

1 **BEFORE THE BOARD OF SUPERVISORS, COUNTY OF SAN BENITO**

2 A RESOLUTION OF THE SAN BENITO COUNTY) Resolution No. 2019-_____)
3 BOARD OF SUPERVISORS APPROVING THE SAN)
4 BENITO COUNTY 2019 CERTIFICATES OF)
5 PARTICIPATION FOR THE JAIL FACILITY)
6 PROJECT, APPROVING THE FORM OF CERTAIN)
7 FINANCING DOCUMENTS IN CONNECTION)
8 WITH THE CERTIFICATES OF PARTICIPATION,)
9 AND AUTHORIZING AND DIRECTING CERTAIN)
10 COUNTY OFFICIALS TO EXECUTE THE)
11 FINANCING DOCUMENTS IN CONNECTION WITH)
12 THE 2019 CERTIFICATES OF PARTICIPATION)
13 (JAIL FACILITY PROJECT))

10 **WHEREAS**, San Benito County (the "County") has determined that it is in the best interests of the
11 County at this time to provide for the financing of a portion of the cost of improving certain real
12 property to be used as a future County jail (the "Project"); and

12 **WHEREAS**, in order to provide funds for such purpose the County has agreed to lease and lease
13 back the real property and improvements consisting of the sheriff administration building, located at
14 2301 Technology Parkway in Hollister (the "Leased Property") to the San Benito County Financing
15 Corporation (the "Corporation") pursuant to a Site Lease (the "Site Lease") by and between the
16 County as lessor and the Corporation as lessee, and the Corporation has agreed to sublease the
17 Leased Property back to the County pursuant to a Lease Agreement (the "Lease") by and between
18 the Corporation as sublessor and the County as sublessee; and

17 **WHEREAS**, the funds necessary to fund the Project will be derived from the proceeds of
18 certificates of participation captioned "San Benito County 2019 Certificates of Participation (Jail
19 Facility Project)" (the "Certificates") each evidencing a direct, undivided fractional interest in the
20 lease payments to be paid by the County under the Lease; and

20 **WHEREAS**, in accordance with Government Code Section 5852.1, the County has obtained and
21 wishes to disclose the information set forth in Appendix A, attached hereto and incorporated herein
22 by reference; and

22 **WHEREAS**, the Board of Supervisors (the "Board") wishes at this time to authorize all
23 proceedings relating to the issuance and sale of the Certificates for the purpose of financing the
24 Project and the obligations of the County with respect thereto:

25 **NOW, THEREFORE, BE IT RESOLVED** by the Board of Supervisors of the County of San
26 Benito that it hereby makes the following findings, determinations and orders:

27 **Section 1. Approval of Financing Plan.** The Board hereby approves the financing plan as
28 recited above for the purpose of providing funds to finance the Project, provided that the
 principal amount of the Certificates shall not exceed \$8,500,000.

1 **Section 2. Approval of Related Documents.** The Board hereby authorizes and approves
2 each of the following financing documents, in substantially the respective forms on file with
3 the Clerk of the Board, together with any changes therein or additions thereto deemed
4 advisable by the County Administrative Officer, whose execution thereof shall be
5 conclusive evidence of such approval:

- 6 a. Site Lease, by and between the Corporation and the County, under which the County
7 leases the Leased Property to the Corporation in consideration of the agreement by
8 the Corporation to provide funds sufficient to finance the Project;
- 9 b. Lease Agreement, by and between the Corporation and the County, under which the
10 Corporation leases the Leased Property back to the County and under which the
11 County agrees to pay semiannual lease payments calculated at fixed rates of interest;
12 provided, that the term of the Lease Agreement shall not extend beyond October 1,
13 2048 (except for an extension in the event of nonpayment of Lease Payments), the
14 true interest cost with respect to the Certificates shall not exceed 5.00%, and the
15 annual Lease Payments payable by the County under the Lease Agreement shall not
16 exceed \$550,000 per fiscal year; and
- 17 c. Trust Agreement, by and among the Corporation, the County and Wells Fargo Bank,
18 N.A., as trustee, providing the terms and conditions for the delivery of the
19 Certificates.

