at the written request and cost of the City) first mail to the Owners

of Bonds which have not yet been paid, at the addresses shown on the Registration Books, a notice, in such form as may be deemed appropriate by the Trustee with respect to the Bonds so payable and not presented and with respect to the provisions relating to the repayment to the City of the moneys held for the payment thereof. Thereafter, the Owner of such Bond shall look only to the City for payment and then only to the extent of the amount so returned to the City without any interest thereon, and the Trustee shall have no responsibility with respect to such money.

During any period in which the Trustee holds such unclaimed money, the Trustee shall not be required to invest such money; nonetheless if the Trustee should invest such money any earnings on such amounts shall be remitted to the City as such earnings are realized.

Section 11.05 Waiver of Notice; Requirement of Mailed Notice. Whenever in this Indenture the giving of notice by mail or otherwise is required, the giving of such notice may be waived in writing by the person entitled to receive such notice and in any such case the giving or receipt of such notice shall not be a condition precedent to the validity of any action taken in reliance upon such waiver. Whenever in this Indenture any notice shall be required to be given by mail, such requirement shall be satisfied by the deposit of such notice in the United States mail, postage prepaid, by first class mail.

Section 11.06 Destruction of Bonds. Whenever in this Indenture provision is made for the cancellation by the Trustee and the delivery to the Authority of any Bonds, the Trustee shall, in lieu of such cancellation and delivery, destroy such Bonds as may be allowed by law or in accordance with its record retention policies then in effect.

Section 11.07 Severability of Invalid Provisions. If any one or more of the provisions contained in this Indenture or in the 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 Indenture and such invalidity, illegality or unenforceability shall not affect any other provision of this Indenture, and this 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 Indenture and each and every other Section, paragraph, sentence, clause or phrase hereof and authorized the issuance of the Bonds pursuant thereto irrespective of the fact that any one or more Sections, paragraphs, sentences, clauses or phrases of this Indenture may be held illegal, invalid or unenforceable.

Section 11.08 Notices. All written notices to be given under this 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
Office of the City Clerk
202 C Street, 2nd Floor
San Diego, California 92101
Phone: (619) 533-4000
Fax: (619) 533-4045

Copy to:
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
San Diego, California 92101
Attention: Chief Financial Officer
Phone: (619) 236-5941
Fax: (619) 236-6606

If to the Trustee: Wells Fargo Bank, National Association
333 S. Grand Avenue, Fifth Floor, Suite 5A
MAC E2064-05A
Los Angeles, CA 90071
Attention: Corporate Trust Department
Phone: (213) 253-7517
Fax: (213) 253-7598

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 11.09 Evidence of Acts of Owners.

(a) Any request, direction, consent or other instrument provided hereby to be signed and executed by the Owners may be in any number of concurrent writings of similar tenor and may be signed or executed by such Owners in person or by agent appointed in writing. Proof of the execution of any such request, direction or other instrument or of the writing appointing any such agent and of the ownership of Bonds, if made in the following manner, shall be sufficient for any of the purposes hereof and shall be conclusive in favor of the Trustee, Authority and City, with regard to any action taken by them, or either of them, under such request or other instrument, namely:

(1) The fact and date of the execution by any person of any such writing may be proved by the certificate of any officer in any jurisdiction who by law has power to take acknowledgments in such jurisdiction, that the person signing such writing acknowledged before him the execution thereof, or by the affidavit of a witness of such execution; and

(2) The ownership of Bonds shall be proved by the Registration Books.

Nothing in this Section shall be construed as limiting the Trustee to the proof herein specified, it being intended that the Trustee may accept any other evidence of the matters herein stated which it may deem sufficient including, without limitation, an affidavit evidencing beneficial ownership of Bonds while the Bonds are held in book-entry only system.

(b) Any action taken or suffered by the Trustee pursuant to any provision hereof, upon the request or with the assent of any person who at the time is the Owner of any Bond or Bonds, shall be conclusive and binding upon all future Owners of the same Bond or Bonds.

(c) Any request, consent, or other instrument or writing of the Owner of any Bond shall bind every future Owner of the same Bond and the Owner of every Bond issued in exchange therefor or in lieu thereof, in respect of anything done or suffered to be done by the Trustee or the Authority in accordance therewith or reliance thereon.

Section 11.10 Holidays. If the date for making any payment or the last date for performance of any act or the exercising of any right, as provided in the Indenture, shall be a legal holiday or a day on which the Authority, the City, the Trustee or banking institutions in the State are authorized by law or otherwise to remain closed, such payment may be made or act performed or right exercised on the next succeeding day not a legal holiday or a day on which the Authority, the City, the Trustee or such banking institutions are authorized by law or otherwise to remain closed, with the same force and effect as if done on the nominal date provided in the Indenture, and no interest shall accrue for the period after such nominal date.

Section 11.11 Credit Enhancement Providers. If any credit enhancement is provided for a Series of Bonds or for specific Bonds, the Authority may in the Supplemental Indenture under which such Bonds are issued provide any or all of the following rights to the provider of the credit enhancement, as the Authority shall deem to be appropriate:

(1) the right to make requests of, direct or consent to the actions of the Trustee or to otherwise direct proceedings provided in Articles VII and IX of this Indenture, to the same extent and in place of the Owners of the Bonds which are secured by its credit enhancement, and for such purposes the provider of such credit enhancement shall be deemed to be the Owner of such Bonds;

(2) the right to act in place of the Owners of the Bonds which are secured by its credit enhancement for purposes of removing a Trustee or appointing a Trustee under Article VIII hereof; and

(3) the right to receive copies of all notices required to be provided hereunder or under the Facility Lease, to the Trustee, Authority or City.

Section 11.12 Money Held for Particular Bonds. The money held by the Trustee for the payment of the interest or principal due on any date with respect to particular Bonds (or portions of Bonds in the case of Bonds redeemed in part only) shall, on and after such date and pending such payment, be set aside on its books and held in trust by it for the Owners of the Bonds entitled thereto, subject, however, to the provisions of Section 11.04 hereof but without any liability for interest thereon.

Section 11.13 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 or interest or premium (if any) on the 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 Indenture.

Section 11.14 Successor Is Deemed Included in All References to Predecessor. Whenever in this 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 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 11.15 Execution in Several Counterparts. This 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 11.16 Governing Law. This Indenture shall be governed by and construed in accordance with the laws of the State.

IN WITNESS WHEREOF, the PUBLIC FACILITIES FINANCING AUTHORITY OF THE CITY OF SAN DIEGO has caused this 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 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 _____
Sherri Lightner, Chair

Attest:

Elizabeth S. Maland, Secretary

WELLS FARGO BANK, NATIONAL
ASSOCIATION, as Trustee

By _____
Authorized Officer

EXHIBIT A

FORM OF SERIES 2015 BOND

No. _____

\$ _____

UNLESS THIS SERIES 2015 BOND IS PRESENTED BY AN AUTHORIZED REPRESENTATIVE OF DTC (AS DEFINED IN THE INDENTURE) TO THE TRUSTEE FOR REGISTRATION OF TRANSFER, EXCHANGE OR PAYMENT, AND ANY SERIES 2015 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 REFUNDING BONDS, SERIES 2015
(BALLPARK REFUNDING)**

Interest Rate	Maturity Date	Dated Date	CUSIP
_____		_____, 2015	

REGISTERED OWNER:

PRINCIPAL SUM:

The Public Facilities Financing Authority of the City of San Diego (the "Authority"), a joint exercise of powers authority created by The City of San Diego (the "City") and the Redevelopment Agency of the City of San Diego (the "Agency") pursuant to California Government Code Sections 6500 et seq. 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. This Series 2015 Bond 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 September 30, 2015, in which event it shall bear interest from the Closing Date.

The principal of this Series 2015 Bond shall be payable in lawful money of the United States of America at the designated corporate trust office of the Trustee in upon presentation and surrender of this Series 2015 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).

This Series 2015 Bond shall be issued in fully registered form without coupons in denominations of \$5,000 or any integral multiple thereof. If this Series 2015 Bond is issued in book-entry form, payment of interest on this Series 2015 Bond due on or before the maturity or prior redemption, thereof shall be made to the person in whose name such Series 2015 Bond is registered, as of the Record Date preceding the applicable Interest Payment Date, on the registration books kept by the Trustee at its designated corporate trust 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 2015 Bonds received by the Trustee prior to the applicable Record Date, interest shall be paid by wire transfer in immediately available funds. Interest on this Series 2015 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 2015 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 Refunding Bonds, Series 2015 (Ballpark Refunding)" (the "Series 2015 Bonds") in the aggregate principal amount of \$_____, issued under and pursuant to the provisions of an Indenture, dated as of July 1, 2015 (the "Indenture"), by and between the Authority and Wells Fargo Bank, National Association, as trustee (the "Trustee").

The Series 2015 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 an Amended and Restated Ballpark Facility Lease, dated as of July 1, 2015 (the "Facility Lease"), and pursuant to the Facility 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 2015 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 Series 2015 Bonds as provided in the Indenture.

The Series 2015 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 2015 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 2015 Bonds are issued, the provisions with regard to the nature and extent of the Revenues, and the rights of the

Owners of the Series 2015 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 designated corporate trust 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 2015 Bond, to all the provisions of which the Owner of this Series 2015 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 2015 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 2015 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 2015 Bonds are subject to redemption as provided in the Indenture.

Reference is made to the Indenture for the transfer provisions and restrictions applicable to the Series 2015 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 2015 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 2015 Bond shall be made only to such Owner, which payments shall be valid and effectual to satisfy and discharge liability on this Series 2015 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 2015 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 2015 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 2015 Bond, (2) reduce the percentage of the Series 2015 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 2015 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 2015 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 2015 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 2015 Bonds under the Indenture shall thereupon cease, terminate and become void and be discharged and satisfied.

This Series 2015 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 2015 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 2015 Bond to be executed in its name and on its behalf by the manual or facsimile signature of its Vice Chair and attested to by the manual or facsimile signature of its Secretary, and has caused this Series 2015 Bond to be dated the Dated Date specified above.

PUBLIC FACILITIES FINANCING AUTHORITY
OF THE CITY OF SAN DIEGO

By _____
Vice Chair

ATTEST:

By _____
Secretary

FORM OF CERTIFICATE OF AUTHENTICATION AND REGISTRATION

This is one of the Series 2015 Bonds described in the within mentioned Indenture which has been authenticated and registered on _____.

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 Nixon Peabody LLP, as Bond Counsel to the City, in connection with the original issuance of the Series 2015 Bonds. That opinion is dated as of the date of the original issuance of the Series 2015 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 2015 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 2015 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 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 Refunding Bonds, Series 2015 Costs of Issuance Fund

Requisition No. _____

The undersigned, on behalf of The City of San Diego (the "City"), hereby requests payment, from the 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 2015 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:

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

The undersigned hereby certify that each obligation mentioned herein has been properly incurred, is a proper charge against the Costs of Issuance Fund and has not been the basis of any previous disbursement from the 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: _____
Authorized Officer

EXHIBIT C

FEE SCHEDULE OF TRUSTEE

Acceptance Fee:	\$3,500.00
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:	\$4,000.00**
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 for the first six months. Each requisition in excess of two per calendar month will incur a \$100 fee. The administration fee is payable annually in advance.	
**There is a remaining fee Credit of \$38,483.28 from the Series 2002 and 2007 Ballpark Project bond issues. If the City so directs, Wells Fargo agrees to apply this remaining Credit against the \$4,000 annual fee until exhausted, or alternatively to fees payable to Wells Fargo as trustee on other City bond issuances where Wells Fargo is trustee, as the City may direct in its discretion.	
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 our 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 may 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.	
Extraordinary Services	Standard Rate
The charge for performing services not contemplated at the time of execution of the governing documents or not specifically covered elsewhere in this schedule will be at Wells Fargo's rates for such services in effect at the time expense is incurred.	

BOND PURCHASE AGREEMENT

PUBLIC FACILITIES FINANCING AUTHORITY OF THE CITY OF SAN DIEGO

LEASE REVENUE REFUNDING BONDS, SERIES 2015

(BALLPARK REFUNDING)

Log of Outstanding Items

<i>Page</i>	<i>Outstanding Items</i>	<i>Responsible Party</i>	<i>Expected Availability</i>
1	Amount of Bond Issue (3x)	Underwriter	Upon Sale of Bonds
1	Date of BPA	Underwriter	Upon Sale of Bonds
2	Purchase Price	Underwriter	Upon Sale of Bonds
2	Original Issue Premium	Underwriter	Upon Sale of Bonds
2	Underwriters' Discount	Underwriter	Upon Sale of Bonds
3	Date of POS	Underwriter	Upon Posting of POS
4	Closing Date	Underwriter	Upon Sale of Bonds
5	Resolution Adoption Date	Authority	Upon Adoption
8	Date of Adoption of Ordinance	City	Upon Adoption
8	Effective Date of Ordinance	City	Upon Adoption
8	Date of Adoption of City Resolution	City	Upon Adoption
8	Date of Final Passage of Resolution	City	Upon Adoption
13	Appendices not included in UWs' Counsel opinion	Underwriters' Counsel	Upon Preparation of POS/OS
18	Name of Verification Agent	Authority	Upon Selection
18	Ratings	Rating Agencies	Upon Issuance of Ratings

20	Bracketed credit watch/negative outlook language	City/Underwriter's Counsel	Upon response from City
S-1	Signatures	City/Underwriter	Upon Sale of Bonds
I-1	Maturity Schedule (including call date at par)	Underwriter	Upon Sale of Bonds
I-1	Redemption Provisions	Underwriter	Upon Sale of Bonds
A-1	Closing Date	Bond Counsel	Upon Sale of Bonds
A-1	Amount of Bond Issue	Underwriter	Upon Sale of Bonds
A-1	Date of Bond Purchase Agreement	Underwriter	Upon Sale of Bonds
A-1	Date of Official Statement	Underwriter	Upon Sale of Bonds
B-1	Date of Disclosure Counsel Opinion	Disclosure Counsel	Upon Sale of Bonds
B-1	Amount of Bond Issue	Underwriter	Upon Sale of Bonds
B-1	Date of Bond Purchase Agreement	Underwriter	Upon Sale of Bonds
B-1	Date of POS	Underwriter	Upon Posting of POS
B-1	Date of Official Statement	Underwriter	Upon Sale of Bonds
C-1	Date of City Attorney Opinion	City Attorney	Upon Sale of Bonds
C-1	Amount of Bond Issue (2x)	Underwriter	Upon Sale of Bonds
C-1	Date of Bond Purchase Agreement	Underwriter	Upon Sale of Bonds
C-1	City Ordinance Number	City	Upon Adoption
C-1	Date of Adoption of City Ordinance	City	Upon Adoption
C-1	Effective Date of City Ordinance	City	Upon Adoption
C-1	City Resolution Number	City	Upon Adoption
C-1	Date of Adoption of City Resolution	City	Upon Adoption
C-1	Approved for Passge Date of City Resolution	City	Upon Adoption
C-1	Date of Adoption of Authority Resolution	Authority	Upon Adoption

C-2	Not to Exceed Amount	City	Upon Adoption
C-2	Date of Adoption of Authority Resolution	Authority	Upon Adoption
D-1	Amount of Bond Issue	Underwriter	Upon Sale of Bonds
D-1	Date of Issue Price Certificate	Underwriter	Upon Sale of Bonds
D-1	Sale Date	Underwriter	Upon Sale of Bonds
D-1	“Identified Bonds” explanation text	Underwriters’ Counsel	Upon Sale of Bonds
D-1	Initial Offering Price	Underwriter	Upon Sale of Bonds
D-2	Signatory Name and Title	Underwriter	Upon Sale of Bonds
D-2	Date of Issue Price Certificate	Underwriter	Upon Sale of Bonds
D-A	Initial Offering Prices	Underwriter	Upon Sale of Bonds

BOND PURCHASE AGREEMENT

\$ _____
**Public Facilities Financing Authority
of the City of San Diego
Lease Revenue Refunding Bonds, Series 2015
(Ballpark Refunding)**

_____, 2015

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:

RBC Capital Markets, LLC, on behalf of itself and as representative (the “**Representative**”) of the other underwriters 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 Refunding Bonds, Series 2015 (Ballpark Refunding) (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 \$ _____ 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 Bond Purchase Agreement; and (iv) each of the Authority and the City has 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, 2015 (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 its Public Facilities Financing Authority of the City of San Diego, Lease Revenue Refunding Bonds, Series 2007A (Ballpark Refunding) in the aggregate principal amount of \$156,560,000 (the "**Refunded Bonds**") pursuant to an Indenture, dated as of March 1, 2007 (the "**Prior Indenture**"), between the Authority and the Trustee, as Trustee for the Refunded Bonds (the "**Prior Trustee**").

In connection with the issuance of the Bonds, the City will lease certain real property belonging to the City, together with the portion of the improvements located thereon that are owned by the City, consisting of the baseball park minus certain improvements owned by the San Diego Padres major league baseball team (the "**Leased Property**"), to the Authority pursuant to the Amended and Restated Site Lease, dated as of July 1, 2015 (the "**Site Lease**"), and the Authority will lease back the Leased Property to the City pursuant to the Amended and Restated Ballpark Facility Lease, dated as of July 1, 2015 (the "**Facility Lease**"). The

Authority's rights, title and interests in and to the Site Lease and the Facility Lease have been assigned by the Authority to the Trustee, and such assignment will be reaffirmed by the Authority pursuant a Third Reaffirmation of Assignment Agreement, dated as of July 1, 2015 (the "**Assignment Agreement**"), by and between the Authority and the Trustee.

In connection with the refunding of the Refunded Bonds, the Authority and Wells Fargo Bank, N.A., as escrow agent with respect to the Refunded Bonds (the "**Escrow Agent**") will enter into an Escrow Agreement, dated as of July 1, 2015 (the "**Escrow Agreement**").

