

PUBLIC FACILITIES FINANCING AUTHORITY
OF THE CITY OF SAN DIEGO

RESOLUTION NUMBER FA-2002-7

ADOPTED ON MAY 13, 2002

A RESOLUTION OF THE BOARD OF COMMISSIONERS OF THE PUBLIC FACILITIES FINANCING AUTHORITY OF THE CITY OF SAN DIEGO AUTHORIZING THE ISSUANCE AND SALE OF NOT TO EXCEED \$30,000,000 AGGREGATE PRINCIPAL AMOUNT OF PUBLIC FACILITIES FINANCING AUTHORITY OF THE CITY OF SAN DIEGO LEASE REVENUE BONDS, SERIES 2002B (FIRE AND LIFE SAFETY FACILITIES PROJECT) TO FINANCE THE COSTS OF CERTAIN FIRE AND LIFE SAFETY CAPITAL PUBLIC IMPROVEMENTS OF THE CITY OF SAN DIEGO, APPROVING THE FORMS OF AND AUTHORIZING THE EXECUTION AND DELIVERY OF AN INDENTURE, A SITE LEASE, A LEASE, AN ASSIGNMENT AGREEMENT AND AN OFFICIAL STATEMENT, AND AUTHORIZING AND APPROVING RELATED DOCUMENTS, AND CERTAIN OTHER OFFICIAL ACTIONS AND MATTERS IN CONNECTION THEREWITH

WHEREAS, the City of San Diego [City] and the Redevelopment Agency of the City of San Diego [Agency] have heretofore executed an Amended and Restated Joint Exercise of Powers Agreement, dated January 11, 1999 [Joint Powers Agreement], by and between the City and the Agency, which Joint Powers Agreement creates and establishes the Public Facilities Financing Authority of the City of San Diego [Authority] for the purpose, among others, of issuing bonds to finance public capital improvements, including but not limited to general municipal improvements for the benefit of the City; and

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

WHEREAS, the Authority has determined that it is desirable, furthers the public purpose and will result in significant public benefits to its members within the meaning of the Act, to assist in financing the construction, renovation, improvement and equipping of the certain fire

and life safety facilities for the City [collectively, the Project]; and

WHEREAS, in order to achieve such public purpose, the Authority desires to authorize the issuance of not to exceed \$30,000,000 aggregate principal amount of its Public Facilities Financing Authority of the City of San Diego Lease Revenue Bonds, Series 2002B (Fire and Life Safety Facilities Project) [Bonds]; and

WHEREAS, the Authority desires to enter into an indenture [Indenture] with the trustee [Trustee], as trustee for the holders of the Bonds; and

WHEREAS, the Authority desires to lease from the City certain interests in real property of the City [Leased Property] pursuant to and as more completely described in a Site Lease between the City and the Authority [Site Lease], for the purpose of assisting in financing the Project; and

WHEREAS, the Authority desires to lease the Leased Property thereon back to the City pursuant to a lease between the Authority and the City [Lease]; and

WHEREAS, there has been presented to this meeting a proposed form of the assignment agreement between the Authority and Trustee [Assignment Agreement]; and

WHEREAS, there has been presented a proposed form of the preliminary official statement [Preliminary Official Statement] of the Authority relating to the Bonds; and

WHEREAS, the Authority proposes to sell the Bonds pursuant to a competitive sale to the winning, qualified bidder [Underwriter] for offer and sale by the Underwriter to members of the general public, and in connection with the offering of the Bonds, the Authority and the City have caused to be prepared an Official Statement describing, among other things, the City, the Indenture, the Lease and the Bonds, a preliminary form of which is on file with the Office of the City Clerk (provided that at the discretion of the City Manager, upon the advice of the City's financial advisor, the Bonds may be sold on a negotiated basis);

WHEREAS, the Bonds are expected to be sold pursuant to the Notice Inviting Bids [Notice Inviting Bids]; and

WHEREAS, there has been presented to this meeting a proposed form of Notice Inviting Bids to be executed by the Authority; NOW, THEREFORE,

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

1. The Board hereby finds and determines that the foregoing recitals are true and correct. Pursuant to the Act, the Board hereby finds and determines that the issuance of the Bonds and transactions related thereto will result in significant public benefits to its members within the contemplation of Section 6586 of the Act.

2. The Authority hereby approves the issuance of the Bonds pursuant to the Act and the Indenture in an aggregate principal amount not to exceed \$30,000,000. The Bonds shall be executed by the manual or facsimile signature of the Chair and attested by the manual or facsimile signature of the Secretary in the form set forth in and otherwise in accordance with the Indenture.

3. The Authority hereby approves the proposed forms of Indenture and Assignment Agreement on file in the Office of the San Diego City Clerk as Document Numbers OO-19054-1, and OO-19054-2 respectively, and incorporated by reference as if fully set forth herein, are hereby approved. The Chair, the Vice Chair, or the Treasurer of the Authority [Designated Officers], each acting alone, are hereby authorized and directed to execute, and the Secretary is hereby authorized to attest to, and deliver the Indenture and Assignment Agreement in substantially said forms with such changes therein as shall be approved by the officer executing such agreement, with such execution to constitute conclusive evidence of such officer’s approval and the Authority’s approval of any changes or revisions therein from the form of the Indenture

and Assignment Agreement. The Board hereby authorizes the delivery and performance of the Indenture and the Assignment Agreement.

