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REDEVELOPMENT AGENCY OF THE CITY OF SAN DIEGO

RESOLUTION NUMBER 04152

DATE OF FINAL PASSAGE JUN 27 20072007

A RESOLUTION OF THE REDEVELOPMENT AGENCY OF THE CITY OF SAN DIEGO APPROVING THE FINANCING AND REFINANCING OF IMPROVEMENTS WITH RESPECT TO THE SOUTHCREST REDEVELOPMENT PROJECT, THE CENTRAL IMPERIAL REDEVELOPMENT PROJECT AND THE MOUNT HOPE REDEVELOPMENT PROJECT; APPROVING AND AUTHORIZING THE EXECUTION OF RELATED DOCUMENTS AND AGREEMENTS AND AUTHORIZING CERTAIN OTHER ACTIONS IN CONNECTION THEREWITH.

WHEREAS, the Redevelopment Agency of the City of San Diego [the "Agency"] is a public body, corporate and politic, duly created, established and authorized to transact business and exercise its powers pursuant to the Community Redevelopment Law ["Redevelopment Law"] [Part 1 of Division 24 of the Health and Safety Code of the State of California] and the powers of the Agency include the power to issue bonds, notes and other obligations under the Redevelopment Law and to borrow moneys for any of its corporate purposes; and

WHEREAS, the Public Facilities Financing Authority of the City of San Diego [the "Authority"] is a joint powers authority duly organized and existing under and pursuant to that certain Joint Exercise of Powers Agreement dated as of May 14, 1991 as amended and restated on October 29, 2002, by and between the Agency and the City of San Diego, and under the provisions of Articles 1 through 4 [commencing with Section 6500] of Chapter 5 of Division 7 of Title 1 of the Government Code of the State of California [the "Act"], and is authorized pursuant to Article 4 [Section 6584 et seq.] of the Act [the "Bond Act"] to issue bonds, notes or other obligations or borrow money for the purpose of financing the acquisition of bonds, notes and

other obligations of, or for the purpose of making loans to, the Agency; and

WHEREAS, separate redevelopment plans for the Southcrest Redevelopment Project, the Central Imperial Redevelopment Project, and the Mount Hope Redevelopment Project [collectively, the "Project Areas"] have been adopted and approved and all requirements of law for, and precedent to, the adoption and approval of said redevelopment plans have been duly complied with; and

WHEREAS, the redevelopment plans for the Project Areas contemplate that the Agency will, from time to time, issue bonds, notes or other evidences of indebtedness permitted by the Redevelopment Law to finance and refinance portions of the cost of redevelopment in each applicable Project Area; and

WHEREAS, the Agency has previously issued six series of tax allocation bonds [collectively the "Prior Agency Bonds"] for the purpose of financing and refinancing redevelopment activities in the Project Areas and believes that refunding four series of the Prior Agency Bonds will provide significant economic benefits to the Agency; and

WHEREAS, the Agency desires to borrow moneys for the purpose of financing and refinancing additional redevelopment activities of the Agency within and of benefit to the Project Areas and for the purpose of refunding all or a portion of the Prior Agency Bonds; and

WHEREAS, the Authority intends to simultaneously issue its Pooled Financing Bonds, in one or more series in the aggregate principal amount not to exceed \$42,000,000 [the "Authority Bonds"] pursuant to the Bond Law and one or more Indentures of Trust dated as of June 1, 2007 [the "Indenture"] by and between the Authority and The Bank of New York Trust Company, N.A., as trustee [the "Trustee"], for the purpose of making loans to the Agency to provide

moneys to refund all or a portion of the Prior Agency Bonds and to finance and refinance said additional improvements in and of benefit to the Project Areas; and

WHEREAS, the Authority intends to sell the Authority Bonds to RBC Dain Rauscher, Inc., doing business under the trade name RBC Capital Markets, and to Backstrom McCarley Berry & Co., LLC [collectively, the “Underwriters”] in a negotiated transaction pursuant to and under one or more Purchase Contracts [each a “Purchase Contract”], by and among the Authority, the Agency and the Underwriters in accordance with the Redevelopment Law and the Bond Act; and

WHEREAS, there has been presented to this meeting for approval, the forms of the following documents:

- A. Loan Agreement and Third Supplemental Trust Agreement [Southcrest Redevelopment Project], among the Agency, the Authority and the Trustee;
- B. Loan Agreement and Second Supplemental Trust Agreement [Central Imperial Redevelopment Project], among the Agency, the Authority and the Trustee;
- C. Loan Agreement and Fourth Supplemental Trust Agreement [Mount Hope Redevelopment Project], among the Agency, the Authority and the Trustee;
- D. Purchase Contract, by and among the Agency, the Authority and the Underwriters;
- E. Continuing Disclosure Agreement for the Authority Bonds; and
- F. Preliminary Official Statement for the Authority Bonds;

WHEREAS, by resolution adopted [on the date hereof], the City Council of the City of San Diego authorized the issuance by the Agency of the new loans for the Project Areas and authorized the sale by the Authority of the Authority Bonds; and

WHEREAS, the Agency intends to delegate certain actions related to the execution and delivery of the Loans and the issuance and sale of the Authority Bonds to the Chair, the Vice Chair and the Secretary of the Agency, the Executive Director and the Assistant Executive Director of the Agency, the President and the Director of Finance of the Southeastern Economic Development Corporation, or any of them [each a “Designated Officer”]. NOW, THEREFORE,

BE IT RESOLVED, the Redevelopment Agency of the City of San Diego hereby finds, determines, resolves and orders as follows:

Section 1. Recitals; Findings. Agency has been informed and believe that it is necessary and desirable to borrow moneys to refund all or a portion of the Prior Agency Bonds and to finance and refinance further portions of the costs of redevelopment in the Project Areas and hereby finds the recitals above to be true and correct. After a public hearing held in accordance with Section 6585.5 of the Bond Act, the Agency hereby finds that there will be a significant public benefit within the meaning of Section 6586 of the Bond Act in that the sale of the Authority Bonds by the Authority on behalf of the Agency under the Bond Act will produce demonstrable savings in effective interest rate, bond preparation, bond underwriting or issuance costs and hereby approves the public capital improvements to be financed with the proceeds of the Authority Bonds.

Section 2. Loan Agreements. The Agency is hereby authorized to enter into separate Loan Agreements, one or more with respect to each of the Project Areas, each by and among the Authority, the Agency and the Trustee [collectively, the “Loan Agreements”], providing for loans for the Project Areas as follows: Southcrest Redevelopment Project, in an aggregate original principal amount not to exceed \$20,000,000; Central Imperial Redevelopment Project, in an aggregate original principal amount not to exceed \$18,000,000; and Mount Hope

Redevelopment Project, in an aggregate original principal amount not to exceed \$4,000,000 [collectively, the “Loans”]. Subject to the provisions of this Resolution, any Designated Officer is hereby authorized and directed, for and on behalf of and in the name of the Agency to execute, acknowledge and attest under seal where necessary or appropriate, and deliver one or more Loan Agreements for each Project Area, in substantially the forms presented to this meeting, with such changes therein as such persons executing the same, with the advice of counsel, may require or approve, and such approval to be conclusively evidenced by the execution and delivery thereof.

Section 3. Terms of Loans. The Loans shall mature no later than October 1, 2038 and shall be sold at a true interest cost not in excess of 9.00% per annum. Said Loans may be issued so that the interest thereon shall be excluded from federal income taxation under the Internal Revenue Code of 1986 [as amended] or not so excluded or part excluded and part not excluded and may be issued bearing a fixed interest rate or a variable interest rate or part fixed and part variable; provided, that no Loan shall bear interest at a rate in excess of the maximum rate permitted by Section 33646 of the Redevelopment Law or have a maturity date in excess of forty years from the date of issuance.

Section 4. Pledge of Tax Revenues. The Agency hereby confirms that the Tax Revenues from each Project Area is irrevocably pledged in accordance with the terms of the applicable Loan Agreements to secure the obligations of the Agency to make payments to the Authority on the Loans thereunder. The obligations of the Agency under each Loan Agreement are special, limited obligations of the Agency payable solely from and secured by the portion of applicable Tax Revenues pledged under the applicable Loan Agreement on a parity with any applicable Prior Agency Bonds which remain outstanding.

Section 5. Purchase Contract. The Agency hereby approves the form and content of the Purchase Contract and further hereby approves the sale by the Authority of the Authority Bonds to the Underwriters listed in the Purchase Contract for the purposes set out in the recitals hereof. Any Designated Officer is hereby authorized and directed, for and on behalf of and in the name of the Agency to execute, acknowledge and attest under seal where necessary or appropriate, and deliver one or more Purchase Contracts, in substantially the form presented to this meeting, with such changes and additional pricing information therein as such Designated Officer(s) executing the same, with the advice of counsel, may require or approve, and such approval shall be conclusively evidenced by the execution and delivery thereof. The Designated Officers and all other officers, agents and employees of the Agency, for and on behalf of the Agency, are hereby authorized and directed to cooperate with the Authority in connection with the sale by the Authority to the Underwriters of the Authority Bonds and are hereby authorized to execute all papers, documents, certificates and other instruments, consistent with the provisions of this Resolution, that may be useful or necessary to the Authority to consummate the sale of the Authority Bonds.