The 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 Facility 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) refund the Refunded Bonds 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 Underwriters may offer and sell Bonds to certain dealers (including dealers depositing Bonds into investment trusts) and others at prices lower than the public offering price stated on the cover of the Official Statement. 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 _____, 2015 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 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 _____, 2015, 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 Nixon Peabody LLP (“**Bond Counsel**”) in Los Angeles, 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 the “**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 Facility Lease, the Indenture, the Escrow Agreement and the Tax and Nonarbitrage Certificate executed by the Authority and the City (the “**Tax Certificate**” and collectively with this Bond Purchase Agreement, the Site Lease, the Facility Lease, the Assignment Agreement, the Escrow Agreement 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 _____, 2015 approving and authorizing the issuance of the Bonds and the execution and delivery by the Authority of this Bond Purchase Agreement, the Site Lease, the Facility Lease, the Indenture, the Escrow Agreement 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 Site Lease, the Facility Lease, the Indenture, the Escrow Agreement 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 thereunder and no event, which, with the passage of

time or giving of notice, or both, would constitute an event of default thereunder has occurred and is continuing;

(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 and is 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 an 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 Site Lease, the Facility Lease, the Indenture, the Escrow Agreement 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 Operating Officer, 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 Facility 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 _____, 2015 and effective as of _____, 2015 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 Site Lease, the Facility Lease, the Continuing Disclosure Certificate and this Bond Purchase Agreement, and the resolution of the City adopted on _____, 2015 and approved for final passage on _____, 2015 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 Facility 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 Site Lease, the Facility 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 Site Lease, the Facility 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 Site Lease, the Facility 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 thereunder and no event, which, with the passage of time or giving of notice, or both, would constitute an event of default thereunder has occurred and is continuing;

(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 Facility 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) an opinion from Bond Counsel to the effect that the Refunded Bonds have been defeased in accordance with the indenture pursuant to which the Refunded Bonds were issued;

(v) a letter of Nixon Peabody LLP ("**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;

(vi) an opinion of Sidley Austin LLP, 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 attorneys of such firm to believe that the Official Statement, as of the date of the Official Statement and as 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, 2014; financial, statistical or demographic data or forecasts, numbers, charts, tables, graphs, estimates, projections, assumptions or expressions of opinion; information relating to the book-entry-only system, including information in APPENDIX E "DTC and the Book-Entry-Only System," and the information in Appendices __, __ and __, which are not addressed in the letter), contained or contains any untrue statement of a material fact or omitted or omits to state a material fact necessary in order to make the statements made, in the light of the circumstances under which they were made, not misleading; (b) the Bonds are not subject to the registration requirements of the Securities Act of

1933, as amended, and the Indenture is exempt from qualification under the Trust Indenture Act of 1939, as amended, and (c) assuming compliance with and the enforceability of the Continuing Disclosure Certificate, the continuing disclosure undertaking contained in the Continuing Disclosure Certificate satisfies the requirements set forth in paragraph (b)(5) of the Rule;

(vii) 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 Site Lease, the Facility Lease, the Indenture, the Escrow Agreement 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;

(viii) 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;

(ix) 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;

(x) 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;

(xi) 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;

(xii) 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;

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

(xiv) a certificate of a duly authorized official of the Escrow Agent, dated the Closing Date, to the effect that: (A) the Escrow Agent 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 Escrow Agreement; (B) the Escrow Agent is duly authorized to enter into the Escrow Agreement; (C) the execution and delivery of the Escrow Agreement and compliance with the provisions on the Escrow Agent's part contained in the Escrow Agreement, 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 Escrow Agent 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 Escrow Agent to perform its obligations under the Escrow Agreement, 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 Escrow Agent pursuant to the lien created by the Escrow Agreement 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 Escrow Agreement; and (D) to the best of the knowledge of the Escrow Agent, 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 Escrow Agent, affecting the existence of the Escrow Agent, or the titles of its officers to their respective offices or seeking to prohibit, restrain, or enjoining the execution of the Escrow Agreement, or in any way contesting or affecting the validity or enforceability of the Escrow Agreement, or contesting the powers of the Escrow Agent 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 Escrow Agreement or the power and authority of the Escrow Agent to enter into and perform its duties under the Escrow Agreement;

(xv) the opinion of counsel to the Escrow Agent, dated the Closing Date and addressed to the Underwriters, the Authority and the City, of Counsel to the Escrow Agent, to the effect that: (A) the Escrow Agent 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 Escrow Agent under the Escrow Agreement; (B) the Escrow Agent has duly authorized, executed and delivered the Escrow Agreement, and by all proper corporate action has authorized the

acceptance of the trusts of the Escrow Agreement; and (C) the Escrow Agreement constitutes the legally valid and binding agreement of the Escrow Agent, enforceable against the Escrow Agent in accordance with its terms;

(xvi) one certified copy of the general resolution of the Escrow Agent authorizing the execution and delivery of the Escrow Agreement;

(xvii) A report, dated the date of Closing, from _____, Verification Agent, stating that the firm has verified the mathematical accuracy of certain computations relating to the adequacy of the amounts deposited pursuant to the Escrow Agreement to pay the applicable redemption price and accrued interest on, the Refunded Bonds on their respective redemption dates;

(xviii) one certified copy of the Authority Resolution;

(xix) one certified copy of the City Action;

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

(xxi) 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;

(xxii) evidence that the Bonds have been rated “[AA-]” by Standard & Poor’s Ratings Services, a Standard & Poor’s Financial Services LLC business (“**S&P**”), and “[A+]” by Fitch Ratings (“**Fitch**”);

(xxiii) a CLTA title insurance policy insuring the Authority’s leasehold title to the Leased Property in an amount at least equal to the principal amount of the Bonds;

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

(xxv) 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

(xxvi) a certificate of a duly authorized official of the trustee for the Refunded Bonds to the effect that the Refunded Bonds have been paid and discharged in accordance with the Refunded Bonds Governing Document;

(xxvii) 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:

RBC Capital Markets, LLC
Two Embarcadero Center, Suite 1200
San Francisco, CA 94111
Attn: Melissa Shick

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.

[Remainder of page intentionally left blank.]

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.

RBC CAPITAL MARKETS, LLC, for itself and
as Representative of

MERRILL LYNCH, PIERCE, FENNER &
SMITH INC.,
WILLIAM BLAIR & COMPANY, L.L.C., and
STERN BROTHERS & CO.

By: _____
Managing Director

Accepted as of the date hereof:
PUBLIC FACILITIES FINANCING
AUTHORITY OF THE CITY OF
SAN DIEGO

By: _____
Name: Sherri Lightner
Title: Chair

CITY OF SAN DIEGO

By: _____
Name: Mary Lewis
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 Refunding Bonds, Series 2015
(Ballpark Refunding)

Maturity Schedule

Maturity Date (_____)	Principal Amount	Interest Rate	Yield	Price
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c Priced to _____ 1, 20__ call date at par.

Redemption Provisions

APPENDIX A

BOND COUNSEL SUPPLEMENTAL OPINION

[CLOSING DATE]

City of San Diego
San Diego, California

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

RBC Capital Markets, LLC, as Representative
of the Underwriters (defined below)
San Francisco, 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 “Legal Opinion”) concerning the validity of (a) \$_____ aggregate principal amount of Public Facilities Financing Authority of the City of San Diego Lease Revenue Refunding Bonds, Series 2015 (Ballpark Refunding) (the “Bonds”). This supplemental opinion is rendered pursuant to Section 8(c)(iii) of the Bond Purchase Agreement, dated _____, 2015 (“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.

In arriving at the opinions and conclusions hereinafter expressed, we have examined: the Amended and Restated Site Lease, dated as of July 1, 2015, (the “Site Lease”), by and between the City and the Authority; the Amended and Restated Ballpark Facility Lease, dated as of July 1, 2015, by and between the Authority and the City; the Third Reaffirmation of Assignment Agreement, dated as of July 1, 2015 (the “Assignment Agreement”), by and between the Authority and Wells Fargo Bank, N.A., as trustee (the “Trustee”); the Indenture, dated as of July 1, 2015 (the “Indenture”), by and between the Authority and the Trustee; the Continuing Disclosure Certificate of the City, dated as of the date hereof (the “Continuing Disclosure Certificate”); a Tax and Nonarbitrage 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 (a) the Securities Act of 1933 as amended (the “1933 Act”) and the applicable rules, regulations and interpretations under the 1933 Act, and (b) the Official Statement, dated _____, 2015, 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 express no view herein with respect to the laws of any jurisdiction other than the State of California and Federal securities law of the United States of America. The only

opinions rendered hereby shall be those expressly stated as such herein, and no opinion shall be implied or inferred as a result of anything contained herein or omitted herefrom. The opinions and conclusions hereinafter expressed are based on an analysis of existing laws, regulations, rulings and court decisions and cover certain matters not directly addressed by such authorities. Such opinions and conclusions may be affected by actions taken or omitted or events occurring after the date hereof. We have not undertaken to determine, or to inform any person, whether any such actions are taken or omitted or such events do occur or any other matters come to our attention after the date hereof. We have assumed, without undertaking to verify, the genuineness of the documents, certificates and opinions presented to us (whether as originals or as copies) and of the signatures thereon, the accuracy of the factual matters represented, warranted or certified in such documents and certificates, the correctness of the legal conclusions contained in such opinions, and the due and legal execution of such documents and certificates by, and validity thereof against, any parties other than the City and the Authority. Furthermore, we have relied upon the accuracy, which we have not independently verified, of the representations and certifications, and have assumed compliance with all the covenants, in the Facility Lease, the Site Lease, the Assignment Agreement, the Indenture, the Tax Certificate, the Continuing Disclosure Certificate, and the other documents presented to us. The accuracy of certain of those representations and certifications, and compliance by the City and the Authority with certain of their covenants, may be necessary for interest on the Bonds to be and to remain excluded from gross income for federal income tax purposes. Failure to comply with certain of such covenants subsequent to the issuance of the Bonds may cause interest on the Bonds to be included in gross income for federal income tax purposes retroactively to their date of issuance. The rights and obligations under the Bonds, the Facility Lease, the Site Lease, the Assignment Agreement, the Indenture, the Continuing Disclosure Certificate, the Tax Certificate and other documents, and their enforceability, may be subject to bankruptcy, insolvency, reorganization, moratorium, arrangement, fraudulent conveyance and other laws relating to or affecting creditors' rights, to the application of equitable principles, to the exercise of judicial discretion in appropriate cases, and to the limitations on legal remedies against charter cities and joint power authorities in the State of California (the "State"). We express no opinion with respect to any indemnification, contribution, penalty, choice of law, choice of forum or waiver provisions contained in the documents mentioned in the preceding sentence, nor do we express any opinion with respect to the state or quality of title to, or interest in, any of the Leased Property described in or subject to the Facility Lease, the Site Lease or the accuracy or sufficiency of the description of any such property contained therein. Finally, we undertake no responsibility for the accuracy, completeness or fairness of the Official Statement or other offering material relating to the Bonds and express no opinion with respect thereto, except as expressly set forth in paragraph 2 below.

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.

(2) The statements contained in the Official Statement under the captions "THE SERIES 2015 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 2015 BONDS,” “TAX MATTERS,” and in Appendix C — “SUMMARY OF LEGAL DOCUMENTS” thereto, insofar as such statements expressly summarize certain provisions of the Indenture, the Facility Lease, the Site Lease, the Bonds and the Legal Opinion concerning certain tax matters relating to the Bonds, are accurate in all material respects.

(3) It is not necessary in connection with the sale of the Bonds to the public to register the Bonds under the 1933 Act or to qualify the Indenture under the 1939 Act.

The Underwriters may rely on our Legal Opinion as if it were addressed to them.

This opinion is furnished by us as Bond Counsel to the City. No attorney-client relationship has existed or exists between our firm and the Authority or the Underwriters in connection with the Bonds or by virtue of this supplemental opinion. This supplemental opinion is furnished to the Authority solely for your benefit in your capacity as issuer of the Bonds and to the Underwriters solely for your benefit in your capacity as Underwriters in connection with the original issuance and delivery of the Bonds, and may not be provided, quoted or otherwise referred to, or relied upon by you for any other purpose or by any other person. This opinion is not intended to, and may not, be relied upon by the holders or owners of the Bonds or by any other person to whom it is not specifically addressed. We do not undertake to advise you of any subsequent events or developments which might affect the statements contained herein. Our engagement with respect to this matter has terminated as of the date hereof, and we disclaim any obligation to update this opinion.

Respectfully submitted,

APPENDIX B

DISCLOSURE COUNSEL OPINION

_____, 2015

City of San Diego
San Diego, California

Public Facilities Financing Authority of the City of San Diego
San Diego, 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 \$_____ aggregate principal amount of the Public Facilities Financing Authority of the City of San Diego Lease Revenue Refunding Bonds, Series 2015 (Ballpark Refunding) (the “Bonds”). Capitalized terms used but not defined herein shall have the meanings ascribed to them in the Bond Purchase Agreement, dated _____, 2015, among the City, the Authority and the Underwriters therein mentioned.

As Disclosure Counsel, we have examined and relied upon: the Preliminary Official Statement, dated _____, 2015, relating to the Bonds (the “Preliminary Official Statement”); the Official Statement, dated _____, 2015, relating to the Bonds (the “Official Statement”); the Amended and Restated Site Lease, dated as of July 1, 2015 (the “Site Lease”), by and between the City and the Authority; the Amended and Restated Ballpark Facility Lease, dated as of July 1, 2015 (the “Facility Lease”), by and between the Authority and the City; the Third Reaffirmation of Assignment Agreement, dated as of July 1, 2015 (the “Assignment Agreement”), by and between the Authority and Wells Fargo Bank, N.A., as trustee (the “Trustee”); the Indenture, dated as of July 1, 2015 (the “Indenture”), by and between the Authority and the Trustee; a Tax and Nonarbitrage 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 express no view herein with respect to the laws of any jurisdiction other than Federal securities law of the United States of America. The only views expressed herein shall be those expressly stated as such herein, and no views shall be implied or inferred as a result of anything contained herein or omitted herefrom. The views hereinafter expressed are based on an analysis of existing laws, regulations, rulings and court decisions and cover certain matters not directly addressed by such authorities. Such views may be affected by actions taken or omitted or events

occurring after the date hereof. We have not undertaken to determine, or to inform any person, whether any such actions are taken or omitted or such events do occur, or any other matters come to our attention after the date hereof. We are not expressing, with your permission, any opinion or view on, and we have assumed without undertaking to verify, the accuracy of the factual matters represented, warranted or certified in the documents and certificates presented to us, the correctness of the legal conclusions contained in the opinions presented to us, and the due and legal execution and validity of such documents and certificates. We have assumed the due execution and delivery of the Refunded Bonds, and that all records, documents, certificates and opinions that we have reviewed, and signatures thereon, are complete and genuine. Furthermore, we have assumed compliance with all the covenants in the Facility Lease, the Site Lease, the Assignment Agreement, the Indenture, the Tax Certificate and the other documents presented to us. The accuracy of certain of those representations and certifications, and compliance by the City and the Authority with certain of their covenants may be necessary for interest on the Bonds to be and to remain excluded from gross income for federal income tax purposes. Failure to comply with certain of such covenants subsequent to the issuance of the Bonds may cause interest on the Bonds to be included in gross income for federal income tax purposes retroactively to their date of issuance. The rights and obligations under the Bonds, the Facility Lease, the Site Lease, the Assignment Agreement, the Indenture, the Tax Certificate and other documents, and their enforceability, may be subject to bankruptcy, insolvency, reorganization, moratorium, arrangement, fraudulent conveyance and other laws relating to or affecting creditors' rights, to the application of equitable principles, to the exercise of judicial discretion, and to the limitations on legal remedies against charter cities and counties and joint power authorities in the State of California. We express no opinion or view with respect to any indemnification, contribution, penalty, choice of law, choice of forum or waiver provisions contained in the documents mentioned in the preceding sentence, nor do we express any opinion or view with respect to the state or quality of title to, or interest in, any of the Facility Leased Property described in or subject to the Facility Lease, or the Site Lease or the accuracy or sufficiency of the description of any such property contained therein.

In accordance with our understanding with the City to assist the City, in part, concerning its responsibilities with respect to the Official Statement, we have rendered, as Disclosure Counsel, certain limited legal advice and assistance to the City in the course of the preparation of the Preliminary Official Statement and the Official Statement. We have not been engaged by the City for the purpose of, and we are not, passing upon, and we do not assume any responsibility for, the accuracy, completeness or fairness of any of the statements contained in the Preliminary Official Statement or the Official Statement, and we have not been engaged to, and we have not, independently verified the accuracy, completeness or fairness of any such statements. However, in our capacity as Disclosure Counsel, we have participated in certain telephonic conferences with representatives and employees of the City, the City Attorney's Office, Public Resources Advisory Group, as the City's Financial Advisor, Hawkins Delafield & Wood, LLP, as City Disclosure Counsel, the Underwriters, their counsel and others, during which conferences the contents of the Preliminary Official Statement and the Official Statement and related matters were discussed. Based on our participation in the above-mentioned conferences (which did not extend beyond the date of the Official Statement), and in reliance thereon and on the records, documents, certificates, opinions and matters described above and subject to the qualifications set forth herein, we advise you as a matter of fact and not legal opinion that, during the course of our engagement as Disclosure Counsel to the City on this matter, no facts came to the attention

of the attorneys in our firm rendering legal services in connection with such representation which caused us to believe the Preliminary Official Statement (including Appendix A) as of its date and the Official Statement (including Appendix A thereto) as of its date and as of this date (except for any information listed below, as to which we express no view) contained or contains any untrue statement of a material fact, or omitted or omits to state a material fact necessary in order to make the statements therein, in the light of the circumstances under which they were made, not misleading. We express no view as to: (a) Appendix E to the Preliminary Official Statement or Appendix E to the Official Statement; (b) any other financial, accounting, economic, statistical, engineering or demographic data or forecasts, debt service schedules, numbers, charts, tables, graphs, estimates, projections, appraisals, assumptions or expressions of opinion included or incorporated by reference in the Preliminary Official Statement, or the Appendices thereto, or the Official Statement, or the Appendices thereto, or omitted therefrom; (c) any CUSIP number included or omitted therefrom; and (d) any information about the book entry system, The Depository Trust Company or the initial reoffering yields or prices of the Bonds. No responsibility is undertaken, or view expressed or rendered, with respect to any other disclosure documents, material or activity.

The preceding paragraph is not a legal opinion but is in the nature of negative factual advice based on certain limited activities performed by specific lawyers in our firm in our role as Disclosure Counsel, which limited activities do not purport to encompass all activities that the City may be responsible to undertake with respect to the Preliminary Official Statement and the Official Statement.

This letter is furnished by us as Disclosure Counsel to the City. No attorney-client relationship has existed or exists between our firm and the Authority in connection with the Bonds, the Preliminary Official Statement and the Official Statement or by virtue of this letter. This letter is furnished by us to the City and Authority in connection with the original issuance and delivery of the Bonds, is solely for your benefit and is not to be used circulated quoted, or otherwise referred to, or relied upon by you for any other purpose, or by any other person. This letter is not intended to, and may not, be relied upon by the holders or owners of the Bonds or by any other person to whom it is not specifically addressed. We do not undertake to advise you of any subsequent events or developments which might affect the statements contained herein. Our engagement with respect to this matter has terminated as of the date hereof, and we disclaim any obligation to update this letter.

Respectfully submitted

APPENDIX C

CITY ATTORNEY OPINION

_____, 2015

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

RBC Capital Markets, LLC, as Representative
of the Underwriters (defined below)
Los Angeles, California

Re: \$_____ Public Facilities Financing Authority of the City of San Diego
Lease Revenue Refunding Bonds, Series 2015 (Ballpark Refunding)

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)(viii) of the Bond Purchase Agreement dated _____, 2015 (the “Bond Purchase Agreement”), by and between the City and RBC Capital Markets, LLC, 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 Refunding Bonds, Series 2015 (Ballpark Refunding) (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. O-_____ of the City Council of the City (“Council”) adopted on _____, 2015 and effective as of _____, 2015 Approving the Forms of and Authorizing the Execution and Delivery of an Amended and Restated Site Lease, an Amended and Restated Ballpark Facility Lease and a Bond Purchase Agreement; Authorizing the Execution, Delivery and Performance of Third Reaffirmation of Assignment Agreement, an Indenture and an Escrow Agreement 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 of the Authority’s Lease Revenue Refunding Bonds, Series 2015 (Ballpark Refunding); and Approving Other Documents and Actions in Connection Therewith (the “Ordinance”); (ii) Resolution R-_____ of the Council adopted on _____, 2015 and approved for final passage on _____, 2015, 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 Refunding Bonds, Series 2015 (Ballpark Refunding); (iii) a Resolution of the Board of Commissioners of the Authority adopted on _____, 2015, Authorizing the Execution and Delivery of an Amended and Restated Site Lease, an Amended and Restated Ballpark Facility Lease, a Third Reaffirmation of Assignment Agreement, an Indenture, an Escrow Agreement and a Purchase Agreement, and Approving the Issuance and Sale of not to Exceed

§ _____ of the Authority’s Lease Revenue Refunding Bonds, Series 2015 (Ballpark Refunding); and Approving Other Documents and Actions in Connection Therewith; and (iv) a Resolution of the Board of Commissioners of the Authority adopted on _____, 2015, Approving the Form and Authorizing the Distribution of the Preliminary Official Statement; 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 Refunding Bonds, Series 2015 (Ballpark Refunding); and Approving Other Documents and Actions in Connection Therewith (collectively, items (ii), (iii) and (iv) 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 Facility 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 Facility 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 Facility 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 Facility 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 RBC Capital Markets, LLC (the “Representative”), as representative of itself and Merrill Lynch, Pierce, Fenner & Smith Inc., William Blair & Company, L.L.C., and Stern Brothers & Co. (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 Refunding Bonds, Series 2015 (Ballpark Refunding) (the “Series 2015 Bonds”) on _____, 2015, 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 Underwriters reasonably expected when they agreed to purchase the Series 2015 Bonds on _____, 2015 (the “Sale Date”) that the first prices at which each maturity of the Series 2015 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 wholesalers) (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 prices listed for each maturity on Schedule A hereto (each an “Initial Offering Price”).

