

REDEVELOPMENT AGENCY OF

THE CITY OF SAN DIEGO

RESOLUTION NO. 2932

ADOPTED ON JANUARY 11, 1999

FIRST SUPPLEMENT TO RESOLUTION  
(SUPPLEMENT TO RESOLUTION NO. 2302 ADOPTED OCTOBER 12, 1993)  
AUTHORIZING THE ISSUANCE OF NOT TO EXCEED  
\$38,000,000 AGGREGATE PRINCIPAL AMOUNT OF  
CENTRE CITY REDEVELOPMENT PROJECT  
TAX ALLOCATION BONDS, SERIES 1999A, AND  
CENTRE CITY REDEVELOPMENT PROJECT  
TAX ALLOCATION BONDS, SERIES 1999B (TAXABLE), AND  
AUTHORIZING THE ISSUANCE OF NOT TO EXCEED  
\$15,000,000 AGGREGATE PRINCIPAL AMOUNT OF  
CENTRE CITY REDEVELOPMENT PROJECT  
SUBORDINATE TAX ALLOCATION BONDS, SERIES 1999C.

WHEREAS, the Redevelopment Agency of the City of San Diego (the "Agency") is a redevelopment agency, a public body, corporate and politic, duly created, established and authorized to transact business and exercise powers under and pursuant to the provisions of the Community Redevelopment Law of the State of California (the "Law"), including the power to issue bonds, notes and other obligations for any of its corporate purposes;

WHEREAS, a redevelopment plan for a redevelopment project known and designated as the "Centre City Redevelopment Project" (the "Project Area") has been adopted and approved and all requirements of law for, and precedent to, the adoption and approval of said plan have been duly complied with; and

WHEREAS, the plan contemplates that the Agency will issue its bonds, including Parity Debt (as defined herein) to finance and refinance a portion of the cost of such redevelopment; and

WHEREAS, pursuant to Resolution No. 2302 adopted October 12, 1993 (the "Original Resolution") the Agency has previously issued its Centre City Redevelopment Project Tax Allocation Bonds, Series 1993 (the "1993 Bonds") for the purpose of financing the acquisition and construction of certain public improvements and/or property located within the Project Area; and

WHEREAS, Section 17 of the Original Resolution provides that the Agency may issue Parity Debt from time to time as authorized by the Agency; and

WHEREAS, in order to refinance a portion of the Series 1993 Bonds and to finance certain other redevelopment activities in the Project Area, the Agency has determined to adopt this Supplemental Resolution to provide for the issuance and delivery of the Series 1999 Bonds (as defined herein) in an aggregate principal amount not to exceed \$38,000,000 to establish and declare the terms and conditions upon which the Series 1999 Bonds are to be issued and secured and to secure the payment of the principal thereof and interest and premium, if any,

thereon, and to approve the issuance of the Series 1999C Bonds in a principal amount not to exceed \$15,000,000; and

WHEREAS, the conditions and limitations set forth in Section 17 of the Original Resolution will be satisfied at the time of issuance of the Series 1999 Bonds with respect to the Series 1999A Bonds and the Series 1999B Bonds (both as defined herein); and

WHEREAS, the Series 1999C Bonds (as defined herein) will be payable on a subordinate basis to the Parity Debt, and therefore do not need to comply with such conditions and limitations set forth in the Original Resolution; and

WHEREAS, all acts and proceedings required by law necessary to make the Series 1999 Bonds, when executed by the Agency, authenticated and delivered by the Fiscal Agent, and duly issued, the valid, binding and legal special obligations of the Agency, and to constitute this Supplemental Resolution 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 adoption and the execution, issuance and delivery of the Series 1999 Bonds have been in all respects duly authorized;

NOW, THEREFORE, BE IT RESOLVED by the Redevelopment Agency of the City of San Diego, California, as follows:

## ARTICLE I

### ADDITIONAL DEFINITIONS AND PROVISIONS ARTICLE I ADDITIONAL DEFINITIONS AND PROVISIONS

#### Section 1.01. Additional Definitions

Section 1.01. Additional Definitions  
Unless the context otherwise requires, the terms defined in this Section shall, for all purposes of this Supplemental Resolution and of any certificate, opinion or other document herein mentioned, have the meanings herein specified, to be equally applicable to both the singular and plural forms of the terms defined herein. Unless otherwise defined in this Supplemental Resolution, all terms used herein shall have the meanings assigned to such terms in the Original Resolution.

"Agency Issuance Certificate" means that certain Written Request setting forth the final principal amounts, interest rates, redemption provisions and maturity and sinking fund schedules for the Series 1999 Bonds, as provided for herein.

"Authority" means the San Diego Redevelopment Financing Authority, a joint powers authority.

