

**Before the Board of Supervisors in and for the
County of Monterey, State of California**

RESOLUTION NO. ____ - ____

Resolution of the Board of Supervisors)
of the County of Monterey authorizing)
the execution and delivery by the County)
of certain lease financing documents)
with respect to Monterey County)
2019 Certificates of Participation (Public)
Facilities Refinancing) in a principal amount)
not to exceed \$35,000,000, and authorizing)
execution of necessary documents and)
certificates and related actions)

WHEREAS, pursuant to a Trust Agreement dated as of December 1, 2009, by and among the County of Monterey (the “County”), the County of Monterey Public Improvement Corporation (the “Corporation”) and Union Bank, N.A. as trustee (the “Prior Trustee”), the County caused the execution and delivery of certificates of participation captioned “\$43,700,000 Certificates of Participation (2009 Refinancing Project)” (the “2009 Certificates”);

WHEREAS, the 2009 Certificates are secured by leased payments made by the County under the Lease Agreement dated as of December 1, 2009 (the “2009 Lease Agreement”) by and between the County and the Corporation;

WHEREAS, the County desires to prepay lease payments to be made by the County under the 2009 Lease Agreement, and cause the concurrent defeasance and subsequent prepayment of the 2009 Certificates;

WHEREAS, pursuant to a Trust Agreement dated as of October 1, 2010, by and among the County, the Corporation and the Prior Trustee, the County caused the execution and delivery of certificates of participation captioned “\$17,845,000 Certificates of Participation (2010 Refinancing Project)” (the “2010 Certificates”);

WHEREAS, the 2010 Certificates are secured by leased payments made by the County under the Lease Agreement dated as of October 1, 2010 (the “2010 Lease Agreement”) by and between the County and the Corporation;

WHEREAS, the County desires to prepay lease payments to be made by the County under the 2010 Lease Agreement, and cause the concurrent defeasance and subsequent prepayment of the 2010 Certificates;

WHEREAS, in order to obtain funds to prepay the lease payments under the 2009 Lease Agreement and the 2010 Lease Agreement, the County will lease certain real property and the improvements thereto, consisting generally of the Natividad Medical Center (the “Leased Property”), to the Corporation under a Site Lease (the “Site Lease”) by and between the County as lessor and the Corporation as lessee, and the Corporation has agreed to sublease the Leased

Property back to the County pursuant to a Lease Agreement (the "Lease Agreement") by and between the Corporation as sublessor and the County as sublessee;

WHEREAS, the County and the Corporation have determined that it would be in the best interests of the County and the Corporation to provide the funds necessary to prepay lease payments to be made by the County pursuant to the 2009 Lease Agreement and the 2010 Lease Agreement through the execution and delivery, pursuant to a Trust Agreement (the "Trust Agreement"), by and among the Corporation, the County and U.S. Bank National Association, as trustee (the "Trustee"), of a series of certificates of participation captioned "County of Monterey 2019 Certificates of Participation (Public Facilities Refinancing)" (the "Certificates") evidencing direct, fractional undivided interests in the base rental payments (the "Lease Payments") to be made by the County under the Lease Agreement;

WHEREAS, the 2009 Certificates and the 2010 Certificates will be defeased and prepaid through a deposit of the net proceeds of the Certificates with U.S. Bank National Association, as escrow agent (the "Escrow Agent") and successor trustee to the Prior Trustee, under an Escrow Agreement (the "Escrow Agreement") by and among the County, the Corporation and the Escrow Agent;

WHEREAS, in accordance with Government Code Section 5852.1, the County has obtained and wishes to disclose the information set forth in Appendix A hereto;

WHEREAS, the Board of Supervisors (the "Board") wishes at this time to authorize all proceedings relating to the execution, delivery and sale of the Certificates for the purpose of refinancing the 2009 Lease Agreement, the 2009 Certificates, the 2010 Lease Agreement, the 2010 Certificates, and the obligations of the County with respect thereto;

WHEREAS, all acts, conditions and things required by the Constitution and laws of the State of California 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 County 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 by the Board as follows:

Section 1. Recitals. All of the recitals herein contained are true and correct and the Board so finds.

