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RESOLUTION NUMBER R- 307892

DATE OF FINAL PASSAGE NOV 28 2012

A RESOLUTION OF THE COUNCIL OF THE CITY OF SAN DIEGO, ACTING AS THE LEGISLATIVE BODY OF CONVENTION CENTER FACILITIES DISTRICT NO. 2012-1 CITY OF SAN DIEGO, COUNTY OF SAN DIEGO, STATE OF CALIFORNIA, AUTHORIZING THE ISSUANCE OF ITS SPECIAL TAX BOND AND REVENUE ANTICIPATION NOTES SERIES 2013 IN A PRINCIPAL AMOUNT NOT TO EXCEED \$54,400,000 AND APPROVING AN INDENTURE AND A NOTE PURCHASE AGREEMENT AND TAKING CERTAIN OTHER ACTIONS IN CONNECTION THEREWITH

WHEREAS, the City Council of the City of San Diego, located in San Diego County California (City Council), has heretofore taken proceedings to establish the Convention Center Facilities District No. 2012-1, City of San Diego, County of San Diego, State of California (CCFD) under the provisions of the San Diego Municipal Code Chapter 6, Article 1, Division 27, including the provisions of the Mello-Roos Community Facilities Act of 1982 that are incorporated therein and made a part thereof (Division); and

WHEREAS, the City Council serves as the legislative body of the CCFD (Legislative Body); and

WHEREAS, the Legislative Body is authorized under the Division to levy special taxes and has heretofore taken proceedings to levy a special tax solely within and relating to the CCFD to finance the contiguous expansion, construction, reconstruction, replacement, rehabilitation, upgrade and equipping of the San Diego Convention Center and related expenditures (Expansion); and

WHEREAS, the Legislative Body has heretofore declared that the public convenience and necessity require that a bonded indebtedness be incurred to finance the costs of the Expansion, which costs include costs associated with the issuance of bonds; and

WHEREAS, the City Council has heretofore approved a financing plan (Financing Plan), the implementation of which is dependent upon a successful validation action with respect to the formation of the CCFD and the special taxes to be levied therein, final approval of the Expansion by the Coastal Commission of the State of California (Coastal Commission), and approval by the City Council of the legal documents for the proposed bonds and notes; and

WHEREAS, in order to provide funds for the short-term financing of certain initial costs of the Expansion as discussed in Staff Report No. 12-133, the Legislative Body desires to provide for the issuance of Convention Center Facilities District No. 2012-1, City of San Diego, County of San Diego, State of California Special Tax Bond and Revenue Anticipation Notes, Series 2013 (2013 Notes), in an aggregate principal amount not to exceed \$54,400,000; such Notes are expected to be paid from the special tax revenues and/or the proceeds of subsequently issued long-term bonds; and

WHEREAS, in order to effect the issuance of the 2013 Notes, the Legislative Body desires to (i) approve the form and authorize the execution and delivery of an Indenture (Indenture), to be entered into by and between the CCFD and U.S. Bank National Association, as trustee (Trustee), in substantially the form on file with the City Clerk as Document No. 307892 (ii) approve the form and authorize the execution and delivery of a Note Purchase Agreement (Purchase Agreement), to be entered into between Goldman, Sachs & Co., as underwriter (Underwriter) and the CCFD and (iii) authorize such changes and additions to the Indenture and the Purchase Agreement as the Authorized Officers (defined herein) deem necessary or desirable; and

WHEREAS, with the advice of the City's Financial Advisor for the 2013 Notes, the Legislative Body has determined (i) in accordance with the Division, which incorporates

California Government Code Section 53360.4, that a negotiated sale of the 2013 Notes pursuant to the terms of the Purchase Agreement will result in a lower overall cost to the CCFD, as compared to a sale of the 2013 Notes on sealed proposals to the highest bidder as described in California Government Code Section 53360 and (ii) that a negotiated sale of the 2013 Notes will provide additional benefits such as flexibility in the timing and sale of the 2013 Notes and adequate time to premarket the 2013 Notes; and

WHEREAS, in accordance with the Division, which incorporates California Government Code Section 53345.8, and the policies of the City, the Legislative Body hereby determines that the 2013 Notes do not present any unusual credit risk because the principal thereof will be paid either from the proceeds of a subsequent bond issue or from special tax revenues set aside for such purpose under the Indenture; and