"Continuing Disclosure Agreement" means that certain Continuing Disclosure Agreement of the Agency dated the date of the issuance and delivery of the Series 1999 Bonds, as originally executed and as it may be amended from time to time in accordance with the terms thereof.

"Depository" means (a) initially, DTC, and (b) any other Securities Depository acting as Depository pursuant to Section 2.02 hereof.

"DTC" means The Depository Trust Company, New York, New York, and its successors and assigns.

"Escrow Agent" means U.S. Bank Trust National Association, as Escrow Agent pursuant to the Escrow Agreement.

"Escrow Agreement" means the escrow instructions from the Agency to the Escrow Agent, dated as of January 1, 1999.

"Escrow Fund" means the fund of that name established in the Escrow Agreement.

"First Implementation Agreement" means that certain First Implementation Agreement, dated as of June 29, 1993, between the Agency and the County relating to the payment of certain tax Revenues to the County.

"Nominee" means (a) initially, Cede & Co. as nominee of DTC, and (b) any other nominee of the Depository designated pursuant to Section 2.02 hereof.

"Participant" means any participant in the Depository's book-entry system

"Participating Underwriter" shall have the meaning ascribed thereto in the Continuing Disclosure Agreement.

"Senior Lien Resolutions" means (i) Resolution No. 2145 of the Agency, adopted October 6, 1992, providing the issuance of the Agency's outstanding Centre City Redevelopment Project Tax Allocation Refunding Bonds, Series 1992, (ii) the Original Resolution, (iii) the Supplemental Resolution, and (iv) any Parity Debt Resolution, as such resolutions may be amended or supplemented pursuant to the provisions thereof.

"Series 1999 Bond Insurer" means the insurance company or any successor company or entity which issues a municipal bond insurance policy (other than a Reserve Fund Surety Bond) insuring the payment of principal of and interest on the Series 1999 Bonds, as provided for in Section 4.05 hereof.

"Series 1999 Bonds" means, collectively, the Series 1999A Bonds and the Series 1999B Bonds authorized and issued pursuant to this Supplemental Resolution in an aggregate principal amount of not more than \$38,000,000.

"Series 1999A Bonds" means the Redevelopment Agency of the City of San Diego Centre City Redevelopment Project Tax Allocation Bonds, Series 1999A, as provided for herein and as described in the Agency Issuance Certificate.

"Series 1999B Bonds" means the Redevelopment Agency of the City of San Diego Centre City Redevelopment Project Tax Allocation Bonds, Series 1999B (Taxable), as provided for herein and as described in the Agency Issuance Certificate.

"Series 1999C Bonds" means the Redevelopment Agency of the City of San Diego Centre City Redevelopment Project Subordinate Tax Allocation Bonds, Series 1999C, as described in the Subordinate Indenture.

"Subordinate Indenture" means the means the Trust Indenture dated as of January 1, 1999 between the Agency and the Subordinate Trustee, relating to the issuance of the Series 1999C Bonds.

"Subordinate Pledged Tax Revenues" means General Tax Revenues remaining in any Bond Year after payment of all amounts required to be deposited with the Fiscal Agent pursuant to the Senior Lien Resolutions, in an amount set forth in the Subordinate Indenture.

"Subordinate Trustee" means U.S. Bank Trust National Association, acting as trustee for the Series 1999C Bonds, its successors and assigns, and any other corporation or association which may at any time be substituted in its place.

"Supplemental Resolution" means this Resolution No. R-2932, adopted January 11, 1999, relating to the issuance of the Series 1999 Bonds, and as it may be amended or supplemented pursuant to the provisions hereof.

Section 1.02. Amendment to Section 1 of the Original Resolution  
Section 1.02. Amendment to Section 1 of the Original Resolution.

(a) The definition of Bonds set forth in Section 1 of the Original Resolution is hereby amended to read as follows:

"Bonds" means the Series 1999 Bonds, the Series 1993 Bonds, the Series 1992 Bonds and any Outstanding Parity Debt.

(b) The definition of Fiscal Agent set forth in Section 1 of the Original Resolution is hereby amended to read as follows:

"Fiscal Agent" means U.S. Bank Trust National Association (formerly known as First Trust of California, National Association), appointed by the Agency as fiscal agent pursuant to Section 32 of the Original Resolution, its successors and assigns, and any other bank or trust company which may at any time be substituted in its place, as provided in the Original Resolution.

(c) The definition of Parity Debt set forth in Section 1 of the Original Resolution is hereby supplemented to read as follows:

"Parity Debt" means the Series 1992 Bonds, the Series 1993 Bonds, and all tax allocation bonds, loans and any other indebtedness payable from the General Tax Revenues on a parity pursuant to the terms of Section 17 of the Original Resolution with payments from such General Tax Revenues for the Series 1999 Bonds.