Section 6. Continuing Disclosure Agreement. The Agency hereby approves the form and content of the Continuing Disclosure Agreement for the Authority Bonds, by and between the Agency and the Trustee, as Trustee and as Dissemination Agent [the “Continuing Disclosure Agreement”]. Any Designated Officer is hereby authorized and directed, for and on behalf of and in the name of the Agency to execute, acknowledge and attest under seal where necessary or appropriate, and deliver one or more Continuing Disclosure Agreements in substantially the form presented to this meeting, with such changes therein as the Designated Officer(s) executing the

same, with the advice of counsel, may require or approve, and such approval to be conclusively evidenced by the execution and delivery thereof.

Section 7. Official Statement. The form of the Preliminary Official Statement now before this Agency was prepared in connection with the Loans and the sale by the Authority of the Authority Bonds and has previously been presented to and approved by the City's Disclosure Practices Working Group. The Agency hereby approves the form of the Preliminary Official Statement now before this Agency and authorizes the circulation of the Preliminary Official Statement with such additions, deletions and changes as the Designated Officer(s), or any of them deemed to be appropriate. The Preliminary Official Statement shall be circulated for use in selling the Authority Bonds, at such time or times as a Designated Officer (after consultation with the Authority and such advisors as the Designated Officer believes to be useful) shall determine that the Preliminary Official Statement is substantially final within the meaning of Rule 15c2-12 promulgated under the Securities Exchange Act of 1934, as amended, said determination to be conclusively evidenced by a certificate signed by the Designated Officer to such effect, and any such action previously taken is hereby confirmed ratified and approved. The Designated Officers, or any of them, are further hereby authorized and directed to prepare, execute and deliver one or more final Official Statements after the pricing of the Authority Bonds substantially in the form of the Preliminary Official Statement with such additions, deletions and changes thereto as the Designated Officer(s), or any of them deem to be appropriate, permitted by law and necessary or useful to reflect subsequent events, the execution of such final Official Statement by a Designated Officer to be conclusive evidence of the Agency's approval of such additions, deletions and changes.

Section 8. Trustee, Paying Agent and Registrar. The Agency hereby appoints The Bank of New York Trust Company, N.A., as Trustee under the Loan Agreements and as Trustee and Dissemination Agent under the Continuing Disclosure Agreement for the Authority Bonds. Such appointments shall be effective upon the issuance of the Authority Bonds and shall remain in effect until the Agency, by supplemental agreement, resolution or other action (after consultation with the Authority and such advisors as the Designated Officer believes to be useful) shall name a substitute or successor thereto.

Section 9. Bond Insurance; Ratings. In connection with the sale of the Authority Bonds and the Loans, the Designated Officers are hereby authorized to seek ratings for the Authority Bonds and/or Loans and to permit the purchase of one or more municipal bond insurance policies and one or more debt service reserve surety bonds, if available, for some or all of such Authority Bonds and/or Loans on such terms as shall be acceptable to the Underwriters and the Designated Officer(s) and any prior such actions are hereby ratified, confirmed and approved.

Section 10. Refunding of Prior Agency Bonds. The Agency hereby authorizes and approves the refunding of all or a portion of the Prior Agency Bonds with such debt service savings as shall be acceptable to the Designated Officer or Designated Officers executing the hereinabove approved Purchase Contract(s). Any Designated Officer is hereby authorized and directed, for and on behalf of and in the name of the Agency, to execute, acknowledge and attest under seal where necessary or appropriate, and deliver one or more Escrow Agreements in connection with the refunding and redemption of the Prior Agency Bonds in such form or forms as shall be acceptable to the Designated Officer(s) executing the same, with the advice of counsel



[including bond counsel], such approval to be conclusively evidenced by the execution and delivery of such escrow agreements by such Designated Officer(s).

Section 11. CDIAAC Notices. The Designated Officers, or any of them, are further authorized and directed to cause written notice to be provided to the California Debt and Investment Advisory Commission of the proposed sale of the Authority Bonds, said notice to be provided not later than 30 days prior to the sale of the Authority Bonds as provided in Section 8855 et seq. of the California Government Code, to file the notice of final sale with said Commission, to file the written statement, if any, required by Section 53583 of the California Government Code, and to file such additional notices and reports as are deemed necessary or desirable by any Designated Officer in connection with the Authority Bonds, and any prior such notices are hereby ratified, confirmed and approved.