2. All of the Series 2015 Bonds 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, their Initial Offering Prices.

3. The first price, or yield in the case of obligations sold on a yield basis, at which at least ten percent (10%) of each maturity of the Series 2015 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 2015 Bonds with the following maturities: (collectively, the “Identified Bonds”).] [Further explanation of the failure to meet the 10% on a particular maturity of the Identified Bonds – e.g., market conditions/movement on the Sale Date.]

4. The Underwriters believe that each Initial Offering Price of the Series 2015 Bonds reasonably reflects the expected fair market value of such maturity of the Series 2015 Bonds as of the Sale Date.

5. The sum of the Initial Offering Prices of the Series 2015 Bonds, based on the prices at which the first 10 percent of each maturity was sold or was reasonably expected to be sold, is \$_____, taking into account net premium on the Series 2015 Bonds.

6. The Underwriters’ discount charged in connection with the Series 2015 Bonds represents a reasonable arm’s-length charge and does not include any payment of any services other than the Underwriters’ services relating to the Series 2015 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 and Nonarbitrage Certificate and by Nixon Peabody LLP, in connection with rendering its opinion to the Authority and the City that the interest on the Series 2015 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, as amended 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.

RBC CAPITAL MARKETS, LLC,
on behalf of itself and as Representative of the
Underwriters

By: _____
[Name]
[Title]

Dated: _____ __, 2015

SCHEDULE A

FACILITY LEASE

PUBLIC FACILITIES FINANCING AUTHORITY OF THE CITY OF SAN DIEGO

LEASE REVENUE REFUNDING BONDS, SERIES 2015

(BALLPARK REFUNDING)

Log of Outstanding Items

<u>Page</u>	<u>Outstanding Items</u>	<u>Responsible Party</u>	<u>Expected Availability</u>
Cover	Principal Amount of Bonds	Bond Counsel	Bond Pricing
1	Principal Amount of Bonds	Bond Counsel	Bond Pricing
4	Expiry Date	Bond Counsel	Bond Pricing
9	Closing Date	Bond Counsel	Bond Pricing
9, 13	10 Years after Maturity Date	Bond Counsel	Bond Pricing
S-1	Signatures	City Authority	Pre-Closing
	Notary Form (2)	City Authority	Pre-Closing
B-1	Base Rental Schedule	Bond Counsel	Bond Pricing

Recorded Requested By and)
When Recorded Mail To:)
)
Charles C. Wolf)
Nixon Peabody LLP)
555 West Fifth Street, 46th Floor)
Los Angeles, California 90013)

(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.

AMENDED AND RESTATED
BALLPARK FACILITY LEASE

by and between the

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 REFUNDING BONDS, SERIES 2015
(BALLPARK REFUNDING)

Dated as of July 1, 2015

TABLE OF CONTENTS

		<u>Page</u>
ARTICLE I	DEFINITIONS	2
Section 1.01	Definitions	2
ARTICLE II	THE LEASED PROPERTY.....	6
Section 2.01	Lease of the Leased Property	6
Section 2.02	Quiet Enjoyment.....	6
Section 2.03	Right of Entry and Inspection.....	7
Section 2.04	Prohibition Against Encumbrance or Sale	7
Section 2.05	Liens	7
Section 2.06	Substitution or Removal of Leased Property.....	7
ARTICLE III	TERM OF THE FACILITY LEASE	9
Section 3.01	Commencement of the Facility Lease	9
ARTICLE IV	USE OF PROCEEDS; TAX COVENANTS; CONTINUING DISCLOSURE	9
Section 4.01	Use of Proceeds	9
Section 4.02	Tax Covenants	9
Section 4.03	Continuing Disclosure	10
ARTICLE V	RENTAL PAYMENTS	10
Section 5.01	Rental Payments	10
Section 5.02	Annual Budgets	12
Section 5.03	Application of Rental Payments	12
Section 5.04	Rental Abatement	13
Section 5.05	Prepayment of Base Rental Payments	13
Section 5.06	Obligation to Make Rental Payments.....	14
Section 5.07	Additional Bonds	14
ARTICLE VI	MAINTENANCE; TAXES; INSURANCE AND OTHER CHARGES	15
Section 6.01	Maintenance of the Leased Property	15
Section 6.02	Taxes, Other Governmental Charges and Utility Charges	15
Section 6.03	Insurance.....	15
Section 6.04	Advances	17
Section 6.05	Title Insurance	17
ARTICLE VII	DAMAGE, DESTRUCTION, TITLE DEFECT AND CONDEMNATION	17
Section 7.01	Damage, Destruction, Title Defect and Condemnation; Use of Net Proceeds	17
ARTICLE VIII	DISCLAIMER OF WARRANTIES; USE OF THE LEASED PROPERTY	19
Section 8.01	Disclaimer of Warranties.....	19

TABLE OF CONTENTS
(continued)

		<u>Page</u>
Section 8.02	Use of the Leased Property.....	19
ARTICLE IX	ASSIGNMENT AND INDEMNIFICATION.....	20
Section 9.01	Assignment by Authority	20
Section 9.02	Assignment by City	20
Section 9.03	Indemnification.....	20
ARTICLE X	DEFAULT	21
Section 10.01	Default	21
ARTICLE XI	MISCELLANEOUS.....	22
Section 11.01	Notices.....	22
Section 11.02	Binding Effect	23
Section 11.03	Third Party Beneficiaries.....	23
Section 11.04	Net Lease	23
Section 11.05	Amendments to Facility Lease	23
Section 11.06	Discharge of City.....	24
Section 11.07	Partial Invalidity	24
Section 11.08	California Law	24
Section 11.09	Section Headings	25
Section 11.10	Execution in Counterparts	25
Section 11.11	Amendment of 2007A Facility Lease.....	25
EXHIBIT A	DESCRIPTION OF LEASED PROPERTY.....	A-1
EXHIBIT B	BASE RENTAL PAYMENT SCHEDULE	B-1

AMENDED AND RESTATED BALLPARK FACILITY LEASE

This Amended and Restated Ballpark Facility Lease (the "Facility Lease"), dated as of July 1, 2015, 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 the CITY OF SAN DIEGO, a municipal corporation duly organized and existing under its charter and laws of the State of California (the "City"), amends and restates that certain Amended and Restated Ballpark Facility Lease, dated as of March 1, 2007 (recorded March 9, 2007 as document number 2007-0161635 of the Official Records) (the "2007A Facility Lease"), by and between the Authority as lessor and the City as lessee.

W I T N E S S E T H:

WHEREAS, at the request of the City, the Authority has heretofore issued its \$156,560,000 Lease Revenue Refunding Bonds, Series 2007A (Ballpark Refunding) (the "Series 2007A Bonds"), of which \$125,255,000 aggregate principal amount is currently outstanding; and

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

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

WHEREAS, the City has determined it will achieve certain interest savings and will benefit the inhabitants of the City that the Series 2007A Bonds be refunded (the "Refunding"); and

WHEREAS, to provide for the Refunding, the City will enter into an Amended and Restated Site Lease, dated as of even date herewith (the "Site Lease"), with the Authority, pursuant to which the City will lease to the Authority certain real property belonging to the City, together with the portion of the improvements located thereon that are owned by the City, consisting of (i) the Ballpark exclusive of Padres Improvements and (ii) the Park (collectively, the "Leased Property," as more particularly described in Exhibit A thereto and hereto), and concurrent with execution and delivery of the Site Lease, the Authority will, pursuant to this Facility Lease, sublease the Leased Property to the City and the City will sublease the Leased Property back from the Authority; and

WHEREAS, the City and the Authority have determined that there are significant public benefits to refund the Series 2007A Bonds, thereby resulting in interest savings to the City by issuance by the Authority of the \$_____ Lease Revenue Refunding Bonds, Series 2015

(Ballpark Refunding) (the “Refunding Bonds”), pursuant to an Indenture, dated as of July 1, 2015 (the “Indenture”), by and between the Authority and Wells Fargo Bank, National Association, as Trustee (the “Trustee”); and

WHEREAS, the City is authorized by its Charter and other applicable law to lease the Leased Property to the Authority pursuant to the Site Lease, and to lease-back the Leased Property pursuant to this Facility Lease and to consummate the Refunding; and has determined that the Refunding 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 Facility 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 Facility 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:

ARTICLE I

DEFINITIONS

Section 1.01 Definitions. Unless the context otherwise requires, the terms defined in this Section shall for all purposes hereof and of any amendment hereof have the meanings defined herein, the following definitions to be equally applicable to both the singular and plural forms of any of the terms defined herein. All references herein to “Sections” and other subdivisions hereof are to the corresponding Sections or subdivisions of this Facility Lease as originally executed; and the words “herein,” “hereof,” “hereunder” and other words of similar import refer to this Facility Lease as a whole and not to any particular Section or subdivision hereof. All other capitalized terms used herein without definition shall have the meanings as set forth in the Indenture.

Additional Rental

“Additional Rental” means all amounts payable by the City pursuant to Section 5.01(b) hereof.

Authority

“Authority” means the Public Facilities Financing Authority of the City of San Diego, a joint powers agency created by the City, the Successor Agency and the Housing Authority of the City of San Diego pursuant to California Government Code Sections 6500 et seq. and the Third Amended and Restated Joint Exercise of Powers Agreement, dated January 1, 2013, and any successor thereto.

Ballpark

“Ballpark” means the baseball park constructed on certain real property belonging to the City.

Base Rental Payment Date

“Base Rental Payment Date” means each date on which a Base Rental Payment is due as set forth in the Base Rental Payment Schedule attached hereto as Exhibit B and incorporated herein.

Base Rental Payments

“Base Rental Payments” means all amounts payable by the City as Base Rental pursuant to Section 5.01(a) hereof.

CC&Rs

“CC&Rs” means any written covenants, conditions and restrictions, maintenance agreements or reciprocal easement agreements affecting the Leased Property and/or property adjacent thereto in form and substance acceptable to the City, as the same may from time to time be amended, supplemented or modified.

City

“City” means the City of San Diego, a municipal corporation organized and existing under and by virtue of its charter and the laws of the State.

Claim

“Claim” shall have the meaning contained in Section 9.03 hereof.

Closing Date

“Closing Date” shall mean the date of delivery of the Refunding Bonds to the original purchasers thereof.

Code

“Code” means the Internal Revenue Code of 1986, as amended from time to time, or, where pertinent, its statutory predecessor, the Internal Revenue Code of 1954, as amended (the “1954 Code”). References to the Code and Sections of the Code include relevant applicable regulations and proposed regulations thereunder and under the 1945 Code, as amended from time to time, and any successor provision to those Sections, regulations or proposed regulations and, in addition, all revenue rulings, announcements, notices, procedures and judicial determinations under the foregoing applicable to the Bonds.

Damaged Improvements

“Damaged Improvements” shall have the meaning contained in Section 7.01(a) hereof.

Default

“Default” shall have the meaning contained in Section 10.01 hereof.

Event of Default

“Event of Default” shall have the meaning contained in Section 10.01 hereof.

Expiry Date

“Expiry Date” means [____], except as extended or sooner terminated pursuant to Section 3.01 hereof.

Facility Lease

“Facility Lease” means this Amended and Restated Ballpark Facility Lease, dated as of July 1, 2015, 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.

Financing Documents

“Financing Documents” means this Facility Lease, the Site Lease, and the Indenture.

Indenture

“Indenture” means that certain Indenture, dated as of July 1, 2015, by and between the Authority and the Trustee, providing for the terms and conditions of the Refunding Bonds, as originally executed and as it may from time to time be amended or supplemented in accordance with the terms thereof.

Joint Use and Management Agreement

“Joint Use and Management Agreement” means that certain Joint Use and Management Agreement, dated as of February 1, 2000, as amended by Amendment No. 1 to the Joint Use and Management Agreement, dated as of May 21, 2012, each by and between the City and the Padres, and as it may from time to time be amended or supplemented in accordance with the terms thereof.

Lease Year

“Lease Year” means the period from each October 15 to and including the following October 14, during the term hereof; except that the initial Lease Year means the period from the Closing Date to and including October 14, 2015.

Leased Property

“Leased Property” means the certain real property belonging to the City, together with the portion of the improvements located thereon that are owned by the City, but the Leased Property may be changed from time to time by Removal or Substitution as provided in Section 2.06 hereof.

Net Proceeds

“Net Proceeds” means, collectively, the net proceeds of any insurance or condemnation award resulting from any damage or destruction of any portion of the Leased Property payable in accordance with Section 7.01 hereof.

Operating Budget

“Operating Budget” shall have the meaning contained in Section 5.02 hereof.

Opinion of Counsel

“Opinion of Counsel” means a written opinion of counsel of recognized national standing in the field of law relating to municipal bonds, appointed and paid by the City.

Owner

“Owner” means the registered owner of any Outstanding Bond.

Padres

“Padres” means the Padres, L.P., a Delaware limited partnership.

Padres Improvements

“Padres Improvements” means those improvements on the baseball park constructed on certain real property belonging to the City which are identified in the Joint Use and Management Agreement as being owned by the Padres.

Permitted Encumbrances

“Permitted Encumbrances” means, as of any particular time: (i) liens for general ad valorem taxes and assessments, if any, not then delinquent, or which the City may, pursuant to Section 6.02, permit to remain unpaid; (ii) the Site Lease, this Facility Lease, the Joint Use and Management Agreement, and the CC&Rs, as each may be amended from time to time; (iii) any right or claim of any mechanic, laborer, materialman, supplier or vendor not filed or perfected in the manner prescribed by law; (iv) easements, rights of way, mineral rights, drilling rights and other rights, reservations, covenants, conditions or restrictions, all of a non-monetary nature, which exist of record as of the Closing Date; and (v) easements, rights of way, mineral rights, drilling rights and other rights, reservations, covenants, conditions or restrictions, all of a non-

monetary nature, established following the date of recordation of this Facility Lease and to which the Authority and the City consent in writing.

Removal

“Removal” means the release of all or a portion of the Leased Property from the leasehold hereof as provided in Section 2.06 hereof.

Site Lease

“Site Lease” means that certain Amended and Restated Site Lease, dated as of July 1, 2015, by and between the City and the Authority under which the City leases the Leased 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.

Substitution

“Substitution” means the release of all or a portion of the Leased Property from the leasehold hereof, and the lease of substituted real property and improvements hereunder as provided in Section 2.06 hereof.

Successor Agency

“Successor Agency” means the Successor Agency to the Redevelopment Agency of the City of San Diego.

Trustee

“Trustee” means Wells Fargo Bank, National Association, a national banking association organized and existing under the laws of the United States of America, or its successor, as Trustee as provided in the Indenture.

ARTICLE II

THE LEASED PROPERTY

Section 2.01 Lease of the Leased Property. The Authority hereby leases to the City, and the City hereby rents and hires from the Authority, the Leased Property on the conditions and terms hereinafter set forth. The City hereby agrees and covenants that during the term hereof, except as hereinafter provided, it will use the Leased Property for public purposes so as to afford the public the benefits contemplated hereby and so as to permit the Authority to carry out its agreements and covenants contained herein and in the Indenture, and the City hereby further agrees and covenants that during the term hereof that it will not abandon or vacate the Leased Property.

Section 2.02 Quiet Enjoyment. The parties hereto mutually covenant that the City, so long as it observes and performs the agreements, conditions, covenants and terms required to be observed or performed by it contained herein and is not in default hereunder, shall

at all times during the term hereof peaceably and quietly have, hold and enjoy the Leased Property without suit, trouble or hindrance from the Authority.

Section 2.03 Right of Entry and Inspection. The Authority shall have the right to enter the Leased Property and inspect the Leased Property during reasonable business hours (and in emergencies at all times) for any purpose connected with the Authority's rights or obligations hereunder and for all other lawful purposes.

Section 2.04 Prohibition Against Encumbrance or Sale. The City and the Authority will not create or suffer to be created any mortgage, pledge, lien, charge or encumbrance upon the Leased Property, except Permitted Encumbrances. The City and the Authority will not sell or otherwise dispose of the Leased Property or any property essential to the proper operation of the Leased Property, except as otherwise provided herein. Notwithstanding anything to the contrary herein contained, the City may assign, transfer or sublease any and all of the Leased Property or its other rights hereunder, provided that (i) the rights of any assignee, transferee or sublessee shall be subordinate to all rights of the Authority hereunder; (ii) no such assignment, transfer or sublease shall relieve the City of any of its obligations hereunder; (iii) the assignment, transfer or sublease shall not result in a breach of any covenant of the City contained in any other Section hereof; (iv) any such assignment, transfer or sublease shall by its terms expressly provide that the fair rental value of the Leased Property for all purposes shall be first allocated to this Facility Lease, as the same may be amended from time to time before or after any such assignment, transfer or sublease; and (v) no such assignment, transfer or sublease shall confer upon the parties thereto (other than the City) any remedy which allows reentry upon the Leased Property.

Section 2.05 Liens. In the event the City shall at any time during the term hereof cause any improvements to the Leased Property to be constructed or materials to be supplied in or upon or attached to the Leased Property, the City shall pay or cause to be paid when due all sums of money that may become due or purporting to be due for any labor, services, materials, supplies or equipment furnished or alleged to have been furnished to or for the City in, upon, about or relating to the Leased Property and shall keep the Leased Property free of any and all liens against the Leased Property or the Authority's interest therein. In the event any such lien attaches to or is filed against the Leased Property or the Authority's interest therein, and the enforcement thereof is not stayed or if so stayed such stay thereafter expires, the City shall cause each such lien to be fully discharged and released at the time the performance of any obligation secured by any such lien matures or becomes due. If any such lien shall be reduced to final judgment and such judgment or any process as may be issued for the enforcement thereof is not promptly stayed, or if so stayed and such stay thereafter expires, the City shall forthwith pay and discharge or cause to be paid and discharged such judgment.

Section 2.06 Substitution or Removal of Leased Property. (a) The City and the Authority may amend this Facility Lease to substitute and/or add real property and/or improvements (the "Substituted Property") for the existing Leased Property or to remove real property (including undivided interests therein) or improvements from the definition of Leased Property, upon compliance with all of the conditions set forth in subsection (b). After a Substitution or Removal, the part of the Leased Property for which the Substitution or Removal has been effected shall be released from the leasehold hereunder.