"Principal Corporate Trust Office" means the corporate trust office of the Fiscal Agent at One California Street, Fourth Floor, San Francisco, California 94111; provided, that for purposes of the transfer, registration, exchange, payment and surrender of the Series 1999 Bonds, "Principal Corporate Trust Office" means the corporate trust office of U.S. Bank Trust National Association in St. Paul, Minnesota, or such other office designated by the Fiscal Agent from time to time.

Section 1.03. Terms of Series 1999 Bonds Subject to the Original ResolutionSection 1.03. Terms of Series 1999 Bonds Subject to the Original Resolution. Except as expressly provided in this Supplemental Resolution, every term and condition contained in the Original Resolution shall apply to this Supplemental Resolution and to the Series 1999 Bonds with the same force and effect as if the same were herein set forth at length, with such omissions and variations thereof as may be appropriate to make the same conform to this Supplemental Resolution.

The Original Resolution and all the terms and provisions therein contained shall form part of this Supplemental Resolution as fully and with the same effect as if all such terms and provisions had been set forth in this Supplemental Resolution. The Original Resolution is hereby ratified and confirmed and shall continue in full force and effect in accordance with the terms and provisions thereof, as supplemented hereby.

Section 1.04. Continuing DisclosureSection 1.04. Continuing Disclosure. The Agency hereby covenants and agrees that it will comply with and carry out all of the provisions of the Continuing Disclosure Agreement. Notwithstanding any other provision of this Supplemental Resolution, failure of the Agency to comply with the Continuing Disclosure Agreement shall not be considered an event of default hereunder; however, the Owner or beneficial owner of the Series 1999 Bonds may take such actions as may be necessary and appropriate, including seeking mandate or specific performance by court order, to cause the Agency to comply with its obligations under this Section 1.04.

Section 1.05. Designation as Senior Indebtedness. The Series 1999A Bonds, the Series 1999B Bonds and the Series 1999C Bonds are hereby designated as "Senior Indebtedness" pursuant to the provisions of Section 3.4 of that certain First Implementation Agreement.

## ARTICLE II

AUTHORIZATION OF SERIES 1999 BONDS  
ARTICLE II AUTHORIZATION OF SERIES  
1999 BONDS

Section 2.01. Authorization and Terms of Series 1999 Bonds  
Section 2.01. Authorization and Terms of Series 1999 Bonds.

(a) The Agency hereby authorizes the issuance of the Series 1999 Bonds in an aggregate principal amount not to exceed \$38,000,000 in accordance with the Law and pursuant to and in compliance with this Supplemental Resolution for the purpose of financing and refinancing redevelopment activities within the Project Area.

(b) Such Series 1999 Bonds shall be issued in two (2) separate series, known as the (i) Redevelopment Agency of the City of San Diego Centre City Redevelopment Project Tax Allocation Bonds, Series 1999A ; and (ii) Redevelopment Agency of the City of San Diego Centre City Redevelopment Project Tax Allocation Bonds, Series 1999B (Taxable).

(c) The Agency Issuance Certificate, to be executed and delivered concurrently with the execution and delivery of the Series 1999 Bonds, shall specify the date of the Series 1999 Bonds, the interest rates, the principal amount of each series of the Series 1999 Bonds, the optional redemption provisions of each series of the Series 1999 Bonds, and the schedule of principal and Sinking Fund Account Installments for each series of the Series 1999 Bonds. The Series 1999 Bonds shall bear interest and be payable in accordance with the terms so specified in the Agency Issuance Certificate. Based upon the advice of the underwriter of the Series 1999 Bonds, the Agency Issuance Certificate may (i) set forth additional covenants and agreements to be observed by the Agency, (ii) set forth additional provisions which may be required in connection with obtaining bond insurance or other credit enhancement and (iii) cure, correct, amend or supplement any ambiguous, defective or ineffective provision contained in this Supplemental Resolution or in regard to questions arising hereunder, as the Chair or Executive Director may deem necessary or desirable and in furtherance of the purposes of this Supplemental Resolution. The Chair or the Executive Director is hereby instructed to execute and deliver the Agency Issuance Certificate and, upon execution and delivery thereof, the Agency Issuance Certificate shall be incorporated herein by reference. Notwithstanding the foregoing, the Agency Issuance Certificate shall not specify a final maturity date later than September 1, 2028, an aggregate principal amount of Series 1999 Bonds in excess of thirty-eight million dollars (\$38,000,000), a true interest cost thereon in excess of (i) five and one-half percent (5.5%) per annum in connection with the Series 1999A Bonds, and (ii) six and three-quarters percent (6.75%) per annum in connection with the Series 1999B Bonds, nor an aggregate underwriter's discount, exclusive of original issue discount, in excess of fifty-five one hundredths percent (.55%) of the Series 1999 Bonds.