Section 2. Approval of Refinancing Plan. The Board hereby approves the refinancing plan as recited above for the purpose of providing funds to refinance the 2009 Lease Agreement, the 2009 Certificates, the 2010 Lease Agreement, the 2010 Certificates; provided that the principal amount of the Certificates shall not exceed \$35,000,000.

Section 3. Approval of Refinancing Documents. The Board hereby authorizes and approves each of the following financing documents, in substantially the respective forms on file with the Clerk of the Board, together with any changes therein or additions thereto deemed

advisable by an Authorized Officer (as defined below), whose execution thereof shall be conclusive evidence of such approval:

- (a) the Site Lease, by and between the Corporation and the County, under which the County leases the Leased Property to the Corporation in consideration of the agreement by the Corporation to provide funds sufficient to carry out the refinancing plan as recited above;
- (b) Lease Agreement, by and between the Corporation and the County, under which the Corporation leases the Leased Property back to the County and under which the County agrees to pay semiannual Lease Payments calculated at fixed rates of interest;
- (c) Trust Agreement, by and among the Corporation, the County and the Trustee, providing the terms and conditions for the execution and delivery of the Certificates; and
- (d) Escrow Agreement, by and among the County, the Corporation and the Escrow Agent, providing the terms and conditions for the defeasance and prepayment of the 2009 Certificates and the 2010 Certificates.

Each of the Chair of the Board, and any such other member of the Board as the Chair may designate, County Administrative Officer of the County, the Auditor-Controller of the County, the Treasurer of the County, and any such other officer of the County as such County Administrative Officer, Auditor-Controller or Treasurer may designate (the "Authorized Officers"), is hereby authorized, and any one of the Authorized Officers is hereby directed, for and in the name of the County, to execute and deliver the Site Lease, Lease Agreement and Trust Agreement in the forms submitted to this meeting, with such changes, insertions and omissions as any Authorized Officer may require or approve, such requirement or approval to be conclusively evidenced by the execution of the Site Lease, Lease Agreement and Trust Agreement by an Authorized Officer. The Board hereby authorizes the delivery and performance of each of the foregoing documents.

Section 4. Execution and Delivery of Certificates. The execution and delivery of Certificates evidencing principal in an aggregate amount not to exceed \$35,000,000, payable in the years and in the amounts, and evidencing interest as specified in the Trust Agreement as finally executed, are hereby authorized and approved; provided, that the term of the Lease Agreement shall not extend beyond October 1, 2027 (except for an extension in the event of nonpayment of Lease Payments), and the net present value interest rate savings with respect to the refinancing of the 2009 Certificates and the 2010 Certificates shall be at least 3% (as provided in the County of Monterey Public Finance Policy dated July 25, 2017).

Section 5. Sale of Certificates.

- (a) The Certificates shall be sold by competitive sale, subject to the limitations set forth in Section 4 of this Resolution, pursuant to the Official Notice of Sale relating to the Certificates (the "Official Notice of Sale"), in substantially the form on file with the Clerk of the Board, which is hereby approved.

Jones Hall, A Professional Law Corporation, as bond counsel to the County, is hereby authorized and directed to cause a Notice of Intention to Sell Certificates, in form and

substance acceptable to said firm, to be published once in *The Bond Buyer* in accordance with Section 53692 of the Government Code.

(b) Notwithstanding the provisions of Section 5(a), the Certificates may be sold on a negotiated sale basis, upon: (i) the determination by KNN Public Finance, LLC, the County's municipal advisor (the "Municipal Advisor") that the municipal credit markets are not, at the time scheduled for the sale of the Certificates, in the judgment of the Municipal Advisor, conducive to a successful competitive sale of the Certificates; and (ii) an Authorized Officer's concurrence with the conclusion of the Municipal Advisor. In such event, the Certificates may be sold on a negotiated basis, to a firm selected by the Municipal Advisor through a competitive selection process, pursuant to a contract of purchase, between the County and the underwriting firm so selected to purchase the Certificates, in substantially the form on file with the Clerk of the Board (the "Contract of Purchase"), and any Authorized Officer is hereby authorized and directed to execute the Contract of Purchase on behalf of the County.