(b) No Substitution or Removal shall take place hereunder until the City delivers to the Authority and the Trustee the following:

(1) a Certificate of the City containing a description of all or part of the Leased Property to be released and, in the event of a Substitution, a description of the Substituted Property to be substituted in its place;

(2) a Certificate of the City stating that the annual fair rental value of the Leased Property after a Substitution or Removal, in each year during the remaining term of this Facility Lease, is at least equal to the maximum annual Base Rental Payments attributable to the Leased Property following said Substitution or Removal, as determined by the City on the basis of an appraisal of the Leased Property taking into account said Substitution or Removal conducted by a member of the American Institute of Real Estate Appraisers or the American Society of Appraisers designated by the City;

(3) an Opinion of Counsel to the effect that the amendments hereto in connection with such Substitution or Removal have been duly authorized, executed and delivered and constitute the valid and binding obligations of the City and the Authority enforceable in accordance with their terms;

(4) in the event of a Substitution, a policy of title insurance in an amount equal to the value of the Substituted Property such that the total amount of title insurance for the Leased Property following the Substitution is at least equal to the principal amount of the Refunding Bonds then Outstanding, insuring the leasehold estate of the Authority under the Site Lease and the City under this Facility Lease in the Substituted Property (except any portion thereof which is not real property) subject to Permitted Encumbrances, together with an endorsement thereto making said policy payable to the Trustee for the benefit of the Owners of the Bonds;

(5) in the event of a Substitution, an opinion of the City Attorney of the City to the effect that the exceptions, if any, contained in the title insurance policy referred to in (4) above do not interfere with the beneficial use and occupancy of the Substituted Property described in such policy by the City for the purposes of leasing or using the Substituted Property;

(6) an Opinion of Counsel that the Substitution or Removal will not, in and of itself, cause the interest on the Bonds to be includable in gross income of the Owners thereof for federal income tax purposes;

(7) a Certificate of the City stating that the City has complied with the covenants contained in clauses (1) and (2) of Section 6.03 hereof with respect to the Substituted Property; and

(8) evidence that the City has delivered to each of the Rating Agencies then rating the Refunding Bonds, if any, copies of the certificates and appraisal described in clauses (1) and (2) above, and evidence from each of the Rating Agencies, if any, then rating the Refunding Bonds that such Substitution or Removal, in and of itself, will not

result in a reduction of its rating on the Refunding Bonds from the rating which then prevails.

ARTICLE III

TERM OF THE FACILITY LEASE

Section 3.01 Commencement of the Facility Lease. (a) The term of this Facility Lease commenced on ____, 2015, and shall end on the Expiry Date, unless the Expiry Date is extended or is sooner terminated as hereinafter provided. If on the Expiry Date, the stated rental payable hereunder shall not be fully paid and all Refunding Bonds shall not be fully paid and defeased, or if the rental payable hereunder shall have been abated at any time or for any reason, then the term of this Facility Lease shall be extended until the first Business Day following the day the rental payable hereunder shall be fully paid and all Refunding Bonds shall be fully paid and defeased, except that the term of this Facility Lease shall in no event be extended beyond [____]. If prior to the Expiry Date, the rental payable hereunder shall be fully paid and all Refunding Bonds shall have been fully paid or defeased in accordance with Article X of the Indenture, the term of this Facility Lease shall end the first Business Day thereafter or ten (10) days after written notice by the City to the Authority to the effect that the rental payable hereunder shall be fully paid and all Refunding Bonds have been fully paid, whichever is earlier, and this Facility Lease shall thereupon terminate.

ARTICLE IV

USE OF PROCEEDS; TAX COVENANTS; CONTINUING DISCLOSURE

Section 4.01 Use of Proceeds. The parties hereto agree that the proceeds of the Refunding Bonds will be used to pay the costs of issuance of the Refunding Bonds and the remainder will be deposited with the Escrow Agent pursuant to the Escrow Agreement for the redemption of the Series 2007A Bonds in accordance with the Indenture.

Section 4.02 Tax Covenants. The City will not take any action, or fail to take any action, if such action or failure to take such action would adversely affect the exclusion from gross income of the interest on the Refunding Bonds pursuant to Section 103 of the Code and specifically the City will not directly or indirectly use or make any use of the proceeds of the Refunding Bonds or any other funds of the City or take or omit to take any action that would cause the Refunding Bonds to be “arbitrage bonds” subject to federal income taxation by reason of Section 148 of the Code or obligations subject to federal income taxation because they are “federally guaranteed” as provided in Section 149(b) of the Code, as applicable. The City, with respect to the proceeds of the Refunding Bonds and such other funds, will comply with all requirements of such sections of the Code to the extent that such requirements are, at the time, applicable and in effect; provided, however, that if the City shall obtain an Opinion of Counsel to the effect that any action required under this section is no longer required, or to the effect that some further action is required, to maintain the exclusion from gross income of the interest on the Refunding Bonds pursuant to Section 103 of the Code, as applicable, the City may rely conclusively on such opinion in complying with the provisions hereof. In the event that at any time the City is of the opinion that for purposes of this section it is necessary to restrict or limit

the yield on the investment of any moneys held by the Trustee under the Indenture or otherwise the City shall so instruct the Trustee in writing, and the Trustee shall take such action as may be necessary in accordance with such instructions.

Section 4.03 Continuing Disclosure. The City hereby covenants and agrees that it will comply with and carry out all of the provisions of the Continuing Disclosure Certificate in accordance with its terms. Notwithstanding any other provision of this Facility Lease, failure of the City to comply with the Continuing Disclosure Certificate shall not be considered an event of default hereunder. However, the Trustee may (and, at the request of any Participating Underwriter (as defined in the Continuing Disclosure Certificate) or Owners of at least 25% aggregate principal amount in Outstanding Refunding Bonds, shall, after providing the Trustee security and indemnification satisfactory to it against the costs, expenses and liabilities to be incurred therein or thereby) or any Owner or Beneficial Owner may take such actions as may be necessary and appropriate, including seeking specific performance by court order, to cause the City to comply with its obligations under this Section 4.03.

ARTICLE V

RENTAL PAYMENTS

Section 5.01 Rental Payments. The City agrees to pay to the Authority, its successors or assigns, without deduction or offset of any kind, as rental for the use and occupancy of the Leased Property, the following amounts at the following times:

(a) Base Rental. The City shall pay to the Authority rental hereunder as Base Rental Payments with respect to the Leased Property at the times and in the amounts set forth in the Base Rental Payment Schedule attached hereto as Exhibit B and incorporated herein. The City shall deposit with the Trustee not later than the third Business Day preceding each Base Rental Payment Date the Base Rental Payment due on such Base Rental Payment Date and the same shall be held by the Trustee as security for such Base Rental Payment.

(b) Additional Rental. The City shall also pay, as rental hereunder in addition to the Base Rental Payments, to the Authority or the Trustee, as hereinafter provided, such amounts in each year as shall be required for the payment of all costs and expenses incurred by the Authority in connection with the execution, performance or enforcement of this Facility Lease or the assignment hereof pursuant to the Indenture, the Indenture or the respective interests in the Leased Property and the lease of the Leased Property by the Authority to the City hereunder, including but not limited to all fees, costs and expenses and all administrative costs of the Authority relating to the Leased Property including, without limiting the generality of the foregoing, salaries and wages of employees, overhead, insurance premiums, taxes and assessments (if any), expenses, compensation and indemnification of the Trustee (to the extent not paid or otherwise provided for out of the proceeds of the sale of the Bonds), fees of auditors, accountants, attorneys or engineers, insurance premiums, rebate amounts payable to the United States pursuant to the Tax Certificate, and all other reasonable and necessary administrative costs of the Authority or charges required to be paid by it to comply with the terms of the Bonds or the Indenture.

(1) The foregoing Additional Rental shall be billed to the City by the Authority or the Trustee from time to time, together with a statement certifying that the amount billed has been incurred or paid by the Authority, the Trustee or the Trustee on behalf of the Authority for one or more of the items above described, or that such amount is then so payable for such items. Amounts so billed shall be paid by the City not later than the latest time as such amounts may be paid without penalty or, if no penalty is associated with a late payment of such amounts, within 30 days after receipt of a bill by the City for such amounts.

(2) The Authority may issue bonds and may enter into leases to finance facilities other than the Leased Property. The administrative costs of the Authority shall be allocated among said facilities and the Leased Property, as hereinafter in this paragraph provided. Any taxes levied against the Authority with respect to the Leased Property, the fees of the Trustee, and any other expenses directly attributable to the Leased Property shall be included in the Additional Rental payable hereunder. Any taxes levied against the Authority with respect to real property other than the Leased Property, the fees of any trustee or paying agent under any resolution securing bonds of the Authority or any trust agreement or indenture other than the Indenture, and any other expenses directly attributable to any facilities other than the Leased Property shall not be included in the administrative costs of the Leased Property and shall not be paid from the Additional Rental payable hereunder. Any expenses of the Authority not directly attributable to any particular project of the Authority shall be equitably allocated among all such projects, including the Leased Property, in accordance with sound accounting practice. In the event of any question or dispute as to such allocation, the written opinion of an independent firm of certified public accountants, employed by the Authority to consider the question and render an opinion thereon, shall be final and conclusive determination as to such allocation. The Trustee may conclusively rely upon a Certificate of the Authority in making any determination that costs are payable as Additional Rental hereunder, and shall not be required to make any investigation as to whether or not the items so requested to be paid are expenses of operation of the Leased Property.

(c) Consideration.

(1) Such payments of Base Rental Payments and Additional Rental for each Lease Year or portion thereof during the term of this Facility Lease shall constitute the total rental for such Lease Year or portion thereof and shall be paid or payable by the City for and in consideration of the right of the use and possession of, and the continued quiet use and enjoyment of, the Leased Property. On the Closing Date, the City shall deliver a Certificate to the Authority and the Trustee which shall set forth the minimum annual fair rental value of the Leased Property. The parties hereto have agreed and determined that the annual fair rental value of the Leased Property is not less than the maximum Base Rental Payments payable hereunder in any year. In making such determinations of annual fair rental value, consideration has been given to a variety of factors including the costs of the improvements located on the Leased Property, the replacement costs of such improvements, other obligations of the parties under this Facility Lease, the uses and purposes which may be served by the improvements on the

Leased Property and the benefits therefrom which will accrue to the City and the general public.

(2) The parties hereto hereby acknowledge that the parties hereto may amend this Facility Lease from time to time to increase the Base Rental Payments payable hereunder so that Additional Bonds may be issued pursuant to Sections 5.07 hereof and Sections 2.10 and 2.11 of the Indenture. The proceeds of such Additional Bonds shall be used as provided in Section 2.10(b) of the Indenture. Notwithstanding anything to the contrary herein contained, this Facility Lease may not be amended in a manner such that the sum of Base Rental Payments, including Base Rental Payments payable pursuant to such amendment, and Additional Rental with respect to Outstanding Refunding Bonds and Additional Bonds in any year is in excess of the annual fair rental value of the Leased Property and other land and improvements leased to the City hereunder after giving effect to the application of proceeds of any Additional Bonds issued in connection therewith.

(d) Payment; Credit. Each installment of Base Rental Payments payable hereunder shall be paid in lawful money of the United States of America to or upon the order of the Authority at the designated corporate trust office of the Trustee in Los Angeles, California, or such other place as the Trustee shall designate. Any such installment of rental accruing hereunder which shall not be paid when due shall remain due and payable until received by the Trustee, except as provided in Section 5.04 hereof. Notwithstanding any dispute between the City and the Authority, the City shall make all rental payments when due, without deduction or offset of any kind, and shall not withhold any rental payments pending the final resolution of any such dispute. In the event of a determination that the City was not liable for said rental payments or any portion thereof, said payments or excess of payments, as the case may be, shall, at the option of the City, be credited against subsequent rental payments due hereunder or be refunded at the time of such determination. Amounts required to be deposited by the City with the Trustee pursuant to this Section 5.01(e) on any date shall be reduced to the extent of amounts on deposit on such date in the Interest Account or the Principal Account of the Revenue Fund held under the Indenture.

Section 5.02 Annual Budgets. The City covenants to take such action as may be necessary to include all Base Rental Payments and Additional Rental payments due under this Facility Lease in its operating budget for each fiscal year commencing after the date hereof (an "Operating Budget") and to make all necessary appropriations for such Base Rental Payments and Additional Rental payments. In addition, to the extent permitted by law, the City covenants to take such action as may be necessary to amend or supplement the budget appropriations for payments under this Facility Lease at any time and from time to time during any fiscal year in the event that the actual Base Rental Payments and Additional Rental required to be paid in any fiscal year exceeds the appropriations then contained in the City's budget.

Section 5.03 Application of Rental Payments. All rental payments received shall be applied first to the Base Rental Payments due hereunder (including any prepayment premium components) and thereafter to all Additional Rental due hereunder, but no such application of any payments which are less than the total rental due and owing shall be deemed a waiver of any default hereunder.

Section 5.04 Rental Abatement. (a) Except to the extent of (i) amounts held by the Trustee in the Interest Account or Principal Account of the Revenue Fund, (ii) amounts received in respect of use and occupancy insurance, and (iii) amounts, if any, otherwise legally available to the Trustee for payments in respect of the Refunding Bonds, during any period in which, by reason of material damage, destruction, title defect or condemnation there is substantial interference with the use and possession by the City of any portion of the Leased Property, rental payments due hereunder with respect to the Leased Property shall be abated to the extent that the annual fair rental value of the portion of the Leased Property in respect of which there is no substantial interference is less than the annual Base Rental Payments and Additional Rental, in which case rental payments shall be abated only by an amount equal to the difference. In the event the City shall assign, transfer or sublease any or all of the Leased Property or other rights hereunder, as permitted by Section 2.04 hereof, for purposes of determining the annual fair rental value available to pay Base Rental Payments and Additional Rental, annual fair rental value of the Leased Property shall first be allocated to this Facility Lease as provided in clause (iv) of Section 2.04 hereof. Any abatement of rental payments pursuant to this Section shall not be considered an event of default as defined in Article X hereof, but shall result in the extension of the Expiry Date by a period equal to the period of abatement for which Base Rental Payment has not been paid in full (but in no event later than [____]), and Base Rental Payment for such extension period shall be equal to the unpaid Base Rental payments during the period of abatement but without interest thereon. The City waives the benefits of California Civil Code Sections 1932(2) and 1933(4) and any and all other rights to terminate this Facility Lease by virtue of any such interference and this Facility Lease shall continue in full force and effect. Such abatement shall continue for the period commencing with the date of such damage, destruction, title defect or condemnation and ending with the substantial completion of the work of repair or replacement of the portions of the Leased Property so damaged, destroyed, defective or condemned.

(b) In the event that rental is abated, in whole or in part, pursuant to this Section due to damage, destruction, title defect or condemnation of any part of the Leased Property and the City is unable to repair, replace or rebuild the Leased Property from the Net Proceeds, if any, the City agrees to apply for and to use its best efforts to obtain any appropriate state and/or federal disaster relief in order to obtain funds to repair, replace or rebuild the Leased Property.

Section 5.05 Prepayment of Base Rental Payments. (a) Subject to the provisions of Section 7.01 hereof, the City may prepay, from Net Proceeds received by it pursuant to Section 7.01 hereof, all or any portion of the components of Base Rental Payments relating to any portion of the Leased Property then unpaid on any date, in whole or in part, so that the aggregate annual amounts of Base Rental Payments which shall be payable after such prepayment date shall as nearly as possible increase or decrease to no greater extent from year to year than did annual Base Rental Payments before giving effect to such prepayment of Base Rental Payments, with respect to the portion of the Leased Property so prepaid.

(b) The City may prepay, from any source of available moneys and in accordance with the provisions of Section 4.01(a) of the Indenture, all or any part (in an integral multiple of an Authorized Denomination) of the Base Rental Payments then unpaid so that the aggregate annual amounts of Base Rental Payments under this Facility Lease which shall be

payable after such prepayment date shall (i) as nearly as possible increase or decrease to no greater extent from year to year than did annual Base Rental Payments before giving effect to such prepayment of Base Rental Payments, or (ii) not exceed in any year the fair rental value of the Leased Property for such year, at a prepayment amount equal to the principal component prepaid plus accrued interest thereon to the date of prepayment plus any applicable premium.

(c) Before making any prepayment pursuant to this Section, at least 45 days before the prepayment date the City shall give written notice to the Authority and the Trustee describing such event and specifying the date on which the prepayment will be made, which date shall be not less than 30 nor more than 60 days from the date such written notice is given to the Authority and the Trustee.

Section 5.06 Obligation to Make Rental Payments. (a) The agreements and covenants on the part of the City contained herein, including the covenants to include the Base Rental Payments and Additional Rental in the Operating Budget and to make the necessary appropriations therefor, shall be deemed to be and shall be construed to be ministerial duties imposed by law and it shall be the duty of each and every public official of the City to take such action and do such things as are required by law and by the City Charter in the performance of the official duty of such officials to enable the City to carry out and perform the agreements and covenants contained herein agreed to be carried out and performed by the City.

(b) **THE OBLIGATION OF THE CITY OF SAN DIEGO TO MAKE BASE RENTAL PAYMENTS DOES NOT CONSTITUTE AN OBLIGATION OF THE CITY FOR WHICH THE CITY IS OBLIGATED TO LEVY OR PLEDGE ANY FORM OF TAXATION OR FOR WHICH THE CITY HAS LEVIED OR PLEDGED ANY FORM OF TAXATION. NEITHER THE REFUNDING BONDS NOR THE OBLIGATION TO MAKE BASE RENTAL PAYMENTS CONSTITUTES AN INDEBTEDNESS OF THE CITY, THE COUNTY OF SAN DIEGO, THE STATE OF CALIFORNIA OR ANY POLITICAL SUBDIVISION THEREOF WITHIN THE MEANING OF ANY CONSTITUTIONAL OR STATUTORY DEBT LIMITATION OR RESTRICTION.**

Section 5.07 Additional Bonds. In addition to the Refunding Bonds to be issued under the Indenture the Authority may, from time to time, but only upon satisfaction of the conditions to the issuance of Additional Bonds set forth in Sections 2.10 and 2.11 of the Indenture, enter into a Supplemental Indenture to execute and deliver Additional Bonds on a parity with the Refunding Bonds and any previously issued Additional Bonds (unless otherwise provided in the related Supplemental Indenture), the proceeds of which may be used as provided in Section 2.10(b) of the Indenture and as provided in the Supplemental Indenture; provided that prior to or concurrently with the issuance of the Additional Bonds, the City and the Authority shall have entered into an amendment to this Facility Lease providing for an increase in the Base Rental Payments to be made hereunder subject to the limitations set forth in Section 5.01(c)(2) hereof.

ARTICLE VI

MAINTENANCE; TAXES; INSURANCE AND OTHER CHARGES

Section 6.01 Maintenance of the Leased Property. The City agrees that, during the term hereof, it will, maintain, preserve and keep or caused to be maintained, preserved or kept the Leased Property and every portion thereof in good repair, working order and condition and that it will from time to time make or cause to be made all necessary and proper repairs, replacements and renewals. The Authority shall have no responsibility in any of these matters or for the making of additions or improvements to the Leased Property.

