RESOLUTION NO. ________

A RESOLUTION OF THE SANTA CLARA COUNTY FINANCING AUTHORITY AUTHORIZING THE ISSUANCE OF NOT TO EXCEED $34,000,000 AGGREGATE PRINCIPAL AMOUNT OF SANTA CLARA COUNTY FINANCING AUTHORITY LEASE REVENUE BONDS (FIRE DISTRICT FACILITIES) 2020 SERIES A; AUTHORIZING THE SALE OF SUCH BONDS BY COMPETITIVE OR NEGOTIATED SALE; AUTHORIZING THE FORMS OF AND DIRECTING THE EXECUTION AND DELIVERY OF A TRUST AGREEMENT, FACILITIES LEASE, SITE LEASE, AN OFFICIAL STATEMENT, BOND PURCHASE AGREEMENT, OFFICIAL NOTICE OF SALE, NOTICE OF INTENTION TO SELL, CONTINUING DISCLOSURE AGREEMENT, AND RELATED FINANCING DOCUMENTS; AND APPROVING THE TAKING OF ALL NECESSARY ACTIONS IN CONNECTION THERewith

WHEREAS, the County of Santa Clara (the “County”) and the Santa Clara County Central Fire Protection District (the “District”) have heretofore entered into a Joint Exercise of Powers Agreement, dated as of October 1, 1994 (the “Joint Powers Agreement”), which Joint Powers Agreement creates and establishes the Santa Clara County Financing Authority (the “Authority”);

WHEREAS, pursuant to Article 4 of Chapter 5 of Division 7 of Title 1 of the Government Code of the State of California (the “Act”) and the Joint Powers Agreement, the Authority is authorized to issue bonds for financing public capital improvements whenever there are significant public benefits;

WHEREAS, the District has requested that the Authority and the County assist in the financing of public capital improvements within the County, including the acquisition, improvement, furnishing, and equipping of additional facilities (collectively, the “Fire District Project”);

WHEREAS, pursuant to Article 4 of the Act, the County, following a public hearing, has determined that there are significant public benefits and it furthers a public purpose for the Authority to assist in the financing of the Fire District Project;

WHEREAS, the County has requested and approved the Authority’s issuance of not to exceed $34,000,000 in aggregate principal amount of the Santa Clara County Financing Authority Lease Revenue Bonds (Fire District Facilities), 2020 Series A (the “2020A Bonds”) for the purpose of financing the Fire District Project pursuant to a Trust Agreement (the “Trust Agreement”), between the Authority and the Trustee;

WHEREAS, pursuant to a Site Lease (the “Site Lease”), by and between the County and the Authority, the County now wishes to lease to the Authority certain real property as more specifically described in such Site Lease;
WHEREAS, pursuant to a Facilities Lease (the “Facilities Lease”), by and between the Authority and the County, the Authority will lease the same real property (the “Facilities”) back to the County;

WHEREAS, under the Facilities Lease, the County is obligated to make base rental payments to the Authority;

WHEREAS, in order to minimize debt service and maximize benefits to the County, the County has requested that the Authority sell the 2020A Bonds bearing interest at fixed rates through a competitive sale using an official notice of sale or if determined to be more beneficial to sell the 2020A Bonds through a negotiated sale to one or more underwriters to be selected by the County Executive or the Director of Finance of the County (the “Underwriters”);

WHEREAS, there have been made available (by filing with the Finance Agency of the County (the “Finance Agency”)) or presented to the Governing Board of the Authority (the “Board”) proposed forms of:

1. the Trust Agreement;
2. the Site Lease;
3. the Facilities Lease;
4. an Official Statement relating to the 2020A Bonds (the “Official Statement”);
5. an Official Notice of Sale (the “Official Notice of Sale”);
6. a Notice of Intention to Sell Bonds (the “Notice to Sell Bonds”), to be published once, no later than 5 days before the date of sale of said Bonds in a financial publication generally circulated throughout the State of California;
7. a Bond Purchase Agreement (the “Bond Purchase Agreement”), to be entered into among the Authority, the County and the Underwriters; and
8. a Continuing Disclosure Agreement, to be dated the date of issuance of the 2020A Bonds (the “Continuing Disclosure Agreement”), among the County, the Trustee and the dissemination agent named therein;