WHEREAS, all acts, conditions and things required by the laws of the State of California and by the Division to exist, to have happened and to have been performed precedent to and in connection with the consummation of the financing authorized hereby do exist, have happened and have been performed in regular and due time, form and manner as required by law, and the Legislative Body is now duly authorized and empowered, pursuant to each and every requirement of law, to consummate such financing for the purpose, in the manner and upon the terms herein provided; NOW, THEREFORE,

BE IT RESOLVED, the City Council of the City of San Diego, acting as the legislative body of Convention Center Facilities District No. 2012-1, City of San Diego, County of San Diego, State of California, does hereby Order, and Determine as follows:

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

Section 2. The CCFD is authorized pursuant to the Division to issue the 2013 Notes for the purpose of financing a portion of the Expansion.

Section 3. The Legislative Body hereby finds and determines that the issuance of the 2013 Notes will provide significant public benefits such as lower short-term interest costs and the accumulation of special tax revenues to pay the 2013 Notes, fund reserves and generate equity in the Expansion.

Section 4. The Legislative Body hereby authorizes the issuance and sale of the 2013 Notes on a fixed rate basis, in an aggregate principal amount not to exceed \$54,400,000, by negotiated sale with the exact principal amount to be determined by the official signing the Purchase Agreement in accordance with Section 10 below; provided, however, that the true interest cost of the 2013 Notes shall not exceed 5.0% as of the date of delivery of the 2013 Notes).

Section 5. The form and content of the Indenture, pursuant to which the 2013 Notes will be issued, is hereby authorized and approved. Any one of the Mayor of the City, the Chief Operating Officer of the City, the Chief Financial Officer of the City or the Treasurer of the City or any of their respective designees (each an Authorized Officer) is hereby severally authorized and directed for and in the name and on behalf of the CCFD, to execute and deliver the Indenture, substantially in the form presented and considered at this meeting, with such changes and additions therein as such Authorized Officer shall determine are necessary and desirable and that any such Authorized Officer believes are in the best interests of the CCFD and as are approved as to form by the City Attorney or his specified designee, acting as counsel to the CCFD, such approvals to be conclusively evidenced by the execution and delivery thereof.

Section 6. The 2013 Notes shall be governed by the terms and conditions of the Indenture, which shall specify, among other things, (a) the form of the 2013 Notes; (b) the date or dates to be borne by the 2013 Notes and the time or times of maturity of the 2013 Notes (which is expected to be two and one half years) and the place or places and time or times that the 2013 Notes will be payable; (c) the interest to be borne by the 2013 Notes; (d) the denominations and registration of the 2013 Notes; (e) the authorized investments of moneys held in any funds, accounts or subaccounts created and maintained pursuant to the Indenture; (f) the pledge or assignment of revenues of the CCFD to the repayment of the 2013 Notes; (g) the redemption of the 2013 Notes (which is expected to be one year from delivery of the 2013 Notes) and the method for giving notice thereof to the holders of the 2013 Notes and (h) the events of default with respect to the 2013 Notes and the available remedies if the anticipated issuance of long-term bonds are not or cannot be sold.

Section 7. The Net Taxes (as defined in the Indenture) are hereby irrevocably pledged in accordance with the terms of the Indenture and the Division to secure the 2013 Notes. Any penalties imposed upon delinquent installments of special taxes that the CCFD assesses or collects shall be deposited in the special tax fund established under the Indenture.

Section 8. The 2013 Notes shall be executed on behalf of the CCFD by the manual or facsimile signature of the President of the Legislative Body and the seal of the CCFD or the City, or a facsimile thereof, may be impressed or imprinted thereon and the signature of the President of the Legislative Body shall be attested to with the manual or facsimile signature of the City Clerk or a Deputy City Clerk.

Section 9. The covenants set forth in the Indenture are hereby approved, including that (a) the CCFD shall levy the special tax in an amount equal to the maximum tax for each

parcel established under the Rate and Method of Apportionment (as defined in the Indenture) and (b) so long as any of the 2013 Notes remain outstanding, the CCFD shall not issue any additional notes or obligations payable from Net Taxes on a parity with or senior to the 2013 Notes.