Section 6.02 Taxes, Other Governmental Charges and Utility Charges. In the event that the use, possession or acquisition by the City or the Authority of the Leased Property is found to be subject to taxation in any form, the City will pay during the term hereof, as the same respectively become due, all taxes and governmental charges of any kind whatsoever that may at any time be lawfully assessed or levied against or with respect to the Leased Property and any other property acquired by the City in substitution for, as a renewal or replacement of, or a modification, improvement or addition to, the Leased Property, as well as all gas, water, steam, electricity, heat, power, air conditioning, telephone, utility and other charges incurred in the operation, maintenance, use, occupancy and upkeep of the Leased Property; provided, however, that with respect to any governmental charges or taxes that may lawfully be paid in installments over a period of years, the City shall be obligated to pay only such installments as are accrued during such time as this Facility Lease is in effect.

Section 6.03 Insurance. (a) The City shall procure or cause to be procured and maintain or cause to be maintained throughout the term hereof for the Leased Property insurance against the following risks in the following respective amounts:

(1) Insurance against loss or damage to the Leased Property caused by fire and lightning but exclusive of earthquake, with an extended coverage endorsement covering the risk of vandalism and malicious mischief, sprinkler system leakage and boiler loss. The insurance described in this paragraph (1) shall be in an amount equal to the lesser of (A) replacement cost (without deduction for depreciation) of improvements located or to be located on the Leased Property; or (B) the remaining unpaid principal amount of Bonds Outstanding plus the amount of use and occupancy coverage described in paragraph (2) below, except that such insurance may be subject to deductible clauses of not to exceed the first one hundred thousand dollars (\$100,000) of the amount of any one loss. Insurance described in this paragraph (1) and in paragraph (2) below may be in the form of a policy which covers the Leased Property and one or more additional parcels of real property insured by the City; provided that the amount of coverage available thereunder shall be at least equal to the cumulative replacement values of the Leased Property and any other such property which is the subject of a lease, installment purchase or other financing arrangement (“Financed Property”) for which bonds, certificates of participation or other obligations shall have been issued (“Obligations”) plus the amount of use and occupancy coverage required by paragraph (2) below; in the event the City elects to obtain insurance for the Leased Property and one or more additional parcels of real property and the amount of the insurance proceeds available to pay all claims

thereunder is not sufficient to cover the replacement values of all such properties, then any such proceeds shall be used first to rebuild or repair the Leased Property and all Financed Properties or to repay all Obligations and the Refunding Bonds.

(2) Use and occupancy insurance against loss, total or partial, of the use and occupancy of the Leased Property as a result of any of the hazards covered by the insurance required by paragraph (1) hereof, in an amount sufficient to pay the Base Rental Payments attributable to the Leased Property at the maximum annual debt service for any ensuing twenty-four month period; provided, that the amount of such insurance need not exceed the total remaining Base Rental Payments; provided further, that such insurance may be part of a policy permitted under paragraph (1) above, which policy may provide that insurance proceeds paid for coverages contemplated by paragraph (1) above may reduce amounts payable under coverage required by this paragraph (2), and vice-versa; the City may obtain use and occupancy insurance covering the Leased Property as well as other parcels of property owned by the City, provided that the cumulative amount thereof is at least equal to the cumulative amount of use and occupancy insurance required by this paragraph (2) and any agreements relating to Financed Property in respect of which Obligations are outstanding.

(b) The City shall adjust all moneys which may become due and payable under any policies contemplated by paragraphs (1) and (2) above, may compromise any and all claims thereunder and shall cause the deposit of the Net Proceeds with the Trustee for application as provided herein or in the Indenture. The Trustee shall not be responsible for the sufficiency of any insurance herein required. The Trustee shall be fully protected in accepting payment on account of such insurance or any adjustment, compromise or settlement of any loss agreed to by the City.

(c) Any insurance policy issued pursuant to paragraph (a)(1) above shall be so written or endorsed as to make losses, if any, payable to the City, the Authority, the Padres and the Trustee as their respective interests may appear and the Net Proceeds of the insurance required by paragraph (a)(1) above shall be applied as provided in Section 7.01 hereof. The net proceeds, if any, of the insurance policy described in paragraph (a)(1) above shall, to the extent that such proceeds are paid on account of loss or damage to the Leased Property, be payable to the Trustee and deposited in the Insurance Proceeds and Condemnation Awards Fund and applied as described in the Indenture. The net proceeds, if any, of the insurance policy described in paragraph (a)(2) above shall, to the extent that such proceeds relate to the use and occupancy of the Leased Property, be payable to the Trustee and deposited in the Revenue Fund. Each insurance policy provided for in this Facility Lease shall contain a provision to the effect that the insurance company shall not cancel the policy or modify it materially and adversely to the interests of the Authority and the Trustee without first giving written notice thereof to the Authority and the Trustee at least 60 days in advance of such intended cancellation or modification. If the insurance carrier cannot include this notice provision, the policy shall require the insurance company to so notify the Padres who shall notify the Authority and the Trustee.

(d) The City shall file a certificate with the Authority and the Trustee no later than [April] 1 each year, commencing with [April 1, 2016], certifying that the insurance required

by this Section 6.03 is in full force and effect and that the Trustee and the Authority are named as loss payees on each insurance policy which this Facility Lease requires to be so endorsed.

Section 6.04 Advances. In the event the City shall fail to maintain the full insurance coverage required by Section 6.03 hereof or shall fail to keep the Leased Property in good repair and operating condition, the Authority may (but shall be under no obligation to) purchase the required policies of insurance and pay the premiums on the same or may make such repairs or replacements as are necessary and provide for payment thereof; and all amounts so advanced therefor by the Authority shall become Additional Rental, which amounts the City agrees to pay within 30 days of a written request therefor, together with interest thereon at the maximum rate allowed by law.

Section 6.05 Title Insurance. The City covenants and agrees to deliver or cause to be delivered to the Trustee on the Closing Date a CLTA leasehold policy or policies, or a commitment for such policy or policies, with respect to the Leased Property with liability in the aggregate amount equal to the principal amount represented by the Refunding Bonds. Such policy or policies, when issued, shall name the Trustee as the insured and shall insure the leasehold estate of the Authority under the Site Lease and the City under this Facility Lease in the Leased Property subject only to such exceptions as do not materially affect the City's right to the use and occupancy of the Leased Property.

ARTICLE VII

DAMAGE, DESTRUCTION, TITLE DEFECT AND CONDEMNATION

Section 7.01 Damage, Destruction, Title Defect and Condemnation; Use of Net Proceeds. (a) If prior to the termination of the term hereof (i) the Leased Property or any improvements in or on the Leased Property are damaged (each of which is hereinafter called "Damaged Improvements") by a peril covered by a policy of insurance described in Section 6.03(1) hereof (an "Insured Peril"); or (ii) title to, or the temporary use of, the Leased Property or any portion thereof or the estate of the City or the Authority in the Leased Property or any portion thereof is defective or shall be taken under the exercise of the power of eminent domain by any governmental body or by any person or firm or corporation acting under governmental authority, then the City and the Authority will cause the Net Proceeds of any insurance claim (other than rental interruption insurance pursuant to Section 6.03(a)(2) hereof which shall be directly transferred to the Trustee for deposit in the Revenue Fund pursuant to Section 6.03 hereof) or condemnation award to be transferred to the Trustee for deposit in the Insurance Proceeds and Condemnation Awards Fund established pursuant to Section 5.05 of the Indenture and applied as follows:

(1) Net Proceeds Exceeding Costs. Within 120 days of the date of said Insured Peril, the City shall obtain a written estimate(s) of the (i) cost of the repair, replacement and reconstruction of the Damaged Improvements (collectively referred to herein as the "Reconstruction"); and (ii) Net Proceeds available to pay such costs. Copies of such estimate(s) shall be made available to the Trustee at the Trustee's request. If the 120 day period is insufficient to obtain said estimates, the period shall be reasonably extended by the Mayor or Chief Financial Officer of the City. If the Net

Proceeds (not including proceeds of any policy of title insurance or condemnation award received by the Trustee in respect of the Leased Property) exceed the estimated costs of Reconstruction, the Damaged Improvements shall be repaired, replaced and reconstructed to the same or better quality as existed before the damage occurred. The City shall commence and manage the Reconstruction and shall complete the Reconstruction as soon as reasonably possible after the occurrence of such damage. Any balance of Net Proceeds remaining after the Reconstruction has been completed shall be transferred to the Trustee with directions to apply the proceeds to the Redemption Fund established under the Indenture to redeem Outstanding Bonds in the manner provided by Section 5.04.

(2) Costs Exceeding Net Proceeds. If the estimated costs of Reconstruction exceed the Net Proceeds (not including proceeds of any policy of title insurance or condemnation award received by the Trustee in respect of the Leased Property), the City, in its sole discretion, may elect to budget and appropriate to the Reconstruction the amount of such excess, whether the same is greater or less than the estimated excess, and to manage the Reconstruction as set forth in Section 7.01(a)(5) hereof. The City shall exercise this election by written notice thereof delivered to the Trustee within 30 days after the City obtains said written estimate(s).

(3) Net Proceeds Sufficient to Redeem All Bonds. If the City does not exercise the election to reconstruct pursuant to Section 7.01(a)(2) hereof and Net Proceeds are at least sufficient to redeem all Outstanding Bonds pursuant to Section 5.05 of the Indenture, such Net Proceeds shall be transferred to the Trustee with directions to apply the proceeds to the Redemption Fund established under the Indenture to redeem all Outstanding Bonds in the manner provided by Section 5.05 of the Indenture. If the Net Proceeds (not including proceeds of any policy of title insurance or condemnation award received by the Trustee in respect of the Leased Property) exceed the amount necessary to redeem all Outstanding Bonds, the City shall be entitled to the amount of proceeds remaining after redemption of all Outstanding Bonds (“Excess Proceeds”) and such Excess Proceeds shall be transferred to the City to use for any lawful purpose.

(4) Net Proceeds Insufficient to Redeem All Bonds. If the City does not exercise the election to reconstruct pursuant to Section 7.01(a)(2) hereof and Net Proceeds are insufficient to redeem all Outstanding Bonds pursuant to Section 5.05 of the Indenture, the City, in its sole discretion, may elect to budget and appropriate funds to cause the redemption of the remaining Outstanding Bonds and the Net Proceeds, together with such funds, shall be transferred to the Trustee with directions to apply the proceeds to the Redemption Fund established under the Indenture to redeem all Outstanding Bonds in the manner provided by Section 5.05 of the Indenture; provided, that if the City elects not to appropriate funds for the redemption of the remaining Outstanding Bonds, the City shall apply Net Proceeds (not including proceeds of any policy of title insurance or condemnation award received by the Trustee in respect of the Leased Property) to the Reconstruction. If the City, in its sole discretion, elects to budget or appropriate funds for the redemption of the remaining Outstanding Bonds, the City shall transfer such funds to the Trustee for deposit in the Redemption Fund established pursuant to the Indenture.

(5) Management of Reconstruction. If the Leased Property or any part thereof becomes Damaged Improvements, the City shall promptly cause, manage and supervise the Reconstruction. Nothing in this Section 7.01 shall be construed to preclude the City and the Padres from cooperating in the Reconstruction of any of the Damaged Improvements, including executing a joint contract for the Reconstruction under which the Padres may act as the agent for the City, subject to revocation if the Padres do not diligently pursue the Reconstruction.

(b) The proceeds of any policy of title insurance or condemnation award received by the Trustee in respect of the Leased Property shall be applied in accordance with Section 5.05 of the Indenture.

ARTICLE VIII

DISCLAIMER OF WARRANTIES; USE OF THE LEASED PROPERTY

Section 8.01 Disclaimer of Warranties. THE AUTHORITY MAKES NO AGREEMENT, WARRANTY OR REPRESENTATION, EITHER EXPRESS OR IMPLIED, AS TO THE VALUE, DESIGN, CONDITION, MERCHANTABILITY OR FITNESS FOR PARTICULAR PURPOSE OR FITNESS FOR USE OF THE LEASED PROPERTY, OR WARRANTY WITH RESPECT THERETO. THE CITY ACKNOWLEDGES THAT THE AUTHORITY IS NOT A MANUFACTURER OF ANY PORTION OF THE LEASED PROPERTY OR A DEALER THEREIN, THAT THE CITY LEASES THE LEASED PROPERTY AS-IS, IT BEING AGREED THAT ALL OF THE AFOREMENTIONED RISKS ARE TO BE BORNE BY THE CITY. In no event shall the Authority or its assigns be liable for any incidental, indirect, special or consequential damage in connection with or arising out of this Facility Lease or the existence, furnishing, functioning or the City's use of the Leased Property as provided hereby.

Section 8.02 Use of the Leased Property. The City will not use, operate or maintain the Leased Property in violation of any applicable law or in a manner contrary to that contemplated hereby. The City shall provide all permits and licenses, if any, necessary for the use of the Leased Property. In addition, the City agrees to comply in all respects (including, without limitation, with respect to the use, maintenance and operation of each portion of the Leased Property) with all laws of the jurisdictions in which its operations involving any portion of the Leased Property may extend and any legislative, executive, administrative or judicial body exercising any power or jurisdiction over the Leased Property; provided, that the City may contest in good faith the validity or application of any such law or rule in any reasonable manner which does not, in the opinion of the City adversely affect the estate of the Authority in and to the Leased Property or its interest or rights hereunder.

ARTICLE IX

ASSIGNMENT AND INDEMNIFICATION

Section 9.01 Assignment by Authority. The parties understand that certain of the rights of the Authority hereunder will be assigned to the Trustee pursuant to the Indenture and accordingly the City agrees to make all payments due hereunder to the Trustee, notwithstanding any claim, defense, setoff or counterclaim whatsoever (whether arising from a breach hereof or otherwise) that the City may from time to time have against the Authority. The City agrees to execute all documents, including notices of assignment and chattel mortgages or financing statements, which may be reasonably requested by the Authority or the Trustee to protect their interests in the Leased Property during the term hereof.

Section 9.02 Assignment by City. This Facility Lease and the interest of the City in the Leased Property may not be assigned or encumbered by the City except as permitted by Section 2.04 hereof.

Section 9.03 Indemnification. The City shall, to the full extent permitted by law, indemnify, protect, hold harmless, save and keep harmless the Authority and the Trustee and their respective directors, officers and employees from and against any and all liability, obligations, losses, claims and damages whatsoever, regardless of the cause thereof, and expenses in connection therewith, including, without limitation, counsel fees and expenses as incurred, penalties and interest (collectively, a "Claim"), arising out of or as the result of entering into the Financing Documents, and the acquisition, construction, reconstruction, operation, use, condition, or possession of the Leased Property and any portion thereof, including:

- (a) any accident in connection with the operation, use, condition or possession of the Leased Property and any portion thereof, resulting in damage to property or injury to or death to any person including, without limitation, any Claim alleging latent and other defects, whether or not discoverable by the City or the Authority;
- (b) patent, trademark or copyright infringement as a consequence of the operation of the Leased Property and any portion thereof;
- (c) strict liability in tort as a consequence of the operation of the Leased Property and any portion thereof;
- (d) any environmental law or regulation as a consequence of the operation of the Leased Property;
- (e) delivery, storage or release of hazardous materials at the Leased Property or any part thereof, or the contamination of property arising therefrom; and
- (f) the Trustee's acceptance or administration of the trusts imposed by the Indenture, including performance of the Trustee's duties, to the extent provided herein;

except that the City shall not indemnify or be obligated to indemnify for a Claim arising out of or relating to any act or omission of the Padres arising from the operation of the Ballpark.

ARTICLE X

DEFAULT

Section 10.01 Default. (a) The following events shall be “Events of Default” under this Facility Lease and the terms “Event of Default” and “Default” shall mean, whenever they are used in this Facility Lease, any one or more of the following events:

(1) The City shall fail to deposit with the Trustee any Base Rental Payment required to be so deposited by the close of business on the day such deposit is required pursuant to Section 5.01(a) hereof, provided, that the failure to deposit any Base Rental Payments abated pursuant to Section 5.04 hereof shall not constitute an Event of Default;

(2) Subject to the provisions of subsection (c) of this section, the City shall fail to pay any item of Additional Rental when the same shall become due and payable pursuant to Section 5.01(b) hereof; or

(3) The City shall breach any other terms, covenants or conditions contained herein or in the Indenture, and shall fail to remedy any such breach with all reasonable dispatch within a period of 30 days after written notice thereof from the Authority to the City; provided, however, that if the failure stated in the notice cannot be corrected within such period, then the Authority shall not unreasonably withhold its consent to an extension of such time if corrective action is instituted by the City within such period and is diligently pursued until the default is corrected.

(b) Upon the happening of any Event of Default, the Authority or its assignee, subject to the terms of this Facility Lease, may exercise only those remedies granted to it hereunder and no other. Such remedies shall consist solely and exclusively of commencing an action to recover any amount of unpaid amounts of Base Rental Payments then due and owing hereunder or to seek by writ of mandate (1) the performance by the City of any action which the City failed to take which resulted in an Event of Default, or (2) the prevention of action by the City the occurrence of which resulted in an Event of Default; **PROVIDED, HOWEVER, THE AUTHORITY SHALL NOT HAVE ANY RIGHTS OF RE-ENTRY UPON OR RECOVERY OF POSSESSION OF THE LEASED PROPERTY, AND THE AUTHORITY, FOR ITSELF AND ASSIGNS HEREBY WAIVES ANY AND ALL SUCH RIGHTS OF RE-ENTRY AND RECOVERY AND AGREES TO KEEP THE LEASE IN FULL FORCE AND EFFECT NOTWITHSTANDING THE OCCURRENCE OF AN EVENT OF DEFAULT OR AN EVENT WHICH WITH THE PASSAGE OF TIME OR THE GIVING OF NOTICE OR BOTH COULD BECOME AN EVENT OF DEFAULT.**

(c) The Authority expressly waives the right to receive any amount from the City pursuant to Section 1951.2(a)(3) of the California Civil Code.

(d) In addition to any default resulting from breach by the City of any agreement, condition, covenant or term hereof, if (i) the City’s interest herein or any part thereof be assigned, sublet or transferred without the written consent of the Authority (except as

otherwise permitted by Section 2.04 hereof), either voluntarily or by operation of law; or (ii) the City or any assignee shall file any petition or institute any proceedings under any act or acts, state or federal, dealing with or relating to the subject of bankruptcy or insolvency or under any amendment of such act or acts, either as a bankrupt or as an insolvent or as a debtor or in any similar capacity, wherein or whereby the City asks or seeks or prays to be adjudicated a bankrupt, or is to be discharged from any or all of its debts or obligations, or offers to its creditors to effect a composition or extension of time to pay its debts, or asks, seeks or prays for a reorganization or to effect a plan of reorganization or for a readjustment of its debts or for any other similar relief, or if the City shall make a general or any assignment for the benefit of its creditors; or (iii) the City shall abandon or vacate the Leased Property or any portion thereof (except as permitted by Section 2.04 hereof); then in each and every such case an Event of Default shall be deemed to have occurred hereunder.

(e) The City and Authority and its successors and assigns shall honor the exclusive rights of the City hereunder to use the Leased Property.