(d) The Series 1999 Bonds shall be issued as fully registered bonds in the denomination of \$5,000, or any integral multiple of \$5,000 (not exceeding the principal amount of such Bonds maturing at any one time). The Series 1999 Bonds shall be numbered in consecutive numerical order and otherwise distinctively designated in such manner as the Fiscal Agent in its sole discretion shall determine. The Series 1999 Bonds shall bear interest from the Interest Payment Date proceeding the date of execution thereof, unless such date of execution is after a Record Date and on or before the succeeding Interest Payment Date, in which case interest thereon will be payable from such succeeding Interest Payment Date or unless such date of execution is on or before August 15, 1999, in which case interest with respect thereto will be payable from February 1, 1999. Each Series 1999 Bond shall bear interest until the principal sum thereof has been paid or redeemed; provided, however, that if at the maturity date of any Series 1999 Bond, or if the same has been duly called for redemption then at the date fixed for redemption, funds are available for the payment or redemption thereof, in full accordance with the terms of this Supplemental Resolution, said Series 1999 Bond shall then cease to bear

interest.

(e) The interest on and principal of and redemption premiums, if any, on the Series 1999 Bonds shall be payable in lawful money of the United States of America at the Principal Corporate Trust Office of the Fiscal Agent. Interest on the Series 1999 Bonds shall be paid by check mailed by first class mail on such Interest Payment Date to the persons whose names appear on the bond registration books of the Fiscal Agent as the registered owners of such bonds at the close of business on the 15th day of the month (whether or not a business day) preceding each such Interest Payment Date at such persons' addresses as they appear on such registration books; provided, however, that upon the written request of an owner of not less than \$1,000,000 aggregate principal amount of a series of the Series 1999 Bonds received by the Fiscal Agent not less than three business days prior to said 15th day of the month, interest shall be paid by wire transfer to an account within the United States specified by such owner. Payment of the principal of and redemption premiums, if any, on the Series 1999 Bonds shall be paid upon surrender of the Series 1999 Bonds at the Principal Corporate Trust Office of the Fiscal Agent at maturity or upon prior redemption. All such payments of interest on and principal of and redemption premiums, if any, on the Series 1999 Bonds shall be valid and effective to satisfy and discharge the liability on such Series 1999 Bonds to the extent of the sum or sums so paid.

(f) The Series 1999A Bonds shall be in substantially the form set forth in Exhibit A hereto, and the Series 1999B Bonds shall be in substantially the form set forth in Exhibit B hereto. The Series 1999 Bonds shall be signed on behalf of the Agency by its Chair by his or her manual or facsimile signature and by its Secretary by his or her manual or facsimile signature, and authenticated by the Fiscal Agent and the seal of the Agency shall be impressed, imprinted or reproduced thereon. The foregoing officers and agent are hereby authorized and directed to sign the Series 1999 Bonds in accordance with this section. In case any officer of the Agency whose signature or whose facsimile signature shall appear on any Series 1999 Bonds shall cease to be such officer before the authentication of such Series 1999 Bonds or the delivery time thereof, such signature or the facsimile signature thereof shall nevertheless be valid and sufficient for all purposes the same as if he or she had remained in office until authentication and delivery, and also, if a person signing a Series 1999 Bond is the proper officer on the nominal date of such Series 1999 Bond such signature or facsimile signature thereof shall nevertheless be valid and sufficient for all purposes even though, on the date of this Supplemental Resolution, such person was not an officer.

Section 2.02. Book-EntrySection 2.02. Book-Entry.

(a) The Series 1999 Bonds shall be initially issued in the form of a single, separate fully registered Series 1999 Bond (which may be typewritten) in the full aggregate principal amount for each maturity of each series of the Series 1999 Bonds, and upon initial issuance, the ownership of such Series 1999 Bonds shall be registered in the Bond register in the name of Cede & Co., as nominee of DTC, the initial Book-Entry Depository. Except as provided in the immediately preceding sentence or in subsection (e) of this Section, all of the Series 1999 Bonds shall be registered in the Series 1999 Bond register in the name of Cede & Co., or such other nominee of DTC or any successor Book-Entry Depository or the nominee thereof, as shall be specified pursuant to the applicable Representation Letter.

(b) With respect to Series 1999 Bonds registered in the Series 1999 Bond register in the name of the Book-Entry Depository, or its nominee, the Agency shall have no responsibility or obligation to any Participant or to any person on behalf of which such a Participant holds an interest in the Series 1999 Bonds. Without limiting the immediately preceding sentence, the Agency shall have no responsibility or obligation with respect to (i) the accuracy of the records of the Book-Entry Depository, the nominee of the Book-Entry

Depository or any Participant with respect to any ownership interest in the Series 1999 Bonds, (ii) the delivery to any Participant or any other Person, other than a Bond owner as shown in the Series 1999 Bond register, of any notice with respect to the Series 1999 Bonds, or (iii) the payment to any Participant or any other person, other than an Owner as shown in the Series 1999 Bond register, of any amount with respect to principal of or interest on the Series 1999 Bonds. The Agency may treat and consider the person in whose name each Series 1999 Bond is registered in the Series 1999 Bond register as the Owner and absolute owner of such Series 1999 Bond for the purpose of payment of principal and interest on such Series 1999 Bond and for all other purposes whatsoever.