Section 10. The Underwriter is hereby appointed for purposes of offering the 2013 Notes for sale in accordance with the provisions of the Purchase Agreement and the Indenture. The form and content of the Purchase Agreement are hereby authorized and approved. Each Authorized Officer is hereby severally authorized and directed for and in the name and on behalf of the CCFD, to execute and deliver the Purchase Agreement in connection with the purchase and sale of the 2013 Notes, substantially in the form presented and considered at this meeting, with such changes and additions therein as such Authorized Officer shall determine to be necessary and desirable and require or approve and believes to be in the best interests of the CCFD and as are approved as to form by the City Attorney or his specified designee, acting as counsel to the CCFD, such approvals to be conclusively evidenced by the execution and delivery thereof.

Section 11. The 2013 Notes shall be offered to the public by the Underwriter when, as and if issued by the CCFD; provided, however, that the issuance of the 2013 Notes shall be conditioned upon (a) the successful validation action with respect to the formation of the CCFD and the special taxes to be levied therein, (b) final approval of the Expansion by the Coastal Commission (c) authorization by the Legislative Body for the distribution of a preliminary official statement relating to the 2013 Notes and the execution, delivery and distribution of a final official statement in connection with the issuance and sale of the 2013 Notes and (d) approval of the preliminary official statement and the official statement by the Disclosure Practices Working Group, as required by Section 22.4107 of the San Diego Municipal Code (as

enacted by Ordinance O-19320).

Section 12. The Legislative Body hereby appoints U.S. Bank National Association as Trustee under the Indenture. Such appointment shall remain in effect until the Legislative Body, by supplemental agreement, resolution or other action, shall name a substitute or successor thereto.

Section 13. Each of the Authorized Officers is hereby authorized to provide for all services to effect the issuance, sale and delivery of the 2013 Notes. Such services shall include, but not be limited to, obtaining legal services, trustee services, consultant services and any other services deemed appropriate by an Authorized Officer. Any one of the Authorized Officers is authorized to pay for the cost of such services, together with other Costs of Issuance (as defined in the Indenture and as otherwise agreed to in writing by an Authorized Officer) from the sale and delivery of the 2013 Note proceeds. The Authorized Officers are hereby authorized and directed to pay all the fees and other costs of issuance of the 2013 Notes in accordance with the Purchase Agreement and as otherwise agreed to by the CCFD and the respective parties thereto, including applicable CDIAC fees and printer fees.

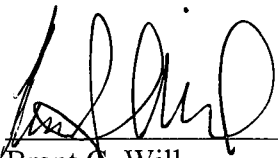
Section 14. All actions heretofore taken by any officers, employees or agents of the City with respect to: (i) the issuance, delivery, or sale of the 2013 Notes; (ii) the Indenture, the Purchase Agreement or any of the documents authorized in connection with the issuance of the 2013 Notes, are hereby approved, confirmed and ratified. Any Authorized Officer and such other officers, employees or agents of the City as may be authorized by the Mayor, the Chief Operating Officer or the Chief Financial Officer to act on behalf of the CCFD, are hereby authorized and directed, for and in the name of and on behalf of the CCFD, to do any and all things and take any and all actions, including, without limitation, payment of necessary and

appropriate fees and expenses, and execution and delivery of any and all certificates, agreements and other documents which they, or any of them, may deem necessary or advisable to consummate the transactions evidenced by the documents referenced herein in accordance with this Resolution.

Section 15. 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. This Resolution shall take effect immediately upon its adoption.

APPROVED: JAN I. GOLDSMITH, City Attorney

By  _____
Brant C. Will
Deputy City Attorney

BCW:jdf
11/6/2012
Or.Dept: Debt Management
Companion to: R-2013-320
Doc. No.: 468261

I hereby certify that the foregoing Resolution was passed by the Council of the City of San Diego, at this meeting of NOV 27 2012

ELIZABETH S. MALAND
City Clerk

By *Mary Burmaga*
Deputy City Clerk

Approved: 11-28-12
(date)

JSL
JERRY SANDERS, Mayor

Vetoed: _____
(date)

JERRY SANDERS, Mayor