WHEREAS, Orrick, Herrington & Sutcliffe LLP is serving as bond counsel (“Bond Counsel”), KNN Public Finance, LLC, is serving as municipal advisor (“Municipal Advisor”), and Hawkins Delafield & Wood LLP is serving as disclosure counsel (“Disclosure Counsel”) in connection with the financing;

WHEREAS, this Board now desires to authorize and direct the execution of such documents and the consummation of such financing;
WHEREAS, pursuant to Section 5852.1 of the California Government Code, the Authority has received certain representations and good faith estimates from the Municipal Advisor and has disclosed such good faith estimates as set forth on Exhibit A attached hereto;

NOW THEREFORE, BE IT RESOLVED BY the Governing Board of the Santa Clara County Financing Authority as follows:

Section 1. All of the recitals above set forth are true and correct, and the Board so finds and determines.

Section 2. The Board hereby authorizes the issuance of the 2020A Bonds in an aggregate principal amount not to exceed $34,000,000 for the financing of the Fire District Project, including funding costs of issuance, and related fees and expenses; provided, however, that such bonds shall mature no later than the date which is thirty-one (31) years from the date of the 2020A Bonds.

Section 3. The proposed form of a Trust Agreement on file with the Finance Agency is hereby approved. The Executive Director of the Authority, the Treasurer and Controller of the Authority, or the Deputy Treasurer of the Authority (the “Authorized Officers”) is each hereby authorized and directed on behalf of the Authority to execute and deliver the Trust Agreement in substantially said form, with such changes therein as such officer may require or approve, such approval to be conclusively evidenced by the execution and delivery thereof. The aggregate principal amount (not to exceed $34,000,000), maturity dates or dates (not to exceed thirty-one (31) years from the date of the 2020A Bonds), interest rates, interest payment dates, series designations, terms of redemption, and other terms and provisions of the 2020A Bonds shall be as provided in the Trust Agreement, as finally executed.

Section 4. The proposed form of Site Lease on file with the Finance Agency is hereby approved. The Authorized Officers are hereby authorized and directed, for and in the name and on behalf of the Authority, to execute and deliver the Site Lease in substantially said form, with such changes therein as such officer may require or approve, such approval to be conclusively evidenced by the execution and delivery thereof. The Authorized Officers are hereby authorized and directed, on behalf of the Authority, to negotiate and approve differing lease terms for the Facilities; provided, however, that no term of the lease of any portion of the Facilities (excluding any extensions thereto caused by an abatement) pursuant to the Site Lease shall end later than forty (40) years from the date of the 2020A Bonds.

Section 5. The proposed form of Facilities Lease on file with the Finance Agency is hereby approved. The Authorized Officers are hereby authorized and directed, for and in the name and on behalf of the Authority, to execute and deliver the Facilities Lease in substantially said form, with such changes therein as such officer may require or approve, such approval to be conclusively evidenced by the execution and delivery thereof. The Authorized Officers are hereby authorized and directed, on behalf of the Authority, to negotiate and approve differing lease terms for the various buildings comprising the Fire District Project and the Facilities; provided, however, that no term of the leaseback of any portion of the Facilities (excluding any extension thereto caused by an abatement) pursuant to the Facilities Lease shall end later than forty (40) years from the date of the 2020A Bonds.
Section 6. The proposed form of Official Statement relating to the 2020A Bonds is hereby approved. The Authorized Officers are hereby authorized and directed, for and in the name and on behalf of the Authority, to execute and deliver one or more Official Statements in substantially said form, with such changes therein as such officer executing the same may require or approve, such approval to be conclusively evidenced by the execution and delivery thereof. The Authorized Officers are hereby authorized and directed to execute a certificate confirming that the preliminary Official Statement has been “deemed final” by the Authority for purposes of Securities and Exchange Commission Rule 15c2-12. Distribution by the Underwriters of the preliminary Official Statement relating to the 2020A Bonds is hereby approved.