(c) The Fiscal Agent shall pay all principal of and interest on the Series 1999 Bonds only to or upon the order of the respective Owners, as shown in the Series 1999 Bond register on the applicable Record Date, or their respective attorneys duly authorized in writing, and all such payments shall be valid and effective to satisfy and discharge fully the obligations with respect to the payment of principal of and interest on the Series 1999 Bonds under this Supplemental Resolution and the Series 1999 Bonds to the extent of the sums so paid. Upon delivery by the Book-Entry Depository to the Agency of written notice to the effect that the Book-Entry Depository has determined to substitute a new nominee in place of the incumbent nominee, and subject to the provisions herein with respect to Record Dates, the word nominee in this Supplemental Resolution shall refer to such new nominee of the Book-Entry Depository.

(d) In order to qualify the Series 1999 Bonds for the Book-Entry Depository's book-entry system, the Executive Director of the Agency is hereby authorized to execute and deliver on behalf of the Agency to the Book-Entry Depository a Representation Letter representing such matters as shall be necessary to so qualify the Series 1999 Bonds.

The execution and delivery of the Representation Letter shall not in any way limit the provisions of subsection (b) of this Section or in any other way impose upon the Agency any obligation whatsoever with respect to persons having interests in the Series 1999 Bonds other than the Owners as shown in the Series 1999 Bond register. In addition to the execution and delivery of the Representation Letter, the officers of the Agency, and their authorized representatives, each are hereby authorized to take any other actions, not inconsistent with this Supplemental Resolution, to qualify the Series 1999 Bonds for each Book-Entry Depository's book-entry program.

(e) In the event (i) the incumbent Book-Entry Depository determines not to continue to act as Book-Entry Depository for the Series 1999 Bonds, or (ii) the Agency determines that the incumbent Book-Entry Depository shall no longer so act, and delivers a written certificate to the incumbent Book-Entry Depository to that effect, then the Agency will discontinue the book-entry system for the Series 1999 Bonds with the incumbent Book-Entry Depository. If the Agency determines to replace the incumbent Book-Entry Depository with another qualified Book-Entry Depository, the Agency shall prepare or direct the preparation of and execute, and the Fiscal Agent shall authenticate and deliver, a new single, separate fully registered bond (which may be typewritten) for the aggregate outstanding principal amount for each maturity of the Series 1999 Bonds held by the incumbent Book-Entry Depository, registered in the name of such successor or substitute qualified Book-Entry Depository or its nominee, or make such other arrangement acceptable to the Agency and the successor Book-Entry Depository as are not inconsistent with the terms of this Supplemental Resolution. If the Agency fails to identify another qualified successor Book-Entry Depository to replace the incumbent Book-Entry Depository, then the Series 1999 Bonds shall no longer be restricted to being registered in the Series 1999 Bond register in the name of the Book-Entry Depository or its nominee, but shall be registered in whatever name or names the Book-Entry Depository or its nominee shall designate. In such event the Agency shall prepare or direct the preparation of and

execute, and the Supplemental Resolution shall authenticate and deliver to the Owners thereof, such Series 1999 Bonds as are necessary to carry out the transfers and exchanges provided in this Supplemental Resolution. All such Series 1999 Bonds shall be in fully registered form in denominations authorized hereunder.

(f) Notwithstanding any other provision of this Supplemental Resolution to the contrary, so long as any Series 1999 Bond is registered in the name of the Book-Entry Depository or its nominee, all notices and payments with respect to principal of and interest on such Series 1999 Bond shall be made and given, respectively, as provided in the Representation Letter or as otherwise instructed by the Book-Entry Depository.

Section 2.03. Issuance of Parity DebtSection 2.03. Issuance of Parity Debt .

(a) The Agency may provide for the issuance of, and sell, Parity Debt subject to the following conditions precedent to such sale:

(1) The Agency shall be in compliance with all covenants set forth in this Supplemental Resolution.

(2) General Tax Revenues received or to be received by the Agency based upon the most recent assessed valuation of taxable property in the Redevelopment Project Area (as indicated by records of the Auditor-Controller of San Diego County excluding any revenues attributable to business inventory replacement/special subventions or attributable to any misplaced unsecured taxable value and upon the most recently established tax rates (limited to 1% so long as Article XIII A of the California Constitution has not been amended to permit a higher rate for other than voted indebtedness) are at least equal to 125% of Maximum Annual Debt Service payable from such General Tax Revenues on all Parity Debt which will be outstanding following the issuance of such proposed Parity Debt (or 120% of such Maximum Annual Debt Service if the aggregate total taxable assessed valuation of property in the Redevelopment Project Area last equalized for each subarea of said Redevelopment Project Area prior to the adoption of the applicable ordinance which first created a redevelopment plan for such subarea is equal to or less than 25% of the most recent assessed valuation of taxable property in the Redevelopment Project Area).