ARTICLE XI

MISCELLANEOUS

Section 11.01 Notices. All written notices to be given hereunder shall be given by first class mail to the party entitled thereto at its address set forth below, or at such other address as such party may provide to the other parties in writing from time to time, namely:

If to the Authority:

Public Facilities Financing Authority of the City of San Diego
c/o City of San Diego
Office of the City Clerk
202 C Street, 2nd Floor
San Diego, California 92101
Phone: (619) 533-4000
Fax: (619) 533-4045

Copy to:

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
San Diego, California 92101
Attention: Chief Financial Officer

Phone: (619) 236-5941
Fax: (619) 236-6606

If to the Trustee:

Wells Fargo Bank, National Association
333 S. Grand Avenue, Fifth Floor, Suite 5A
MAC E2064-05A
Los Angeles, CA 90071
Attention: Corporate Trust Department
Phone: (213) 253-7517
Fax: (213) 253-7598

Section 11.02 Binding Effect. This Facility Lease shall inure to the benefit of and shall be binding upon the Authority and the City and their respective successors and assigns.

Section 11.03 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 11.04 Net Lease. This Facility Lease is a triple net lease. It is the purpose and intent of the Authority and the City that lease payments hereunder shall be absolutely net to the Authority so that this Facility Lease shall yield to the Authority the lease payments, free of any charges, assessments or impositions of any kind charged, assessed or imposed on or against the Leased Property, and without counterclaim, deduction, defense, deferment or set-off by the City except as herein specifically otherwise provided. The Authority shall not be expected or required to pay any such charge, assessment or imposition, or be under any obligation or liability hereunder except as herein expressly set forth, and all costs, expenses and obligations of any kind relating to the maintenance and operation of the Leased Property which may arise or become due during the term of this Facility Lease shall be paid by the City.

Section 11.05 Amendments to Facility Lease. (a) This Facility Lease may be amended in writing as may be mutually agreed by the Authority and the City, subject to the written approval of the Trustee; provided, however, that no such amendment which materially adversely affects the rights of the Owners shall be effective unless it shall have been consented to by the Owners of more than 50% in principal amount of the Bonds Outstanding, and provided further, that no such amendment shall (i) extend the payment date of any Base Rental Payment, or reduce the interest, principal or prepayment premium component of any Base Rental Payment, without the prior written consent of the Owner of each Bond so affected; or (ii) reduce the percentage of the value of the Bonds Outstanding the consent of the Owners of which is required for the execution of any amendment hereof.

(b) This Facility Lease and the rights and obligations of the Authority and the City hereunder may also be amended or supplemented at any time by an amendment hereof or supplement hereto which shall become binding upon execution without the written consents of any Owners, but only to the extent permitted by law and only for any one or more of the following purposes:

(1) to add to the agreements, conditions, covenants and terms required by the Authority or the City to be observed or performed herein and other agreements, conditions, covenants and terms thereafter to be observed or performed by the Authority or the City, or to surrender any right or power reserved herein to or conferred herein on the Authority or the City, and which in either case shall not materially adversely affect the interests of the Owners;

(2) to make such provisions for the purpose of curing any ambiguity or of correcting, curing or supplementing any defective provision contained herein or in regard to questions arising hereunder which the Authority or the City may deem desirable or necessary and not inconsistent herewith, and which shall not materially adversely affect the interests of the Owners;

(3) to effect a Substitution or Removal in accordance with Section 2.06 hereof;

(4) to facilitate the issuance of Additional Bonds as provided in Section 5.07 hereof; or

(5) to make any other addition, amendment or deletion which does not materially adversely affect the interests of the Owners.

Section 11.06 Discharge of City. Upon the payment to the Owners of all Outstanding Bonds in accordance with Section 10.01 of the Indenture, all of the obligations of the City hereunder shall thereupon cease, terminate and become void and shall be discharged and satisfied; provided, however, if any Outstanding Bonds shall be deemed to have been paid by virtue of a deposit contemplated by Section 10.02 of the Indenture, then the obligation of the City hereunder to make Base Rental Payments shall continue in full force and effect until all Outstanding Bonds have in fact been paid, but such payments shall be made solely and exclusively from moneys and securities deposited with the Trustee as contemplated by Section 10.02 of the Indenture, and that shall be the sole source of satisfaction of the City's obligation to make Base Rental Payments. The time period for giving notice by the City to the Authority and the Trustee specified in the third paragraph of Section 5.05 hereof shall not apply incident to the payment to the Owners of all Outstanding Bonds and Additional Bonds in accordance with Section 10.01 and Section 10.02 of the Indenture.

Section 11.07 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 Facility Lease shall be valid and enforceable to the fullest extent permitted by law.

Section 11.08 California Law. This Facility Lease shall be governed by and construed and interpreted in accordance with the laws of the State of California.

Section 11.09 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 11.10 Execution in Counterparts. This Facility 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.

Section 11.11 Amendment of 2007A Facility Lease. Effective upon recording of this Facility Lease with the Recorder, the 2007A Facility Lease shall be amended and restated hereby.

IN WITNESS WHEREOF, the parties hereto have executed and entered into this Facility 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

Sherri Lightner, Chair

ATTEST:

By

Elizabeth S. Maland, Secretary

APPROVED AS TO FORM AND LEGALITY:

JAN I. GOLDSMITH, General Counsel

By:

Deputy General Counsel

THE CITY OF SAN DIEGO

By

Mary Lewis, Chief Financial Officer

ATTEST:

By

Elizabeth S. Maland, City Clerk

APPROVED AS TO FORM AND LEGALITY:

JAN I. GOLDSMITH, City Attorney

By:

Deputy City Attorney

EXHIBIT A

DESCRIPTION OF LEASED PROPERTY

All that certain real property situated in the City of San Diego, County of San Diego, State of California, described as follows:

PARCEL 1 OF PARCEL MAP NO. 19494 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 25, 2004.

EXHIBIT B

BASE RENTAL PAYMENT SCHEDULE

<u>Payment Date</u> ¹	<u>Interest</u>	<u>Principal</u>	<u>Total Base Rental</u>
October 15, 2015			
October 15, 2016			
October 15, 2017			
October 15, 2018			
October 15, 2019			
October 15, 2020			
October 15, 2021			
October 15, 2022			
October 15, 2023			
October 15, 2024			
October 15, 2025			
October 15, 2026			
October 15, 2027			
October 15, 2028			
October 15, 2029			
October 15, 2030			
October 15, 2031			

¹ The Base Rental Payments are due to the Trustee not later than the third Business Day preceding each Base Rental Payment Date.

SITE LEASE

PUBLIC FACILITIES FINANCING AUTHORITY OF THE CITY OF SAN DIEGO

LEASE REVENUE REFUNDING BONDS, SERIES 2015

(BALLPARK REFUNDING)

Log of Outstanding Items

<u>Page</u>	<u>Outstanding Items</u>	<u>Responsible Party</u>	<u>Expected Availability</u>
Cover	Principal Amount of Bonds	Bond Counsel	Bond Pricing
2	Principal Amount of Bonds	Bond Counsel	Bond Pricing
2	Closing Date	Bond Counsel	Bond Pricing
S-1	Signatures	City Authority	Pre-Closing
	Notary Form (2)	City Authority	Pre-Closing

RECORDING REQUESTED BY
AND WHEN RECORDED MAIL TO:

Attn: Charles C. Wolf, Esq.
NIXON PEABODY LLP
555 West Fifth Street, 46th Floor
Los Angeles, California 90013

(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 Governmental Code.

AMENDED AND RESTATED
SITE LEASE

by and between

CITY OF SAN DIEGO

and the

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 REFUNDING BONDS, SERIES 2015
(BALLPARK REFUNDING)

Dated as of July 1, 2015

AMENDED AND RESTATED SITE LEASE

This Amended and Restated Site Lease (this "Site Lease"), dated as of July 1, 2015, 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"), amends and restates that certain Amended and Restated Site Lease, dated as of March 1, 2007 (recorded March 9, 2007 as document number 2007-0161634 of the Official Records) (the "2007A Site Lease"), by and between the City as lessor and the Authority as lessee.

W I T N E S S E T H:

WHEREAS, at the request of the City, the Authority has heretofore issued its \$156,560,000 Lease Revenue Refunding Bonds, Series 2007A (Ballpark Refunding) (the "Series 2007A Bonds"), of which \$125,255,000 aggregate principal amount is currently outstanding; and

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

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

WHEREAS, the City has determined it will achieve certain interest savings and will benefit the inhabitants of the City that the Series 2007A Bonds be refunded (the "Refunding"); and

WHEREAS, to provide for the Refunding, the City will enter into this Site Lease with the Authority pursuant to which the City will lease to the Authority certain real property belonging to the City, together with the portion of the improvements located thereon that are owned by the City, consisting of (i) the Ballpark exclusive of certain improvements owned by the Padres and (ii) the Park (collectively the "Leased Property," as more particularly described in Exhibit A hereto); and

WHEREAS, concurrently with the execution of this Site Lease, the Authority and the City are entering into an Amended and Restated Ballpark Facility Lease, dated as of July 1, 2015 (the "Facility Lease"), which amends and restates the 2007A Facility Lease, pursuant to which the Authority will lease the Leased Property back to the City; and

WHEREAS, the City and the Authority have determined that there are significant public benefits to refunding the Series 2007A Bonds, including interest savings to the City by issuance by the Authority of the \$_____ Lease Revenue Refunding Bonds, Series 2015 (Ballpark Refunding) (the "Refunding Bonds"), pursuant to an Indenture, dated as of July 1, 2015 (the "Indenture"), by and between the Authority and Wells Fargo Bank, National Association, as Trustee (the "Trustee"); and

WHEREAS, the City is authorized by its Charter and other applicable law to lease the Leased Property to the Authority pursuant to this Site Lease, and to lease-back the Leased Property pursuant to the Facility Lease and to consummate the Refunding 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 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 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. Lease of the Leased Property. The City hereby leases to the Authority and the Authority hereby rents and hires from the City, on the terms and conditions hereinafter set forth, the Leased Property. Capitalized terms used herein and not otherwise defined shall have the meanings given such terms pursuant to the Facility Lease and if such terms are not defined in the Facility Lease, then such terms shall have the meanings given such terms pursuant to the Indenture.

Section 2. Term. (a) The term of this Site Lease commenced on ____, 2015 and shall end on the Expiry Date, unless such term is sooner terminated as hereinafter provided. If prior to the Expiry Date, all rental payable under the Facility Lease shall have been paid, or provision therefor has been made in accordance with Article X of the Indenture, the term of this Site Lease shall end the first Business Day thereafter or ten (10) days after written notice by the Authority to the City in accordance with Section 15 hereof to the effect that the rental payable under the Facility Lease is fully paid and all Refunding Bonds have been fully paid, whichever is earlier.

(b) The term of this Site Lease shall not be extended beyond the Expiry Date except as otherwise provided in the Facility Lease.

Section 3. Rent. The Authority shall pay to the City an advance rent of \$1.00 as full consideration for this Site Lease over its term. The Authority hereby waives any right that it may have under the laws of the State of California to receive a rebate of such rent in full or in part in the event there is a substantial interference with the use and right of possession by the

Authority of the Leased Property or portion thereof as a result of material damage, destruction or condemnation.

Section 4. Purpose. The Authority shall use the Leased Property solely for the purpose of subleasing the same to the City and the City hereby leases the Leased Property to the Authority expressly on said condition; provided, however, that in the event of default by the City under the Facility Lease, the Authority may exercise the remedies provided in the Facility Lease.

Section 5. Owner in Fee. The City covenants that it has the right to lease the Leased Property hereunder free and clear of all liens, claims or encumbrances which affect marketability.

Section 6. Assignments and Subleases. The Authority may not, without the prior written consent of the City, assign its rights hereunder or sublet the Leased Property, except as contemplated by the Facility Lease and as security for the Refunding Bonds and any Additional Bonds.

Section 7. Right of Entry. The City reserves the right for any of its duly authorized representatives to enter upon the Leased Property at any reasonable time to inspect the same or to make any repairs, improvements or changes necessary for the preservation thereof.

Section 8. Termination. The Authority agrees, upon the termination hereof, to quit and surrender the Leased Property in the same good order and condition as the same was in at the time of commencement of the term hereunder, reasonable wear and tear excepted, and agrees that any additions, improvements or alterations to the Leased Property at the time of the termination hereof shall remain thereon and title thereto shall vest in the City.

Section 9. Default. In the event the Authority shall be in default in the performance of any obligation on its part to be performed under the terms hereof, which default continues for thirty (30) days following notice and demand for correction thereof to the Authority, the City may exercise any and all remedies granted by law, except that no merger of this Site Lease and the Facility Lease shall be deemed to occur as a result thereof; provided, prior to the Expiry Date, the City shall have no power to terminate this Site Lease by reason of any default on the part of the Authority, if such termination would affect or impair any assignment of the Facility Lease then in effect between the Authority and the Trustee.

Section 10. Quiet Enjoyment. The Authority at all times during the term hereof shall peaceably and quietly have, hold and enjoy the Leased Property without suit, trouble or hindrance from the City.

Section 11. 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 12. Eminent Domain. In the event the whole or any portion of the Leased Property is taken by eminent domain proceedings, any interests of the Authority shall be recognized in accordance with Section 7.01 of the Facility Lease.

Section 13. Amendments. This Site Lease may be amended for the purpose of effecting a Substitution or Removal, as further described in the Facility Lease.

Section 14. 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 Site Lease shall be valid and enforceable to the fullest extent permitted by law.

Section 15. Notices. All written notices to be given shall be given by first class mail to the party entitled thereto at its address set forth below, or at such other address as such party may provide to the other parties in writing from time to time, namely:

If to the City:

City of San Diego
Department of Finance
202 C Street, 9th Floor
San Diego, California 92101
Attention: Chief Financial Officer
Phone: (619) 236-5941
Fax: (619) 236-6606

If to the Authority:

Public Facilities Financing Authority of the City of San Diego
c/o City of San Diego
Office of the City Clerk
202 C Street, 2nd Floor
San Diego, California 92101
Phone: (619) 533-4000
Fax: (619) 533-4045

Copy to:

City Attorney's Office
1200 Third Avenue
San Diego, California 92101
Attention: Deputy City Attorney – Finance
Phone: (619) 236-6220
Fax: (619) 236-7215

Section 16. 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 17. Execution in Counterparts. This 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 18. Governing Law. This Site Lease shall be governed by and construed and interpreted in accordance with the laws of the State of California.

Section 19. Amendment of 2007A Site Lease. Effective upon recording of this Site Lease with the Recorder, the 2007A Site Lease shall be amended and restated hereby.

IN WITNESS WHEREOF, the parties hereto have executed and entered into this 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 S. Maland, City Clerk

APPROVED AS TO FORM AND LEGALITY:

JAN I. GOLDSMITH, City Attorney

By: _____
Deputy City Attorney

PUBLIC FACILITIES FINANCING AUTHORITY
OF THE CITY OF SAN DIEGO

By: _____
Sherri Lightner, Chair

ATTEST

By: _____
Elizabeth S. Maland, Secretary

APPROVED AS TO FORM AND LEGALITY:

JAN I. GOLDSMITH, General Counsel

By: _____
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 name(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 name(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 THE LEASED PROPERTY

All that certain real property situated in the City of San Diego, County of San Diego, State of California, described as follows:

PARCEL 1 OF PARCEL MAP NO. 19494 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 25, 2004.

THIRD REAFFIRMATION OF ASSIGNMENT AGREEMENT
PUBLIC FACILITIES FINANCING AUTHORITY OF THE CITY OF SAN DIEGO
LEASE REVENUE REFUNDING BONDS, SERIES 2015
(BALLPARK REFUNDING)

Log of Outstanding Items

<u>Page</u>	<u>Outstanding Items</u>	<u>Responsible Party</u>	<u>Expected Availability</u>
Cover	Principal Amount of Bonds	Bond Counsel	Bond Pricing
1	Principal Amount of Bonds	Bond Counsel	Bond Pricing
S-1	Signatures	Authority Trustee	Pre-Closing
	Notary Form (2)	Authority Trustee	Pre-Closing

RECORDING REQUESTED BY AND)
WHEN RECORDED MAIL TO:)
)
Attn: Charles C. Wolf)
NIXON PEABODY LLP)
555 West Fifth Street, 46th Floor)
Los Angeles, California 90013)

(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 Governmental Code.

THIRD REAFFIRMATION
OF
ASSIGNMENT AGREEMENT

by and between the

PUBLIC FACILITIES FINANCING AUTHORITY
OF THE CITY OF SAN DIEGO

and

WELLS FARGO BANK, NATIONAL ASSOCIATION
as Trustee

relating to the

\$_____

PUBLIC FACILITIES FINANCING AUTHORITY OF THE CITY OF SAN DIEGO
LEASE REVENUE REFUNDING BONDS, SERIES 2015
(BALLPARK REFUNDING)

Dated as of July 1, 2015

THIRD REAFFIRMATION OF ASSIGNMENT AGREEMENT

THIS THIRD REAFFIRMATION OF ASSIGNMENT AGREEMENT, dated as of July 1, 2015 (this “Third Reaffirmation”), by and between the PUBLIC FACILITIES FINANCING AUTHORITY OF THE CITY OF SAN DIEGO (the “Authority”), and WELLS FARGO BANK, NATIONAL ASSOCIATION, a national banking association organized and existing under the laws of the United States of America and authorized to accept assignments of the nature herein set forth, as trustee (the “Trustee”);

W I T N E S S E T H

WHEREAS, the Authority and the Trustee have entered into an Assignment Agreement, dated as of February 1, 2002 (the “Original Assignment Agreement”), recorded February 14, 2002 as document number 2002-0131010 of the Official Records;

WHEREAS, the Authority and the Trustee have entered into a Reaffirmation of Assignment Agreement and Consent, dated May 25, 2004 (the “First Reaffirmation”), recorded May 25, 2004 as document number 2004-0478053 of the Official Records;

WHEREAS, the Authority and the Trustee have entered into a Second Reaffirmation of Assignment Agreement, dated as of March 1, 2007 (the “Second Reaffirmation,” and together with the Original Assignment Agreement, the First Reaffirmation, and this Third Reaffirmation, the “Assignment Agreement”), recorded March 9, 2007 as document number 2007-0161636 of the Official Records;

WHEREAS, the Authority desires to reaffirm its assignment and transfer of certain of its rights, title and interests in and to the Site Lease, dated as of February 1, 2002 (the “Original Site Lease”), as amended and supplemented from time to time, including as amended and supplemented by the Amended and Restated Site Lease (the “Amended and Restated Site Lease”), dated as of July 1, 2015 (the Original Site Lease as so supplemented and amended and as it may be further supplemented and amended from time to time, the “Site Lease”) and the Ballpark Facility Lease, dated as of February 1, 2002 (the “Original Facility Lease”), as amended and supplemented from time to time, including as amended and supplemented by the Amended and Restated Ballpark Facility Lease (the “Amended and Restated Facility Lease”), dated as of July 1, 2015 (the Original Facility Lease as so supplemented and amended and as it may be further supplemented and amended from time to time, the “Facility Lease”) to the Trustee, with respect to certain real property more particularly described in Exhibit A hereto, on the terms and conditions set forth herein;

WHEREAS, the Authority and the Trustee have entered into an Indenture, dated as of the date hereof (the “Indenture”), pursuant to which the Authority is issuing its \$ _____ Lease Revenue Refunding Bonds, Series 2015 (Ballpark Refunding) (the “Refunding Bonds”);

NOW, THEREFORE, in consideration of the foregoing and the mutual covenants and conditions contained herein, the parties hereto agree as follows:

Section 1. Definitions. All capitalized terms used herein without definition shall have the meanings given to such terms in the Indenture.