Section 7. The proposed forms of Official Notice of Sale and the Notice to Sell Bonds in substantially the forms on file with the Finance Agency are hereby approved. The Municipal Advisor is hereby authorized and directed to cause to be delivered to prospective bidders for the 2020A Bonds copies of said Official Notice of Sale, in substantially said form with such additions, corrections and revisions as may be determined to be necessary or desirable by the Municipal Advisor, the Executive Director of the Authority, the Treasurer and Controller of the Authority or Bond Counsel. The Authorized Officer is hereby authorized to cause to be published the Notice of Intention to Sell Bonds as required by law. The Authorized Officer shall, with the concurrence of the County, award the sale of the 2020A Bonds pursuant to the Official Notice of Sale. The true interest cost of the 2020A Bonds shall not exceed five percent (5.00%), and the terms of the 2020A Bonds described in Section 2, shall apply to such competitive sale. With the consent of the County Executive and the Director of Finance of the County, the Authorized Officer may sell the 2020A Bonds by negotiated sale pursuant to the proposed form of Bond Purchase Agreement on file with the Finance Agency which is hereby approved. The Authorized Officers are hereby authorized and directed for and in the name and on behalf of the Authority to accept the offer of the Underwriters to purchase the 2020A Bonds as reflected in the Bond Purchase Agreement and to execute and deliver one or more Bond Purchase Agreements in substantially said form, with such additions, deletions, or changes therein as such officer determines are necessary or appropriate and are approved by such officer, such approval to be conclusively evidenced by the execution and delivery of the Bond Purchase Agreement; provided, that the interest rate on the 2020A Bonds shall not exceed five percent (5.00%) per annum, the true interest cost of the 2020A Bonds shall not exceed five percent (5.00%), and the underwriting discount (excluding any original issue discount) shall not exceed one percent (1.00%) of the aggregate principal amount of the 2020A Bonds.

Section 8. The proposed form of Continuing Disclosure Agreement on file with the Finance Agency is hereby acknowledged, such agreement to be delivered by the County in substantially said form with such changes therein as such officer executing the same may require or approve.

Section 9. The 2020A Bonds shall be executed by the manual or facsimile signature of the Chair of the Authority (who may be referred to as the President) and shall be countersigned by the manual or facsimile signature of the Acting Secretary of the Authority in the form set forth in and otherwise in accordance with the Trust Agreement.
Section 10. The officials, officers and employees of the Authority 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, including, but not limited to, preparation of title reports and/or purchase of a title insurance policy, bond insurance or surety reserve policies (including necessary revisions to forms of documents attached hereto), execution of certificates, including signature certificates, no-litigation certificates, tax and rebate certificates, certificates concerning the contents of the Official Statement distributed in connection with the sale of the 2020A Bonds (and any amendments or supplements thereto, which are also hereby authorized), and certificates required in connection with any consent or approval needed prior to the issuance of the 2020A Bonds, and the making of presentations to rating agencies. The appropriate officers of the Authority are hereby authorized and directed to execute and deliver any and all certificates, instructions as to investments, written requests, and other certificates necessary or desirable to issue the 2020A Bonds, to pay costs of issuance of the 2020A Bonds or to accomplish the transactions contemplated herein.

Section 11. All consents, approvals, notices, orders, requests, and other actions permitted or required by any of the documents authorized by this Resolution, whether before or after the issuance of the 2020A Bonds, including without limitation accepting any deed of property or executing any documents necessary to clarify title or any of the foregoing which may be necessary or desirable in connection with administering the documents or any default under or amendment of such documents or additional confirmations, settlements or revisions, or approval of additional trustees, paying agents, or other entities contemplated by the Trust Agreement and the bonds issued thereunder may be taken or given by the Authorized Officers, or a designee of any one of them, without further authorization by this Board, and the Authorized Officers or a designee of any one of them, is hereby authorized and directed to give such consent, approval, notice, order, or request and to take any such action which such officer may deem necessary or desirable to further the purposes of this Resolution and the transactions contemplated hereby.

Section 12. All actions heretofore taken by the officers and agents of the Board or the Authority with respect to the financing are hereby ratified, confirmed, and approved.
Section 13. This Resolution shall take effect from and after its adoption and approval.

PASSED AND ADOPTED by the Governing Board of the Santa Clara County Financing Authority, State of California, on ________________, by the following vote:

AYES:
NOES:
ABSENT:
ABSTAIN:

________________________
Cindy Chavez
President

Signed and certified that a copy of this document has been delivered by electronic or other means to the President of the Authority.