(3) The Parity Debt Resolution shall require that from the proceeds of such sale there shall be deposited in the Reserve Account an amount sufficient to raise the balance therein (together with amounts required to be deposited hereunder including any Reserve Fund Surety Bond) to an amount equal to the Reserve Requirement.

(4) The Agency shall certify that such Parity Debt shall constitute "Senior Indebtedness" as provided in Section 3.4 of the First Implementation Agreement.

(b) Notwithstanding Section 2.03(a)(2) above, the Agency may issue Parity Debt for the purpose of refunding in whole or in part one or more series of Outstanding Parity Debt if after such refunding, Maximum Annual Debt Services for the Parity Debt is reduced.

ARTICLE III

REDEMPTION OF SERIES 1999 BONDS; APPLICATION OF PROCEEDS OF SERIES 1999 BONDSARTICLE III REDEMPTION OF SERIES 1999 BONDS; APPLICATION OF PROCEEDS OF SERIES 1999 BONDS

Section 3.01. Optional Redemption of Series 1999 BondsSection 3.01. Optional Redemption of Series 1999 Bonds. Provided that no amounts are then due to the provider of a Reserve Fund Surety Bond as a result of payments made under the Reserve Fund Surety Bond (if any), the Series 1999 Bonds due on or after September 1, 2009, may be called before maturity



and redeemed at the option of the Agency, from any source of funds, on the dates and at the redemption prices set forth in the Agency Issuance Certificate (provided that the maximum premium payable at such optional redemption shall not exceed two percent (2%) of the principal amount to be redeemed).

The par amount of Series 1999 Bonds which are Term Bonds (the "Series 1999 Term Bonds") and are redeemed pursuant to the optional redemption provisions set forth above shall be credited against the Sinking Fund Payments described in Section 3.02 hereof in such manner as the Agency shall direct and in the absence of such direction shall be credited on a pro rata basis to reflect such optional redemptions. Series 1999 Term Bonds redeemed pursuant to Sinking Fund Payments described in Section 3.02 hereof shall be redeemed without premium.

Section 3.02. Mandatory Sinking Fund RedemptionSection 3.02. Mandatory Sinking Fund Redemption. There is hereby created within the Principal Account established pursuant to the Original Resolution (i) a Series 1999A Sinking Fund Account for the payment of the principal of the Series 1999A Term Bonds, and (ii) a Series 1999B Sinking Fund Account for the payment of the principal of the Series 1999B Term Bonds, which accounts the Fiscal Agent hereby covenants and agrees to cause to be maintained. The Fiscal Agent will transfer from the Principal Account to the applicable Series 1999 Sinking Fund Account for deposit in each Bond Year, an amount of money equal to, but not greater than, the mandatory sinking fund account payment required to be deposited with respect to such series of Series 1999 Bonds therein in such Bond Year, as set forth in the Agency Issuance Certificate.

The Agency hereby covenants and agrees with the holders of the Series 1999 Term Bonds of each series to call and redeem such Series 1999 Term Bonds (without premium) from the applicable Series 1999 Sinking Fund Account pursuant to and in accordance with the schedule set forth in the Agency Issuance Certificate, and in accordance with the provisions of Section 11 of the Original Resolution. In lieu of redemptions, the Fiscal Agent shall, at the direction of the Agency, use moneys in each Series 1999 Sinking Fund Account to purchase related Series 1999 Term Bonds in the open market at a price or prices not in excess of the principal amount thereof; in such event, the Fiscal Agent shall adjust the sinking fund maturities to reflect such purchases in any manner directed by the Agency and in the absence of such directions on a prorata basis to reflect such purchases. All Series 1999 Term Bonds purchased pursuant to this section shall be canceled.