Section 2. Reaffirmation. The Authority does hereby presently and unconditionally reaffirm the sale, assignment and transfer to the Trustee, for the benefit of the Owners, from time to time, of the Refunding Bonds, all of the Authority's rights, title and interests in and to the Site Lease and the Facility Lease, including without limitation the Authority's right to receive Base Rental, as well as its rights to enforce payment of such Base Rental when due or otherwise to protect its interest and exercise all remedies in the event of a default or termination by the City of San Diego (the "City") under the Facility Lease, in accordance with the terms thereof; provided, however, that the Authority retains the right to indemnification and payment or reimbursement for any costs or expenses. The right to receive Base Rental and other rights of the Authority assigned under the Assignment Agreement shall be applied and the rights so assigned shall be exercised by the Trustee as provided in the Indenture and the Facility Lease.

Section 3. Acknowledgment of Reaffirmation. The Trustee hereby acknowledges the reaffirmation of the assignment of such of the Authority's rights under the Site Lease and the Facility Lease as are assigned pursuant to the terms of the Assignment Agreement, for the purpose of securing such Base Rental and rights to the Owners, from time to time, of the Refunding Bonds.

Section 4. Consent to Amendments. The parties hereto hereby acknowledge and consent to the amendments effectuated through the execution and delivery of the Amended and Restated Site Lease and the Amended and Restated Facility Lease.

Section 5. Further Assurances. The Authority will make, execute and deliver any and all such further resolutions, instruments and assurances as may be reasonably necessary or proper to carry out the intention or to facilitate the performance of the Assignment Agreement, and to further assure and confirm to the Trustee and the Owners, from time to time, of the Refunding Bonds the rights and benefits intended to be conveyed pursuant hereto.

Section 6. Governing Law. This Third Reaffirmation shall be construed and governed in accordance with the laws of the State of California.

Section 7. Counterparts. This Third Reaffirmation may be executed in several counterparts, each of which shall be an original and all of which together shall constitute but one and the same agreement.

Section 8. Amendment. This Third Reaffirmation may be amended by the parties hereto in writing.

IN WITNESS WHEREOF the parties hereto have executed this Third Reaffirmation as of the date first above written.

PUBLIC FACILITIES FINANCING AUTHORITY
OF THE CITY OF SAN DIEGO, as Assignor

By _____
Sherri Lightner, Chair

Attest:

By _____
Elizabeth S. Maland, Secretary

APPROVED AS TO FORM AND LEGALITY:

JAN I. GOLDSMITH, General Counsel

By _____
Deputy General Counsel

WELLS FARGO BANK, NATIONAL
ASSOCIATION, as Trustee and Assignee

By _____
Authorized Officer

EXHIBIT A

DESCRIPTION OF LEASED PROPERTY

All that certain real property situated in the City of San Diego, County of San Diego, State of California, described as follows:

PARCEL 1 OF PARCEL MAP NO. 19494 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 25, 2004.

ESCROW AGREEMENT

PUBLIC FACILITIES FINANCING AUTHORITY OF THE CITY OF SAN DIEGO

LEASE REVENUE REFUNDING BONDS, SERIES 2015

(BALLPARK REFUNDING)

Log of Outstanding Items

<u>Page</u>	<u>Outstanding Items</u>	<u>Responsible Party</u>	<u>Expected Availability</u>
1	Principal Amount of Bonds	Bond Counsel	Bond Pricing
2	Amount of Deposit to Escrow Fund	Bond Counsel	Bond Pricing
2	Amount Received from 2007A Trustee, if any	Bond Counsel	Bond Pricing
2	Name of Verification Agent	Bond Counsel	Bond Pricing
2	Amount of Escrow Securities, Amount Uninvested in Cash	Bond Counsel	Bond Pricing
2	Bond Yield	Bond Counsel	Bond Pricing
3	Closing Date	Bond Counsel	Bond Pricing
S-1	Signatures	Authority Trustee	Pre-Closing
A-1	Escrow Securities	Bond Counsel	Bond Pricing
B-1	Closing Date	Bond Counsel	Bond Pricing
C-2	Redemption Date	Bond Counsel	Bond Pricing

ESCROW AGREEMENT

Dated as of

July 1, 2015

By and Between

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

and

WELLS FARGO BANK, NATIONAL ASSOCIATION
as Escrow Agent

RELATING TO THE REFUNDING OF
PUBLIC FACILITIES FINANCING AUTHORITY OF THE CITY OF SAN DIEGO,
LEASE REVENUE REFUNDING BONDS,
SERIES 2007A (BALLPARK REFUNDING)

ESCROW AGREEMENT

THIS ESCROW AGREEMENT, dated as of July 1, 2015 (this “Agreement”), 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 escrow agent (the “Escrow Agent”).

W I T N E S S E T H

WHEREAS, pursuant to an Indenture, dated as of March 1, 2007 (the “2007A Indenture”), by and between the Authority and Wells Fargo Bank, National Association, as trustee (the “2007A Trustee”), the Authority issued \$156,560,000 of its Lease Revenue Bonds, Series 2007A (Ballpark Refunding), of which \$125,255,000 are currently outstanding (the “Prior Bonds”);

WHEREAS, the City of San Diego (the “City”) and the Authority desire to redeem and defease as described herein all of the outstanding Prior Bonds; and

WHEREAS, the Prior Bonds maturing on February 15, 2016 and February 15, 2017 (the “Non-callable Bonds”) are not subject to optional redemption prior to their stated maturity dates and will therefore be defeased in accordance with Section 10.01 of the 2007A Indenture; and

WHEREAS, the Prior Bonds maturing on February 15, 2018 to February 15, 2026, inclusive, and on February 15, 2032 (the “Redeemed Bonds,” and together with the Non-callable Bonds,” the “Refunded Bonds”), are subject to redemption prior to their stated maturity dates, on or after February 15, 2017, at the option of the Authority on any date at the principal amount of the Redeemed Bonds called for redemption, plus accrued but unpaid interest to and including the redemption date, without premium (the “Redemption Price”), in accordance with Section 2.03 of the 2007A Indenture; and

WHEREAS, the City and the Authority have approved the issuance and sale of \$_____ aggregate principal amount of the Authority’s Lease Revenue Refunding Bonds, Series 2015 (Ballpark Refunding) (the “Refunding Bonds”), pursuant to an Indenture, dated as of July 1, 2015 (the “Indenture”), by and between the Authority and Wells Fargo Bank, National Association, as trustee (the “Trustee”), for the purpose, among other things, of providing funds which will be sufficient to redeem and defease the Refunded Bonds;

NOW, THEREFORE, in consideration of the following, the Authority and the Escrow Agent DO HEREBY AGREE as follows:

SECTION 1. Definitions. Terms used herein and not otherwise defined shall have the meanings given such terms in the 2007A Indenture.

SECTION 2. Escrow Fund.

(a) There is established a fund (the “Escrow Fund”) to be held in an irrevocably pledged escrow by the Escrow Agent separate and apart from all other funds of the City, the Authority and the Escrow Agent and to be applied solely as provided in this Agreement. The Escrow Agent is hereby designated by the Authority the depository for the Escrow Fund.

(b) Pledge to Refunded Bonds. Pending application as provided in this Agreement, amounts on deposit in the Escrow Fund are hereby pledged and assigned solely to the payment of the Refunded Bonds as set forth in Section 4 hereof, which amounts shall be held in trust by the Escrow Agent for the holders of the Refunded Bonds.

(c) Deposit of Funds. There shall be deposited in the Escrow Fund by the Escrow Agent the sum of \$_____ received from the Trustee upon the issuance and sale of the Refunding Bonds [which amount together with the \$_____ received by the 2007A Trustee from prior funds and accounts established in connection with the Prior Bonds], will be used to redeem and defease the Refunded Bonds.

(d) The Authority represents, and _____ (the “Verification Agent”) has verified, that upon the deposit of moneys pursuant to Section 2(c), the moneys on deposit in the Escrow Fund will be at least equal to an amount sufficient to purchase the aggregate principal amount of the securities set forth in Exhibit A hereto (the “Exhibit A Securities”), which principal, together with all interest due or to become due on such Exhibit A Securities, and any uninvested cash held by the Escrow Agent in the Escrow Fund, will be sufficient to make the payments required by Section 4 hereof. The Escrow Agent shall use \$_____ of the amount deposited in the Escrow Fund to purchase the Exhibit A Securities. The remaining sum of \$_____ shall be held in cash uninvested.

SECTION 3. Use and Investment of Moneys.

(a) The Escrow Agent hereby acknowledges receipt of the moneys described in Section 2(c) and agrees to invest \$_____ of such moneys in the Exhibit A Securities and \$_____ uninvested upon receipt of certification by a nationally recognized firm of independent certified public accountants that the Exhibit A Securities will mature in such principal amounts and earn interest in such amounts and, in each case, at such times, so that sufficient moneys will be available from maturing principal and interest on the Exhibit A Securities, together with any uninvested moneys then held by the Escrow Agent in the Escrow Fund, to make all payments required by Section 4 hereof. Except as provided in Section 3(b) or Section 3(c), the balance of the moneys described in Section 2 or otherwise held by the Escrow Agent under this Agreement shall not be invested in excess of _____ percent.

(b) Upon the written request of the Authority, but subject to the conditions and limitations herein set forth, the Escrow Agent shall purchase any of the following substitute obligations which are not callable for redemption prior to their maturity by any person other than the owner thereof: United States of America Treasury bills, notes, bonds or certificates of indebtedness, or obligations for which the full faith and credit of the United States of America are unconditionally pledged for the payment of interest and principal (including State and Local

Government Securities (SLGS)), or securities evidencing direct ownership interests in such obligations or in specified portions of the interest on or principal of such obligations that are held by a custodian in safekeeping on behalf of the owners of such securities, as well as pre-refunded municipal bonds rated Aaa by Moody's and AAA by S&P (collectively, the "Defeasance Securities") for the Exhibit A Securities then held hereunder with the proceeds derived from the sale, transfer, redemption or other disposition of Defeasance Securities then on deposit in the Escrow Fund and any uninvested money then held by the Escrow Agent hereunder in accordance with the provisions of this Section 3(b). Such sale, transfer, redemption or other disposition of Defeasance Securities then on deposit in the Escrow Fund and substitution of other Defeasance Securities shall be effected by the Escrow Agent upon the written request of the Authority but only by a simultaneous transaction and only upon receipt of: (i) certification by a nationally recognized firm of independent certified public accountants that the Defeasance Securities to be substituted, together with the Defeasance Securities which will continue to be held in the Escrow Fund, will mature in such principal amounts and earn interest in such amounts and, in each case, at such times so that sufficient moneys will be available from maturing principal and interest on such Defeasance Securities held in the Escrow Fund, together with any uninvested moneys, to make all payments required by Section 4 hereof which have not previously been made; and (ii) receipt by the Escrow Agent of an opinion of Nixon Peabody LLP or other nationally recognized bond counsel (an "Opinion of Bond Counsel") to the effect that the sale, transfer, redemption or other disposition and substitution of Defeasance Securities will not cause interest on the Refunding Bonds to be included in gross income for federal tax purposes under relevant provisions of the Internal Revenue Code of 1986, as amended, and the regulations thereunder in effect on the date of such sale, transfer, redemption or other disposition and substitution and applicable to obligations issued on the date of issuance and sale of such Refunding Bonds.

(c) Upon the written request of the Authority, but subject to the conditions and limitations herein set forth, the Escrow Agent will apply any moneys received from the maturing principal of or interest or other investment income on any Defeasance Securities held in the Escrow Fund, or the proceeds from any sale, transfer, redemption or other disposition of Defeasance Securities pursuant to Section 3(b) not required for the purposes of said Section, as follows: (i) to the extent such moneys will not be required at any time for the purpose of making a payment required by Section 4 hereof, as certified by a nationally recognized firm of independent certified public accountants delivered to the Escrow Agent, after payment of any amounts then owed to the Escrow Agent, such moneys shall be paid over to the City upon the written request of the City as received by the Escrow Agent, free and clear of any trust, lien, pledge or assignment securing the Prior Bonds or otherwise existing hereunder or under the 2007A Indenture; (ii) to the extent such moneys will be required for such purpose at a later date, such moneys shall, to the extent practicable, be invested or reinvested in Defeasance Securities subject to parameters as to investment or reinvestment delivered by the City to the Escrow Agent (which shall remain in full force and effect unless and until the City provides subsequent parameters in accordance with this clause (ii)) together with an Opinion of Bond Counsel to the effect that such parameters as to investment or reinvestment will not adversely affect the opinion rendered by Nixon Peabody LLP on ____, 2015 as to the exclusion of the interest received on the Refunding Bonds from gross income for purposes of federal income taxation. Interest earned from such investments or reinvestments shall be paid over to the City upon compliance with the provisions of clause (i) of this Section 3(c), upon the written request of the City.

(d) All Defeasance Securities purchased pursuant to this Agreement shall be deposited in and held for the credit of the Escrow Fund. Except as provided in this Section 3, no moneys or Defeasance Securities deposited with the Escrow Agent pursuant to this Agreement nor principal of, or interest payments or other investment income on, any such Defeasance Securities shall be withdrawn or used for any purpose other than, and shall be held in trust for, the payment of the Non-callable Bonds and the Redemption Price with respect to the Redeemed Bonds as provided in Section 4 hereof.

(e) The holders of the Refunded Bonds shall have a lien on the moneys and Defeasance Securities in the Escrow Fund until such moneys and Defeasance Securities are used and applied as provided in this Agreement.

(f) The Escrow Agent shall not be held liable for investment losses resulting from compliance with the provisions of this Agreement.

SECTION 4. Payment of Refunded Bonds.

From the maturing principal of the Defeasance Securities held in the Escrow Fund and the investment income and other earnings thereon and any uninvested money then held in the Escrow Fund, the Escrow Agent, shall

(a) pay the Redemption Price for the Redeemed Bonds in accordance with the terms of the 2007A Indenture on February 15, 2017 (the “Redemption Date”); and

(b) pay the principal amount of the Non-callable Bonds, plus accrued but unpaid interest to and including their respective maturity dates, in accordance with the terms of the 2007A Indenture;

provided, however, that, to the extent that amounts remain on deposit in the Escrow Fund following the full and complete payment of the Refunded Bonds as described in (a) and (b) of this Section, such amounts shall be transferred to the City after payment of any amounts then owed to the Escrow Agent.

SECTION 5. Irrevocable Instructions to Mail Notices.

The Authority hereby instructs the Escrow Agent, in its capacity as the Trustee, to send a notice to the Owners (i) of the Refunded Bonds, in substantially the form attached hereto as Exhibit B and (ii) of the Redeemed Bonds, in substantially the form attached hereto as Exhibit C, in accordance with the terms of the 2007A Indenture. The Escrow Agent and the Authority may add further information to the notices as is necessary and appropriate.

The Authority hereby irrevocably designates the Redeemed Bonds for redemption on the Redemption Date as indicated in Section 4 hereof and hereby irrevocably instructs the Escrow Agent, in its capacity as the Trustee, to give the notice of redemption, not less than 30 nor more than 60 days prior to the Redemption Date, as provided in Section 2.03 of the 2007A Indenture.

The City hereby instructs the Escrow Agent, in its capacity as the Trustee, to give any other notices that may be required under the 2007A Indenture in the manner and at the times required under the 2007A Indenture.

SECTION 6. Performance of Duties.

The Escrow Agent agrees to perform the duties set forth herein and agrees that the irrevocable instructions to the Escrow Agent herein provided are in a form satisfactory to it.

SECTION 7. Responsibilities of Escrow Agent.

The Escrow Agent and its respective successors, assigns, agents and servants shall not be held to any personal liability whatsoever, in tort, contract, or otherwise, in connection with the execution and delivery of this Agreement, the establishment of the Escrow Fund, the acceptance of the moneys or any securities deposited therein, the purchase of the securities to be purchased pursuant hereto, the retention of such securities or the proceeds thereof, the sufficiency of the securities or any uninvested moneys held hereunder to accomplish the refunding of the Refunded Bonds, or any payment, transfer or other application of moneys or securities by the Escrow Agent in accordance with the provisions of this Agreement or by reason of any nonnegligent act, nonnegligent omission or nonnegligent error of the Escrow Agent made in good faith in the conduct of its duties. The recitals of fact contained in the “Whereas” clauses herein shall be taken as the statements of the Authority, and the Escrow Agent assumes no responsibility for the correctness thereof. The Escrow Agent makes no representation as to the sufficiency of the securities to be purchased pursuant hereto and any uninvested moneys to accomplish the refunding of the Refunded Bonds pursuant to the 2007A Indenture or to the validity of this Agreement as to the Authority and, except as otherwise provided herein, the Escrow Agent shall incur no liability in respect thereof. The Escrow Agent shall not be liable in connection with the performance of its duties under this Agreement except for its own negligence or willful misconduct, and the duties and obligations of the Escrow Agent shall be determined by the express provisions of this Agreement. In no event shall the Escrow Agent be liable for any special indirect or consequential damages. The Escrow Agent may consult with counsel, who may or may not be counsel to the Authority, and in reliance upon the written opinion of such counsel shall have full and complete authorization and protection in respect of any action taken, suffered or omitted by it in good faith in accordance therewith. Whenever the Escrow Agent shall deem it necessary or desirable that a matter be proved or established prior to taking, suffering, or omitting any action under this Agreement, such matter (except the matters set forth herein as specifically requiring a certificate of a nationally recognized firm of independent certified public accountants or an Opinion of Bond Counsel) may be deemed to be conclusively established by a certificate of the Authority. Whenever the Escrow Agent shall deem it necessary or desirable that a matter specifically requiring a certificate of a nationally recognized firm of independent certified public accountants or an Opinion of Bond Counsel be proved or established prior to taking, suffering, or omitting any such action, such matter may be established only by a certificate signed by a nationally recognized firm of certified public accountants or such Opinion of Bond Counsel.

Any company in which the Escrow Agent may be merged or converted or with which it may be consolidated or any company resulting from any merger, conversion or

consolidation to which it shall be a party or any company to which the Escrow Agent may sell or transfer all or substantially all of its corporate trust business shall be the successor to the Escrow Agent without the execution or filing of any paper or further act, anything herein to the contrary notwithstanding.

The liability of the Escrow Agent to make the payments required by this Section 7 shall be limited to the moneys and Defeasance Securities in the Escrow Fund.

No provisions of this Agreement shall require the Escrow Agent to expend or risk its own funds or otherwise incur any financial liability in the performance or exercise of any of its duties hereunder, or in the exercise of its rights or powers.

The Escrow Agent may at any time resign by giving written notice to the Authority of such resignation. The Authority shall promptly appoint a successor Escrow Agent by the resignation date. Resignation of the Escrow Agent will be effective upon acceptance of appointment by a successor Escrow Agent. If the Authority does not appoint a successor, the Escrow Agent may petition any court of competent jurisdiction for the appointment of a successor Escrow Agent, which court may thereupon, after such notice, if any, as it may deem proper and prescribe and as may be required by law, appoint a successor Escrow Agent.

SECTION 8. Amendments.