20 The Chairman of the Board and the County Administrative Officer are each hereby
21 separately authorized and directed for and in the name and on behalf of the County to
22 execute, and the Clerk of the Board is hereby authorized and directed to attest, the final form
23 of each of the foregoing documents. The Board hereby authorizes the delivery and
24 performance of each of the foregoing documents.

25 **Section 3. Sale of Certificates.**

- 26 a. The Certificates shall be sold by competitive sale, subject to the limitations set forth
27 in Sections 1 and 2 of this Resolution, pursuant to the Official Notice of Sale relating
28 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 3(a), the Certificates may be sold on a
negotiated sale basis, upon: (i) the determination by KNN Public Finance, 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) the County Administrative Officer's concurrence with the
conclusion of the Municipal Advisor. In such event, the Certificates may be sold on a

1 negotiated basis, to a firm selected by the Municipal Advisor through a competitive
2 selection process, pursuant to a contract of purchase, between the County and the
3 underwriting firm so selected to purchase the Certificates, in substantially the form
4 on file with the Clerk of the Board (the "Contract of Purchase"), and the County
Administrative Officer is hereby authorized and directed to execute the Contract of
Purchase on behalf of the County.

5 **Section 4. Official Statement.** The Board hereby approves, and hereby deems nearly final
6 within the meaning of Rule 15c2-12 of the Securities Exchange Act of 1934, the preliminary
7 Official Statement describing the Certificates in substantially the form on file with the Clerk
8 of the Board. The Chairman of the Board is hereby authorized, at the request of the
9 Underwriter, to execute an appropriate certificate stating the Board's determination that the
10 preliminary Official Statement has been deemed nearly final within the meaning of such
11 Rule. Distribution of the preliminary Official Statement by the Underwriter is hereby
12 approved. The Chairman of the Board and the County Administrative Officer are hereby
13 authorized and directed to approve any changes in or additions to a final form of said
Official Statement, and the execution thereof by the Chairman of the Board shall be
conclusive evidence of approval of any such changes and additions. The Board hereby
authorizes the distribution of the final Official Statement by the Underwriter. The final
Official Statement shall be executed in the name and on behalf of the County by the
Chairman of the Board.

14 **Section 5. Official Actions.** The Chairman of the Board, the County Administrative
15 Officer, the Auditor-Controller and the Treasurer-Tax Collector-Public Administrator are
16 each authorized and directed in the name and on behalf of the County to make any and all
17 assignments, certificates, requisitions, agreements, notices, consents, instruments of
18 conveyance, certificates of acceptance of property conveyed to the County, certificates of
19 termination relating to prior lease financings since repaid, warrants and other documents,
20 which they or any of them might deem necessary or appropriate in order to consummate any
21 of the transactions contemplated by the agreements and documents approved pursuant to this
Resolution, including without limitation any documents needed to procure bond insurance or
a reserve insurance policy. Whenever in this Resolution any officer of the County is
authorized to execute or countersign any document or take any action, such execution,
countersigning or action may be taken on behalf of such officer by any person designated by
such officer to act on his or her behalf in the case such officer shall be absent or unavailable.

22 **Section 6. Effective Date.** This Resolution shall take effect from and after the date of its
23 passage and adoption.

1 PASSED AND ADOPTED BY THE BOARD OF SUPERVISORS OF THE COUNTY OF SAN
2 BENITO THIS 5th DAY OF FEBRUARY, 2019 BY THE FOLLOWING VOTE:

3 Ayes: Supervisor(s):
4 Noes: Supervisor(s):
5 Absent: Supervisor(s):
6 Abstain: Supervisor(s)

7 By: _____
8 Mark Medina, Chair

9 **ATTEST:**
10 Janet Slibsager, Clerk of the Board

11 **APPROVED AS TO LEGAL FORM:**
12 San Benito County Counsel's Office

13 By: _____

14 By: Shirley L. Murphy
15 Shirley L. Murphy, Deputy County Counsel

16 Date: _____

17 Date: Jan. 31, 2019

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: 4.22%
- (B) Finance charge of the Certificates (sum of all costs of issuance and fees/charges paid to third parties): \$240,988
- (C) Net proceeds to be received (net of finance charges, reserves and capitalized interest, if any): \$7,500,000
- (D) Total payment amount through maturity: \$14,476,913.19