Section 3.03. Redemption FundSection 3.03. Redemption Fund. Prior to the time the Agency determines to call and redeem any series of the Series 1999 Bonds pursuant to the optional redemption provisions of Section 3.01 hereof, it shall establish with the Fiscal Agent a redemption fund to be described or known as the Centre City Redevelopment Project Tax Allocation Bonds, Series 1999 Redemption Fund (the "Redemption Fund"), and a separate subaccount relating to each series therein, and prior to the redemption the Agency shall deposit in the applicable subaccount with the Fiscal Agent moneys available for the purpose and sufficient to redeem, with the premiums payable as in this Supplemental Resolution provided, the related Series 1999 Bonds designated in such notice of redemption. Said moneys shall be applied on or after the redemption date to payment (principal and premium) of the applicable Series 1999 Bonds to be redeemed upon presentation and surrender of such Series 1999 Bonds and shall be used only for that purpose. Mandatory redemptions pursuant to the sinking fund provisions of Section 3.02 of this Supplemental Resolution need not comply with this Section 3.03. Any interest payment due on or prior to the redemption date shall be paid from the Revenue Fund described in Section 16 of the Original Resolution. If after all of the applicable Series 1999 Bonds called for redemption have been redeemed and canceled or paid and canceled there are moneys remaining in said Redemption Fund, said moneys shall be transferred to the Revenue Fund; provided, however, that if said moneys are part of the proceeds of refunding

bonds said moneys shall be transferred to the fund created for the payment of principal of and interest on said refunding bonds.

Section 3.04. Application of Proceeds of Series 1999 BondsSection 3.04.

Application of Proceeds of Series 1999 Bonds. The proceeds of the sale of the Series 1999 Bonds shall be deposited with the Fiscal Agent and shall be held in trust and set aside by the Fiscal Agent as follows:

(a) The Fiscal Agent shall transfer to the Escrow Agent proceeds of the Series 1999A Bonds, along with amounts relating to the Series 1993 Bonds to be refunded, in the amounts set forth in the Agency Issuance Certificate.

(b) The Fiscal Agent shall deposit in the Interest Account established pursuant to Section 16 of the Original Resolution the accrued interest and any premium paid with respect to the Series 1999 Bonds.

(c) The Fiscal Agent shall deposit in the Reserve Account established pursuant to Section 16 of the Original Resolution an amount equal to the Reserve Requirement for the Series 1999A Bonds and the Series 1999B Bonds (in cash or by purchase of an appropriate Reserve Fund Surety Bond or by a combination thereof).

(d) The Fiscal Agent shall transfer to the Agency for deposit in the Series 1999 Costs of Issuance Account in the Redevelopment Fund (described in Section 3.05 hereof) an amount sufficient together with other available moneys, to pay the costs of issuance of the Series 1999 Bonds, as set forth in the Agency Issuance Certificate.

(e) The Fiscal Agent shall transfer to the Agency for deposit in the Series 1999 Project Account (Tax Exempt) and in the Series 1999 Project Account (Taxable) in the Redevelopment Fund, established pursuant to Section 3.05 hereof, the remainder of the proceeds of Series 1999 Bonds, in the amounts set forth in the Agency Issuance Certificate.

Section 3.05. Redevelopment FundSection 3.05. Redevelopment Fund. There is hereby continued a fund entitled the Centre City Redevelopment Project Redevelopment Fund (the "Redevelopment Fund") which Redevelopment Fund shall be held and administered by the Agency in accordance with the Original Resolution and this Supplemental Resolution. Within said Redevelopment Fund, there is herein created (i) a Series 1999 Project Account (Tax Exempt), and (ii) a Series 1999 Project Account (Taxable), into which the Agency shall place the proceeds set forth in Section 3.04(e) hereof and any amounts transferred in connection with the Series 1999C Bonds. All such proceeds and all investment earnings thereon shall be disbursed and expended for eligible costs of the Redevelopment Project in accordance with this Supplemental Resolution and, for the Series 1999A Bonds, in accordance with the Nonarbitrage and Tax Certificate.

The moneys set aside and placed in the Series 1999 Costs of Issuance Account in the Redevelopment Fund, which account is hereby created within said Redevelopment Fund, shall remain therein until from time to time expended solely for the purpose of paying the necessary expenses in connection with the issuance and sale of the Series 1999 Bonds. If any sums remain in the Series 1999 Costs of Issuance Account after the earlier of the date that said costs are fully paid or June 1, 1999, said sums shall be transferred to the Series 1999 Project Account (Tax Exempt) and the Series 1999 Project Account (Taxable) of the Redevelopment Fund herein above established in the prorata amounts based on the initial source of the deposit into such Series 1999 Costs of Issuance Account.

Section 3.06. Subordinate Pledged Tax Revenues. Upon making all deposits in each Bond Year as required by the Senior Lien Resolutions, all remaining General Tax Revenues shall be designed Subordinate Pledged Tax Revenues. The Agency covenants to deposit the Subordinate Pledge Tax Revenues with the Subordinate Trustee when and as received, but in no

event later than August 31 of each year, in the amount set forth in the Subordinate Indenture.