ATTEST:

________________________
Megan Doyle
Secretary

APPROVED AS TO FORM AND LEGALITY:

________________________
Lesley Pak
Deputy County Counsel
EXHIBIT A TO RESOLUTION

GOOD FAITH ESTIMATES

SANTA CLARA COUNTY FINANCING AUTHORITY
LEASE REVENUE BONDS
(FIRE DISTRICT FACILITIES), 2020 SERIES A

The following information was obtained from KNN Public Finance, LLC, as the municipal advisor of the bonds defined above (the “Bonds”), for consideration prior to the authorization in the foregoing Resolution of the proposed Bonds:

1. True Interest Cost of the Bonds. Assuming an aggregate principal amount of the Bonds in the amount of $27,520,000 is sold to effectuate the financing and based on market interest rates prevailing at the time of preparation of this information, a good faith estimate of the true interest cost of the Bonds, which means the rate necessary to discount the amounts payable on the respective principal and interest payment dates to the purchase price received for the Bonds, is 3.22%.

2. Finance Charge of the Bonds. Assuming such a principal amount of the proposed Bonds is sold and based on market interest rates prevailing at the time of preparation of this information, a good faith estimate of the Finance Charge of the Bonds, which means the sum of all fees and charges paid to third parties (or costs associated with the issuance of the Bonds), is $439,902.75.

3. Amount of Proceeds to be received. Assuming such aggregate principal amount of the proposed Bonds required to effectuate the financing is sold and based on market interest rates prevailing at the time of preparation of this information, a good faith estimate of the amount of proceeds expected to be received by the issuer for sale of the Bonds less the Finance Charge of the Bonds described in 2 above and any reserves or capitalized interest paid or funded with proceeds of the Bonds, is $30,000,000.

4. Total Payment Amount. Assuming such aggregate principal amount of the proposed Bonds ($27,520,000) are sold and based on market interest rates prevailing at the time of preparation of this information, a good faith estimate of the total payment amount, which means the sum total of all payments the issuer will make to pay debt service on the Bonds plus the Finance Charge of the Bonds described in paragraph 2 above not paid with the proceeds of the Bonds, calculated to the final maturity of the Bonds, is $47,466,537.77.

Attention is directed to the fact that the foregoing information constitutes good faith estimates only. The actual interest cost, finance charges, amount of proceeds, and total payment amount may vary from the estimates above due to variations from these estimates in the timing of Bond sales, the amount of Bonds sold, the amortization of the Bonds sold, and market interest rates at the time of each sale. The date or dates of sale and the amount of Bonds sold will be determined by the issuer based on need for funds and other factors. The actual interest rates at which the Bonds will be sold will depend on the bond market at the time of sale. The actual amortization of the Bonds will also depend, in part, on market interest rates at the time of each sale. Market interest rates are affected by economic and other factors beyond the issuer’s control.
CERTIFICATE OF THE ACTING SECRETARY OF THE SANTA CLARA COUNTY
FINANCING AUTHORITY

I, Megan Doyle, Secretary of the Santa Clara County Financing Authority, hereby
certify that the foregoing is a full, true, and correct copy of a resolution duly adopted at a
meeting of the Governing Board of the Authority duly and regularly held in San Jose, California,
on May 12, 2020, of which meeting all of the members of said Board had due notice.

I further certify that I have carefully compared the foregoing copy with the
original minutes of said meeting on file and of record in my office; that said copy is a full, true,
and correct copy of the original resolution adopted at said meeting and entered in said minutes;
and that said resolution has not been amended, modified, rescinded, or revoked in any manner
since the date of its adoption, and the same is now in full force and effect.

I further certify that an agenda of said meeting was posted at least 72 hours before
said meeting at a location in San Jose, California, freely accessible to the public and a brief
general description of the resolution to be adopted at said meeting appeared on said agenda.

IN WITNESS WHEREOF, I have executed this certificate and affixed the seal
of the Board of Supervisors of the County of Santa Clara hereto as of this ___ day of May 2020.

By__________________________
MEGAN DOYLE
Secretary
Santa Clara County Financing Authority

[SEAL]