Section 12. Additional Authorization. The Designated Officers and all other officers, agents and employees of the Agency, for and on behalf of the Agency, be and they hereby are authorized and directed to do any and all things necessary to effect the issuance and delivery of the Authority Bonds, the execution and delivery of the Loan Agreements, the Purchase Contract(s), the Continuing Disclosure Agreement(s), and the final Official Statement(s) and to carry out the terms thereof. The Designated Officers and all other officers, agents and employees of the Agency are further authorized and directed, for and on behalf of the Agency, to execute all assignments, certificates, requisitions, agreements, notices, consents, instruments of conveyance, warrants and other documents, which they, or any of them, deem necessary or advisable in order to consummate the lawful issuance and sale of the Authority Bonds, the refunding of the Prior Agency Bonds and the consummation of the transactions as described herein including, but not limited to, the filing of notices and payments of rebates, if any, required under Section 148(f) and

149(e) of the Internal Revenue Code of 1986, as amended, and any prior such actions are hereby approved, confirmed and ratified.

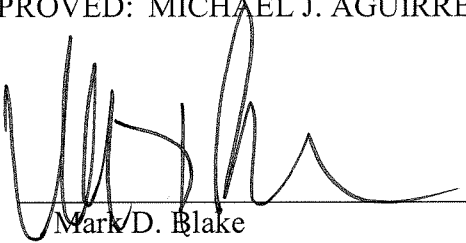
Section 13. Costs of Issuance. The Agency hereby authorizes the proceeds of the Loans to be used to pay costs of issuance of the Loans and the Authority Bonds, including but not limited to, costs of attorneys, accountants, verifications agents, financial advisors, trustees, the costs associated with rating agencies, bond insurance and surety bonds, printing, publication and mailing expenses and any related filing fees.

Section 14. Tax Sharing Agreements. The Agency hereby authorizes to be given notices under the tax sharing agreements relating to the Project Areas and approves the making of requests and the taking of such actions as may be authorized and permitted by Sections 33607.5 and Section 33607.7 of the Law in connection with the subordination of any payments to be made to affected taxing agencies under said Sections 33607.5 and 33607.7 or under any other tax sharing agreements relating to the Project Areas, and any prior such notices and actions are hereby ratified, confirmed and approved.

Section 15. Severability. The provisions of this Resolution are hereby declared to be severable, and, if any section, phrase or provision shall for any reason be declared to be invalid, such declaration shall not affect the validity of the remainder of the Sections, phrases and provisions hereof.

Section 16. Effective Date. This Resolution shall take effect from and upon its adoption.

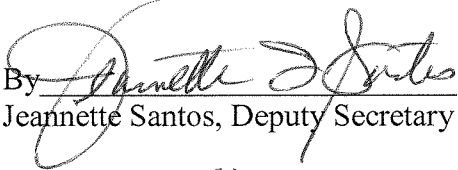
APPROVED: MICHAEL J. AGUIRRE, General Counsel

By:   
Mark D. Blake  
Deputy General Counsel

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Or.Dept:SEDC  
RA-2007-106  
MS #4781  
Companion: Council No. R-2007-1075

I hereby certify that the foregoing Resolution was passed by the Redevelopment Agency of the City of San Diego, at its meeting of JUN 12 2007

REDEVELOPMENT AGENCY

By   
Jeannette Santos, Deputy Secretary

Approved: 6-27-07  
(date)

  
JERRY SANDERS, Executive Director

Vetoed: \_\_\_\_\_  
(date)

\_\_\_\_\_  
JERRY SANTOS, Executive Director

Passed by the Redevelopment Agency of The City of San Diego on JUN 12 2007, by the following vote:

Agency Members	Yeas	Nays	Not Present	Ineligible
Scott Peters	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Kevin Faulconer	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Toni Atkins	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Anthony Young	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Brian Maienschein	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Donna Frye	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Jim Madaffer	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Ben Hueso	<input type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>

Date of final passage JUN 27 2007

AUTHENTICATED BY:

JERRY SANDERS

Executive Director of The City of San Diego, California.

ELIZABETH S. MALAND

Secretary of The City of San Diego, California.

(Seal)

By 

Deputy

Office of the Redevelopment Agency, San Diego, California.

Resolution Number R- 04152