## ARTICLE IV

### MISCELLANEOUSARTICLE IV MISCELLANEOUS

Section 4.01. Approval of Escrow AgreementSection 4.01. Approval of Escrow Agreement. The proposed form of the Escrow Agreement as presented to this meeting is hereby approved. The Chair, Executive Director, the Deputy Executive Director (or their designated representatives) (the "Authorized Officers") are hereby authorized and directed, for and on behalf of the Agency, to execute and deliver the Escrow Agreement in substantially the form presented to this meeting, with such changes therein as such Authorized Officers may require or approve, with the advice and approval of Agency Counsel and Bond Counsel, such approval to be evidenced by the execution and delivery thereof.

Section 4.02. Approval of Bond Purchase ContractSection 4.02. Approval of Bond Purchase Contract. The proposed form of the Bond Purchase Contract relating to the Series 1999 Bonds and the Series 1999C Bonds, among the Agency, the Authority and Prudential Securities Incorporated, on behalf of itself and Siebert, Brandford & Shank LLC (collectively, the "Underwriter") (the "Purchase Contract"), as presented to this meeting is hereby approved. The Authorized Officers are hereby authorized and directed, for and on behalf of the Agency, to execute and deliver the Purchase Contract in substantially the form presented to this meeting, with such changes therein as such Authorized Officers may require or approve, with the advice and approval of Agency Counsel and Bond Counsel, such approval to be evidenced by the execution and delivery thereof.

Section 4.03. Approval of Official StatementSection 4.03. Approval of Official Statement. The Agency authorizes a Preliminary Official Statement and a final Official Statement of the Agency relating to the Series 1999 Bonds and the Series 1999C Bonds to be prepared by Underwriter's Counsel. The draft Preliminary Official Statement, in substantially the form presented hereto, is hereby approved. An Authorized Officer is hereby authorized and directed to execute, approve and deliver the final Official Statement with such changes, insertions and omissions as the officer or officers executing said document may require or approve, such approval to be conclusively evidenced by the execution and delivery thereof. An Authorized Officer is authorized, upon completion of the Preliminary Official Statement, to execute a certificate "deeming final" such Preliminary Official Statement, as required by Rule 15c2-12 of the Securities and Exchange Commission. When the form of said Preliminary Official Statement has been approved by an Authorized Officer, such Authorized Officer may authorize the distribution thereof, including the mailing by the Underwriter to prospective purchasers for the Series 1999 Bonds and the Series 1999C Bonds of copies of said Preliminary Official, the cost of printing and mailing said documents to be borne by the Agency. The use and distribution of said Preliminary Official Statement and final Official Statement in connection with the sale of the Series 1999 Bonds and the Series 1999C Bonds is hereby ratified and approved.

Section 4.04. Approval of the Series 1999C Bonds and the Subordinate IndentureSection 4.04. Approval of the Series 1999C Bonds and the Subordinate Indenture. The Agency hereby authorizes the issuance of the Series 1999C Bonds under and pursuant to the Law, in the maximum principal amount of \$15,000,000 at a true interest cost thereon not to exceed six percent (6%) per annum, and with an aggregate underwriter's discount, exclusive of original issue discount, not to exceed seventy one-hundredths of one percent (.70%) of the Series 1999C Bonds. The Series 1999C Bonds shall be issued pursuant to the Subordinate Indenture by

and between the Authority and the Subordinate Trustee. The Agency hereby approves the Subordinate Indenture in the form presented to the Agency at this meeting. The Authorized Officers are hereby authorized and directed, for and on behalf of the Agency, to execute and deliver the Subordinate Indenture in substantially the form presented to this meeting, with such changes therein as such Authorized Officers may require or approve, with the advice and approval of Agency Counsel and Bond Counsel, such approval to be evidenced by the execution and delivery thereof. The Agency hereby authorizes the delivery and performance by the Authority of the Subordinate Indenture.

Section 4.05. Provisions Relating to Municipal Bond Insurance PolicySection 4.05. Provisions Relating to Municipal Bond Insurance Policy. The Authorized Officers are hereby authorized to select a Series 1999 Bond Insurer, and to negotiate provisions relating to the Municipal Bond Insurance Policy (which provisions shall be included in the Agency Issuance Certificate, and are incorporated hereby by reference).

Section 4.06. MiscellaneousSection 4.06. Miscellaneous. The Authorized Officers are hereby authorized and directed, jointly and severally, to perform any and all actions and to execute and deliver any and all certificates, opinions and documents, including a Continuing Disclosure Agreement, which they deem necessary and advisable in order to consummate the issuance, sale and delivery of the Series 1999 Bonds and the Series 1999C Bonds and otherwise to effectuate the purposes of this Supplemental Resolution and the transactions contemplated hereby and thereby, and any such actions previously taken by such Authorized Officers are hereby ratified and affirmed.

Section 4.07. Effective Date of Supplemental ResolutionSection 4.07. Effective Date of Supplemental Resolution. This Supplemental Resolution shall take effect upon its adoption.

APPROVED: CASEY GWINN, General Counsel

By  
Douglas K. Humphreys  
Deputy Counsel

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