4. The proposed form of Site Lease, on file in the Office of the City Clerk as Document Number OO-19054-3, and incorporated by reference as if fully set forth herein, is hereby approved. The Designated Officers, each acting alone, are hereby authorized to execute, and the Secretary is hereby authorized and directed to attest to, and deliver the Site Lease in substantially said form with such changes therein as shall be approved by the officer executing such agreement, with such execution to constitute conclusive evidence of such officer's approval and the Authority's approval of any changes or revisions therein from the form of Site Lease. The Board hereby authorizes the delivery and performance of the Site Lease.

5. The proposed form of the Lease on file in the Office of the City Clerk as Document Number OO-19054-4, and incorporated by reference as if fully set forth herein, is hereby approved. The Designated Officers, each acting alone, are hereby authorized and directed to execute, and the Secretary is hereby authorized and directed to attest to, and deliver the Lease in substantially said form with such changes therein as shall be approved by the officer executing such agreements, with such execution to constitute conclusive evidence of such officer's approval and the Authority's approval of any changes or revisions therein from the forms of the Lease. The Board hereby authorizes the delivery and performance of the Lease.

6. The Authority hereby authorizes the sale of the Bonds to the Underwriter pursuant to and in accordance with the Notice Inviting Bids. The Bonds shall bear interest at the rates established by offering the Bonds at public sale pursuant to the Notice Inviting Bids and Bid Form, the forms of which are presented to and considered at this meeting as Exhibits "A" and "B" respectively, and with such changes as the City Manager and his specified designees deem to be in the best interests of the City and the Authority. The Designated Officers, on behalf of the

Authority, are hereby authorized to solicit the lowest responsible bid for the Bonds in accordance with the terms of the Notice Inviting Bids. The City Manager, on behalf of the Authority, is authorized and directed to accept and award the bid of the lowest responsible bidder of the Bonds, provided however, that the stated maximum annual interest rate payable with respect to the Bonds shall not exceed the maximum interest permitted by law and the original issue discount with respect to the Bonds, if any, and the Underwriter's discount shall be determined by the Designated Officers based on the advice of the City's financial adviser. The Authority hereby delegates to each of the Designated Officers, the authority to accept an offer from the Underwriter to purchase the Bonds from the Authority; provided, however, that the stated maximum annual interest rate payable with respect to the Bonds shall not exceed the maximum interest rate permitted by law and the original issue discount with respect to the Bonds, if any, and underwriter's discount shall be determined by the Designated Officers based on the advice of the City's financial advisor.

7. The Authority hereby approves the Preliminary Official Statement in substantially the form on file in the Office of the San Diego City Clerk, together with such additions thereto and changes therein as a Designated Officer shall deem necessary, desirable or appropriate. The Designated Officers, each acting alone, are hereby authorized and directed to deem final within the meaning of Rule 15c2-12 of the Securities Exchange Act of 1934, as amended, except for permitted omissions, the Preliminary Official Statement describing the Bonds. Distribution of such Preliminary Official Statement by the Underwriter is hereby approved. The Designated Officers, each acting alone, are hereby authorized to execute a final Official Statement, including as it may be modified by such additions thereto and changes therein as a Designated Officer shall deem necessary, desirable or appropriate, and the execution of the final Official Statement by the Authority shall be conclusive evidence of the approval of any such additions and changes. The

Authority hereby authorizes the distribution of the final Official Statement by the Underwriter. The final Official Statement shall be executed in the name and on behalf of the Authority by a Designated Officer.

8. A Designated Officer, upon consultation with the General Counsel to the Authority or his designee, is hereby authorized, upon a determination by such officer that the procurement of such municipal bond insurance policy or guaranty, insurance policy or surety bond is in the best interests of the Authority, to procure and maintain a municipal bond insurance policy for the benefit of the registered owners of one or more maturities of the Bonds and procure and maintain a guaranty, insurance policy, or surety bond in place of the Reserve Fund required under the Indenture in such form and on such terms as such officer shall require or approve, such approval to be conclusively evidenced by the execution and delivery of a commitment letter or comparable document for and on behalf of the Authority to the issuer of such municipal bond insurance policy or guaranty, insurance policy, or surety bond. The forms of the Indenture, Site Lease, Lease, Official Statement or other document approved herein may be modified as such Designated Officer may deem necessary or appropriate in order to procure such municipal bond insurance policy or guaranty, insurance policy, or surety bond, if any.

9. The Designated Officers and any and all other officers of the Authority are hereby authorized and directed, for an in the name and on behalf of the Authority, to do any and all things and take any and all actions, including execution and delivery of any and all assignments, certificates, requisitions, agreements, notices, consents, instruments of conveyance, warrants and other documents, which they, or any of them, may deem necessary or advisable in order to consummate the lawful issuance and sale of the Bonds and the consummation of the transactions as described herein.

10. This resolution shall take effect from and after its adoption.

APPROVED: CASEY GWINN, General Counsel

By

Kelly J. Salt
Deputy General Counsel

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Dept:Fin.Svcs
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