Section 6. Preliminary Official Statement. The form of Preliminary Official Statement, on file with the Clerk of the Board, with such changes therein as may be approved by an Authorized Officer, is hereby approved, and the use of the Preliminary Official Statement in connection with the offering and sale of the Certificates is hereby authorized and approved. The Authorized Officers are each hereby authorized to certify in writing on behalf of the County that the Preliminary Official Statement is deemed final as of its date, within the meaning of Rule 15c2-12 of the Securities Exchange Act of 1934 (except for the omission of certain final pricing, rating and related information as permitted by Rule 15c2-12).

Section 7. Official Statement. The preparation and delivery of an Official Statement, and its use by the underwriter of the Certificates in connection with the offering and sale of the Certificates, is hereby authorized and approved. The Official Statement shall be in substantially the form of the Preliminary Official Statement with such changes, insertions and omissions as may be approved by an Authorized Officer, such approval to be conclusively evidenced by the execution and delivery thereof. The Authorized Officers are each hereby authorized and directed, for and in the name of and on behalf of the County, to execute the final Official Statement and any amendment or supplement thereto.

Section 8. Continuing Disclosure Certificate. The form of Continuing Disclosure Certificate, attached as an appendix to the Preliminary Official Statement on file with the Clerk of the Board, with such changes therein as may be approved by an Authorized Officer, is hereby approved. Each of the Authorized Officers is hereby authorized, and any one of the Authorized Officers is hereby directed, for and in the name of the County, to execute and deliver the Continuing Disclosure Certificate.

Section 9. Official Actions. The Authorized Officers and the officers and employees of the County are hereby authorized and directed, jointly and severally, to do any and all things which they may deem necessary or advisable in order to consummate the transactions herein authorized and otherwise to carry out, give effect to and comply with the terms and intent of this Resolution. All actions heretofore taken by the officers, employees and agents of the County with respect to the transactions set forth above are hereby approved, confirmed and ratified.

Section 10. Effective Date. This Resolution shall take effect immediately upon its adoption.

PASSED AND ADOPTED upon motion of Supervisor _____, seconded by Supervisor _____, carried this ____ day of _____, 2019, by the following vote, to wit:

AYES:
NOES:
ABSENT:
ABSTAIN:

Chair of the Board of Supervisors of the
County of Monterey

(SEAL)

ATTEST:

Clerk of the Board of Supervisors of the
County of Monterey

CERTIFICATE OF CLERK

I, Valerie Ralph, Clerk of the Board of Supervisors of the County of Monterey, California, do hereby certify that the foregoing is a full, true and correct copy of a resolution duly adopted at a regular meeting of the Board of Supervisors of the County of Monterey duly and regularly held at the regular meeting place thereof on _____, 2019, of which meeting all of the members of said Board had due notice, and at said meeting said resolution was adopted by the following vote:

AYES:

NOES:

ABSTAIN:

ABSENT:

I do hereby further certify that an agenda of said meeting was posted at least 72 hours before said meeting at 168 West Alisal Street, Salinas, California, a location freely accessible to members of the public, and a brief description of said resolution appeared on said agenda.

I, Valerie Ralph, Clerk of the Board of Supervisors of the County of Monterey, State of California, hereby certify that the foregoing is a true copy of an original order of said Board of Supervisors duly made and entered in the minutes thereof of Minute Book [__] for the meeting on _____, 2019.

Dated: [____], 2019
File Number: 19-[____]

Valerie Ralph, Clerk of the Board of Supervisors
County of Monterey, State of California

By _____
Deputy

[SEAL]

APPENDIX A

Government Code Section 5852.1 Disclosure

The following information consists of estimates that have been provided in good faith by the municipal advisor to the County:

- (A) True interest cost of the Certificates: 1.50%
- (B) Finance charge of the Certificates (sum of all costs of issuance and fees/charges paid to third parties): \$367,000
- (C) Net proceeds to be received (net of finance charges, reserves and capitalized interest, if any): \$33,481,172
- (D) Total payment amount through maturity: \$35,865,844