The Authority and the Escrow Agent may, without the consent of, or notice to, the Owners of the Refunded Bonds, amend this Agreement or enter into such agreements supplemental to this Agreement as shall not adversely affect the rights of the Owners of the Refunded Bonds and as shall not be inconsistent with the terms and provisions of this Agreement, the 2007A Indenture or the Indenture, for any one or more of the following purposes: (i) to cure any ambiguity or formal defect or omission in this Agreement; (ii) to grant to, or confer upon, the Escrow Agent for the benefit of the Owners of the Refunded Bonds any additional rights, remedies, powers or authority that may lawfully be granted to, or conferred upon, such holders or the Escrow Agent; and (iii) to include under this Agreement additional funds, securities or properties. The Escrow Agent shall be entitled to rely conclusively upon an Opinion of Bond Counsel with respect to compliance with this Section, including the extent, if any, to which any change, modification, addition or elimination affects the rights of the Owners of the Refunded Bonds or that any instrument executed hereunder complies with the conditions and provisions of this Section.

SECTION 9. Term.

This Agreement shall commence upon its execution and delivery and shall terminate on the date upon which (i) the Refunded Bonds have been fully and completely paid or redeemed as provided in Section 4 hereof, and (ii) any remaining amounts on deposit in the Escrow Fund have been transferred to the City, in accordance with this Agreement.

SECTION 10. Fees and Expenses.

The Authority agrees to pay amounts equal to the fees and expenses of the Escrow Agent incurred in consequence of this Agreement and the acceptance thereof by the Escrow

Agent, 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 Authority and the Trustee. The Escrow Agent shall not have any lien whatsoever upon any of the moneys deposited in accordance with the terms hereof for the payments of fees and expenses for services rendered by it under this Agreement.

SECTION 11. Indemnity.

The Authority, to the extent permitted by law, agrees to indemnify the Escrow Agent, its agents and its officers or employees for and hold the Escrow Agent, its agents, officers or employees harmless from and against any and all liabilities, obligations, losses, damages, penalties, actions, judgments, suits, claims, costs, expenses and disbursements of any kind or nature whatsoever (including, without limitation, reasonable fees and disbursements of counsel for the Escrow Agent) which may be imposed on, incurred by, or asserted against the Escrow Agent at any time by reason of the performance of its duties as Escrow Agent hereunder in any transaction arising out of this Agreement or any of the transactions contemplated herein unless due to the Escrow Agent's or its officers' or employees' or agents' negligence or willful misconduct. The Escrow Agent's rights to indemnification hereunder shall survive its resignation or removal and the termination of the Agreement.

SECTION 12. Severability.

If any one or more of the covenants or agreements provided in this Agreement on the part of the Authority or the Escrow Agent to be performed should be determined by a court of competent jurisdiction to be contrary to law, such covenants or agreements shall be null and void and shall be deemed separate from the remaining covenants and agreements herein contained and shall in no way affect the validity of the remaining provisions of this Agreement.

SECTION 13. Counterparts.

This Agreement may be executed in several counterparts, all or any of which shall be regarded for all purposes as an original but all of which shall constitute and be but one and the same instrument.

SECTION 14. Governing Law.

This Agreement shall be construed under the laws of the State of California.

SECTION 15. Assignment.

This Agreement shall not be assigned by the Escrow Agent or any successor thereto without the prior written consent of the Authority.

IN WITNESS WHEREOF, the parties hereto have caused this Agreement to be executed by their duly authorized officers and attested as of the date first above written.

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

By _____
Sherri Lightner, Chair

**WELLS FARGO BANK, NATIONAL
ASSOCIATION, as Escrow Agent**

By _____
Authorized Officer

**EXHIBIT A
ESCROW SECURITIES**

<u>Type of Security</u>	<u>Maturity Date</u>	<u>Par Amount</u>	<u>Rate</u>	<u>Interest Payment Date</u>

EXHIBIT B

NOTICE OF DEFEASANCE OF THE PUBLIC FACILITIES FINANCING AUTHORITY OF THE CITY OF SAN DIEGO LEASE REVENUE REFUNDING BONDS, SERIES 2007A (BALLPARK REFUNDING)

NOTICE IS HEREBY GIVEN to the owners of the above-captioned bonds (the “Bonds”) issued pursuant to that certain Indenture, dated as of March 1, 2007 (the “Indenture”), by and between the Public Facilities Financing Authority of the City of San Diego (the “Authority”) and Wells Fargo Bank, National Association (the “Trustee”) that the deposit required by Section 10.01(d)(ii) of the Indenture, comprised of certain escrow securities set forth in the Escrow Agreement, which principal, together with all interest due or to become due on such escrow securities, and any uninvested cash held by the Escrow Agent in the Escrow Fund, together with investment earnings thereon, sufficient to provide for the payment of the principal of and interest on the designated portion of the Bonds listed below (the “Defeased Bonds”), have been set aside in an Escrow Fund established under that certain Escrow Agreement, dated as of July 1, 2015 (the “Escrow Agreement”), by and between the Authority and Wells Fargo Bank, National Association, as Escrow Agent (the “Escrow Agent”), and such Defeased Bonds have been paid in accordance with Section 10.01(d)(ii) of the Indenture.

Maturity Date (February 15)	Principal Amount	CUSIP Number¹ (797299)
2016	\$4,755,000	DM3
2017	4,990,000	DN1
2018	5,250,000	DP6
2019	5,530,000	DQ4
2020	5,820,000	DR2
2021	6,125,000	DS0
2022	6,445,000	DT8
2023	6,785,000	DU5
2024	7,140,000	DV3
2025	7,515,000	DW1
2026	7,910,000	DX9
2032	56,990,000	DY7

All obligations of the Authority under the Indenture with respect to the Defeased Bonds and all security provided by the Indenture for the Authority’s obligations thereunder with respect to the Defeased Bonds, will cease and terminate, and the owners of the Defeased Bonds shall hereafter be limited to the application of the Escrow Fund for the payment of the Defeased Bonds.

¹ Neither the Authority nor the Escrow Agent shall have any responsibility for any defect in the CUSIP numbers appearing herein. CUSIP numbers have been assigned by Standard & Poor’s CUSIP Service Bureau, a division of The McGraw-Hill Companies, Inc. and appear in this notice for convenience of reference only.

Dated as of _____, 2015.

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

By: WELLS FARGO BANK, NATIONAL
ASSOCIATION, as Escrow Agent

EXHIBIT C

**NOTICE OF REDEMPTION
OF THE
PUBLIC FACILITIES FINANCING AUTHORITY OF THE CITY OF SAN DIEGO
LEASE REVENUE REFUNDING BONDS, SERIES 2007A (BALLPARK REFUNDING)**

NOTICE IS HEREBY GIVEN that the Board of Commissioners of the Public Facilities Financing Authority of the City of San Diego (the “Authority”) intends to exercise the Authority’s option to call and redeem the bonds of the Authority listed below (the “Refunded Bonds”) on February 15, 2017 (the “Redemption Date”) and at the redemption prices set forth below (expressed as a percentage of the principal amounts thereof) plus accrued interest thereon to and including the Redemption Date.

Refunded Bonds

**LEASE REVENUE BONDS, SERIES 2007A (BALLPARK REFUNDING)
(Issue Date: March 12, 2007)**

<u>Maturity Date (February 15)</u>	<u>CUSIP* (797299)</u>	<u>Principal Amount</u>	<u>Redemption Price</u>
2018	DP6	\$ 5,250,000	100%
2019	DQ4	5,530,000	100%
2020	DR2	5,820,000	100%
2021	DS0	6,125,000	100%
2022	DT8	6,445,000	100%
2023	DU5	6,785,000	100%
2024	DV3	7,140,000	100%
2025	DW1	7,515,000	100%
2026	DX9	7,910,000	100%
2032	DY7	56,990,000	100%

* Neither the Authority nor the Escrow Agent shall have any responsibility for any defect in the CUSIP numbers appearing herein. CUSIP numbers have been assigned by Standard & Poor’s CUSIP Service Bureau, a division of The McGraw-Hill Companies, Inc. and appear in this notice for convenience of reference only.

The redemption price of each of the Refunded Bonds together with accrued interest to the Redemption Date will become due and payable on the Redemption Date. From and after the Redemption Date, interest on the Refunded Bonds will cease to accrue and, upon presentation and surrender of such Refunded Bonds at:

Registered/Certified Mail:

Wells Fargo Bank, N.A.
Corporate Trust Operations
P.O. Box 1517
Minneapolis, MN 55480-1517

Air Courier:

Wells Fargo Bank, N.A.
Corporate Trust Operations
N9303-121
6th & Marquette Avenue
Minneapolis, MN 55479

In person:

Wells Fargo Bank, N.A.
Northstar East Building
608 2nd Ave. So., 12 Fl.
Minneapolis, MN

Dated as of _____, 2017.

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

By: WELLS FARGO BANK, NATIONAL
ASSOCIATION, as Escrow Agent

EXHIBIT D

FEE SCHEDULE OF ESCROW AGENT

Acceptance Fee:	\$500.00
A one-time fee payable at closing for our initial review of governing documents, account set-up and customary duties and responsibilities related to the closing; includes subscription to SLGs as directed.	
Annual refunding escrow administration fee:	\$1,000.00*
Annual fee for ordinary administration services by the refunding escrow agent include daily routine account management; initial investment transactions; cash transaction processing in accordance with the agreement; and providing trust account statements as applicable. The administration fees are payable annually in advance, with the first installment due at the time of escrow agreement execution.	
<i>*Per the City of San Diego's request, the annual escrow administration fee will be paid in advance out of Cost of Issuance. If the term of escrow exceeds two years, the annual fee of \$1,000.00 will be assessed.</i>	
Redemption fee (per occurrence):	\$500.00
Fee for processing the early redemption on the REFUNDED bonds, as well as preparing split billing invoices for the refunded and un-refunded portions of the bonds, if applicable, and providing the defeasance and redemption notices to bondholders as directed.	
Out-of-Pocket Expenses	At Cost
Out-of-pocket expenses will be billed at cost at the sole discretion of Wells Fargo.	
Extraordinary Services	Standard Rate
The charges for performing services not contemplated at the time of execution of the governing documents or not specifically covered elsewhere in this schedule will be at Wells Fargo's rates for such services in effect at the time expense is incurred.	
These services may include, but are not limited to, tax reporting, establishment and administration of trust accounts, express mail and messenger charges, travel expenses to attend closings or other meetings, tender agent services, changes to documents, interim bond calls, rate mode changes, conversions or de-conversions of the account records, default administration and the publication of redemption notices. This proposal is based on the assumption of a book entry only issuance closing at DTC. If the bonds are to be settled in an alternate form of issuance, we will provide an adjusted fee schedule.	

PUBLIC FACILITIES FINANCING AUTHORITY
OF THE CITY OF SAN DIEGO

RESOLUTION NUMBER FA-2015-2

ADOPTED ON MARCH 17, 2015

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

WHEREAS, The City of San Diego ("City"), the City as Successor Agency to the Redevelopment Agency of the City of San Diego, and the Housing Authority of the City of San Diego have heretofore entered into a Third Amended and Restated Joint Exercise of Powers Agreement dated January 1, 2013 (the "Joint Powers Agreement"), which created and established the Public Facilities Financing Authority of the City of San Diego (the "Authority") for the purpose, among others, of issuing its bonds to be used to provide financial assistance to the City to finance and refinance public capital improvements; and

WHEREAS, pursuant to California Government Code, Article 4 of Chapter 5 of Division 7 of Title 1 ("Act") and the Joint Powers Agreement, the Authority is authorized to issue bonds for financing and refinancing public capital improvements whenever there are significant public benefits; and

WHEREAS, the Authority has heretofore issued its \$156,560,000 Public Facilities Financing Authority of the City of San Diego Lease Revenue Refunding Bonds, Series 2007A

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

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

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

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

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

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

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

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

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

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

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

- (a) the proposed form of the Site Lease;
- (b) the proposed form of Facility Lease;
- (c) the proposed form of Assignment Agreement (defined below);
- (d) the proposed form of Indenture;
- (e) the proposed form of Purchase Agreement among the City, the Authority

and the Underwriters;

(f) the proposed form of Escrow Agreement (defined below) (the documents described in paragraphs (a) through (f) are collectively referred to as the "Financing Documents"); and

WHEREAS, the Authority is authorized to undertake the actions described in this Resolution pursuant to the laws of the State of California; NOW, THEREFORE,

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

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

Section 2. The form and content of the Site Lease are hereby authorized and approved. Any of the Chair of the Authority or Vice Chair of the Authority and each of them or any of their respective designees (each, an "Authorized Signatory") are hereby severally authorized and directed, for and in the name and on behalf of the Authority, to execute and

deliver the Site Lease in substantially the form presented to and considered at this meeting, and the Secretary of the Authority or her specified designees, and each of them, are authorized and directed to attest thereto, with such additions and changes therein as any Authorized Signatory shall determine are necessary or desirable and shall require or approve and that such Authorized Signatory believes to be in the best interests of the Authority, and as are approved as to form by the General Counsel to the Authority or his specified designee, such approvals to be conclusively evidenced by such Authorized Signatory's execution and delivery of the Site Lease.

Section 3. The form and content of the Facility Lease are hereby authorized and approved. Each Authorized Signatory is hereby severally authorized and directed, for and in the name and on behalf of the Authority, to execute and deliver the Facility Lease in substantially the form presented to and considered at this meeting, and the Secretary of the Authority or her specified designees, and each of them, are authorized and directed to attest thereto, with such additions and changes therein as any Authorized Signatory shall determine are necessary or desirable and shall require or approve and that such Authorized Signatory believes to be in the best interests of the Authority, and as are approved as to form by the General Counsel to the Authority or his specified designee, such approvals to be conclusively evidenced by such Authorized Signatory's execution and delivery of the Facility Lease.

Section 4. The form and content of a Third Reaffirmation of Assignment Agreement (the "Assignment Agreement"), by and between the Authority and the Trustee, pursuant to which the Authority reaffirms its assignment to the Trustee for the benefit of bondholders of its rights under the Site Lease and the Facility Lease, are hereby authorized and approved. Each Authorized Signatory is hereby severally authorized and directed, for and in the name and on behalf of the

Authority, to execute and deliver the Assignment Agreement in substantially the form presented to and considered at this meeting, and the Secretary of the Authority or her specified designees, and each of them, are authorized and directed to attest thereto, with such additions and changes therein as any Authorized Signatory shall determine are necessary or desirable and shall require or approve and that such Authorized Signatory believes to be in the best interests of the Authority, and as are approved as to form by the General Counsel to the Authority or his specified designee, such approvals to be conclusively evidenced by such Authorized Signatory's execution and delivery of the Assignment Agreement.

Section 5. The form and content of the Indenture, pursuant to which the Authority will issue its Series 2015 Bonds, are hereby authorized and approved. Each Authorized Signatory is hereby severally authorized and directed, for and in the name and on behalf of the Authority, to execute and deliver the Indenture in substantially the form presented to and considered at this meeting, and the Secretary of the Authority or her specified designees, and each of them, are authorized and directed to attest thereto, with such additions and changes therein as any Authorized Signatory shall determine are necessary or desirable and shall require or approve and that such Authorized Signatory believes to be in the best interests of the Authority, and as are approved as to form by the General Counsel to the Authority or his specified designee, such approvals to be conclusively evidenced by such Authorized Signatory's execution and delivery of the Indenture.

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

at least 4 percent, expressed as a percentage of the par amount of the Refunded Bonds; or (B) the Chief Financial Officer of the City or the Chief Operating Officer of the City determines that refunding all or a portion of the Refunded Bonds is in the best financial interest of the City, all as previously approved by the City Council in the Bond Ordinance. Each Authorized Signatory is authorized to execute and deliver, for and in the name and on behalf of the Authority, the Series 2015 Bonds substantially in the form attached to the Indenture presented to and considered at this meeting, and the Secretary of the Authority or her specified designees, and each of them, are authorized and directed to attest thereto and affix the seal of the Authority thereon, with such additions and changes as any Authorized Signatory shall determine are necessary or desirable and shall require or approve and that such Authorized Signatory believes to be in the best interests of the Authority, such approvals to be conclusively evidenced by the execution of said Series 2015 Bonds.

Section 7. The form and content of an Escrow Agreement (the “Escrow Agreement”), by and between the Authority and the Trustee, as escrow agent (the “Escrow Agent”) pursuant to which the Authority will instruct the Escrow Agent to hold, invest, and apply monies for the redemption of the Refunded Bonds, are hereby authorized and approved. Each Authorized Signatory is hereby severally authorized and directed, for and in the name and on behalf of the Authority, to execute and deliver the Escrow Agreement in substantially the form presented to and considered at this meeting, with such additions and changes therein (including, the purchase of certain escrow securities) as any Authorized Signatory shall determine are necessary or desirable and shall require or approve and that such Authorized Signatory believes to be in the best interests of the Authority, and as are approved as to form by

the General Counsel to the Authority or his specified designee, such approvals to be conclusively evidenced by such Authorized Signatory's execution and delivery of the Escrow Agreement.

Section 8. The form and content of the Purchase Agreement are hereby authorized and approved. Each Authorized Signatory is hereby severally authorized and directed for and in the name and on behalf of the Authority, to select one or more underwriters from the City's approved list of underwriters to execute and deliver the Purchase Agreement in connection with the purchase and sale of the Series 2015 Bonds, substantially in the form presented to and considered at this meeting, with such changes and additions therein as any Authorized Signatory shall determine are necessary or desirable and shall require or approve and that such Authorized Signatory believes to be in the best interests of the Authority, and as are approved as to form by the General Counsel to the Authority or his specified designee, such approvals will be conclusively evidenced by such Authorized Signatory's execution and delivery of the Purchase Agreement.

Section 9. All actions heretofore taken by any Authorized Signatory or by any officers, employees, agents or directors of the Authority with respect to the issuance, delivery or sale of the Series 2015 Bonds, or in connection with or related to any of the Financing Documents or of the other documents referenced herein or related to the refunding of the Refunded Bonds, are hereby approved, confirmed and ratified. Any Authorized Signatory, the Secretary of the Authority, the General Counsel to the Authority and other officers, employees, agents and directors of the Authority are, and each of the foregoing acting alone or through their specified designee, is hereby authorized and directed, for and in the name and on behalf of the Authority, to do any and all things, take any and all actions, and execute and deliver such documents, agreements and certificates (including, but not limited to, the tax compliance

certificate), which they, or any of them, may deem necessary or advisable to effectuate the purposes of this Resolution or of the Financing Documents or the lawful issuance and delivery of the Series 2015 Bonds and to consummate the transactions authorized hereby and evidenced by the Financing Documents. In addition, any Authorized Signatory is hereby authorized to approve additions and changes to the Financing Documents and the other documents authorized by this Resolution (including, but not limited to, establishing or changing the size of any reserve fund securing the Series 2015 Bonds, and establishing the redemption provisions of the Series 2015 Bonds, if believed by the Chief Operating Officer of the City or the Chief Financial Officer of the City, with the advice of the City's Financial Advisor for the Series 2015 Bonds, to be in the best interest of the City in light of market conditions, such determination to be conclusively evidenced by the execution and delivery of the Financing Documents by the City), as any Authorized Signatory shall determine are necessary or desirable and shall require or approve and that such Authorized Signatory believes to be in the best interests of the Authority, such determination shall be conclusively evidenced by the execution and delivery of such Financing Documents and other documents by the Authority; and provided further that no such addition or changes may be inconsistent with limitations in Section 6.

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

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

AYES: _____

NAYS: _____

ABSENT: _____

VACANT: _____

ABSTAIN: _____

PUBLIC FACILITIES FINANCING AUTHORITY
OF THE CITY OF SAN DIEGO

Sherri Lightner, Chair, Board of Commissioners

Attest:

Secretary to Board of Commissioners