RESOLUTION NO. 2012-1

A RESOLUTION OF THE GOVERNING BOARD OF THE SANTA CLARA COUNTY FINANCING AUTHORITY APPROVING THE ISSUANCE OF NOT TO EXCEED $115,000,000 AGGREGATE PRINCIPAL AMOUNT OF LEASE REVENUE BONDS; AUTHORIZING THE SALE BY COMPETITION OR NEGOTIATION; AND APPROVING THE FORM OF LEGAL DOCUMENTS NECESSARY FOR A LEASE-LEASEBACK FINANCING AND 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"), a joint exercise of powers authority duly organized and operating pursuant to Article 1 of Chapter 5 of Division 7 of Title 1 of the Government Code of the State of California (hereinafter, the "Act");

WHEREAS, Article 4 of the Act authorizes and empowers the Authority to issue bonds to assist local agencies in financing projects and programs consisting of certain public capital improvements whenever a local agency determines there are significant public benefits from doing so;

WHEREAS, the County has requested that the Authority assist the County in the financing of public capital improvements within the County, specifically the County Healthy and Hospital System Facilities Projects, including the Enterprise Core Healthcare Information System (the "Capital Projects");

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 Capital Projects;

WHEREAS, the Authority desires to authorize the issuance and sale of not to exceed $115,000,000 aggregate principal amount of its Lease Revenue Bonds (Capital Projects), in one or more series at a fixed rate (the "Bonds") pursuant to a Trust Agreement, tentatively dated as of July 1, 2012 (the "Trust Agreement"), between the Authority and U.S. Bank National Association, as trustee (the "Trustee"), for the purpose of financing the Capital Projects, capitalized interest, bond reserve requirements, costs of issuance and related fees and expenses;

WHEREAS, for the purpose of financing the Capital Projects, the County will lease the County's Main Jail, located at 150 W. Hedding St., in the City of San José, and the site thereof (together, the "Facilities") to the Authority, and the Authority will lease the Facilities back to the County;
WHEREAS, in order to take advantage of the bond issuance options under the Code to achieve debt service savings for the Authority and maximize benefits to the County, the Authority deems it necessary and desirable to authorize the sale of the Bonds by a competitive sale to the lowest true interest cost bidder or by a negotiated sale to an underwriter;

WHEREAS, the issuance of the Bonds will result in significant public benefits including demonstrable savings in effective interest rate, bond preparation, bond underwriting, or bond issuance costs; workflow efficiencies; and employment benefits from undertaking the Capital Projects in a timely fashion;

WHEREAS, it is in the public interest, convenience and welfare and for the common benefit of the inhabitants of the County that the Authority finance the Capital Projects;

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

1. the Trust Agreement;

2. a Site Lease, tentatively dated as of July 1, 2012 (the “Site Lease”), by and between the County and the Authority, pursuant to which the County will lease the Facilities to the Authority;

3. a Facilities Lease, tentatively dated as of July 1, 2012 (the “Facilities Lease”), by and between the Authority and the County, pursuant to which the Authority will lease-back the Facilities to the County, and the County will pay the corresponding base rental payments to be used by the Authority to pay debt service on the Bonds;

4. an Official Statement relating to the Bonds (the “Official Statement”);

5. an Official Notice of Sale relating to the Bonds (the “Official Notice of Sale”);

6. a Notice of Intention to Sell Bonds relating to the 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; and

7. a Continuing Disclosure Agreement, to be dated the date of issuance of the Bonds (the “Continuing Disclosure Agreement”), among the County, the Trustee and the dissemination agent named therein;

WHEREAS, Orrick, Herrington & Sutcliffe LLP serves as bond counsel (“Bond Counsel”), KNN Public Finance Inc., A Division of Zions First National Bank, serves as financial advisor (“Financial Advisor”), and Hawkins Delafield & Wood LLP serves as
disclosure counsel ("Disclosure Counsel") to the Authority and will serve in such capacity in connection with the financing;

WHEREAS, the Authority has been presented with the form of each document referred to herein relating to the Bonds, and the Authority has examined and approved each document and desires to authorize and direct the execution of such documents and the consummation of such financing;

WHEREAS, the Authority has full legal right, power and authority under the laws of the State of California to enter into the transactions hereinafter authorized;

WHEREAS, the Authority expects to finance the Capital Projects on a tax-exempt basis;

NOW THEREFORE, BE IT RESOLVED by the governing board of the Santa Clara County Financing Authority, as follows:

Section 1. Recitals. The foregoing recitals are true and correct and the Authority hereby so finds and determines.

Section 2. Issuance of Bonds. The Authority hereby authorizes the issuance of the Bonds, in one or more series at fixed rates, in an aggregate principal amount not to exceed $115,000,000 to finance the Capital Projects, including capitalized interest, reserve fund requirements, costs of issuance and related fees and expenses; provided, however, that such bonds shall be sold on or before December 31, 2012, shall mature no later than the date which is twenty (20) years from the date of the Bonds and shall bear interest at a fixed rate not to exceed six percent (6.00%) per annum.

Section 3. Sale of Bonds; Form of Official Notice of Sale and Notice to Sell Bonds; Bond Purchase Agreement. The Authority authorizes the sale of the Bonds through a competitive sale to the lowest true interest cost bidder, subject to all of the terms and conditions of an Official Notice of Sale describing the Bonds. The true interest cost of the Bonds shall not be in excess of six percent (6.00%).

The proposed forms of the Official Notice of Sale and the Notice to Sell Bonds in substantially the forms on file with the Finance Agency are hereby approved. The Financial Advisor is hereby authorized and directed to cause to be delivered to prospective bidders for the 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 Financial Advisor, the Executive Director of the Authority, the Treasurer and Controller of the Authority, or Bond Counsel. The Executive Director of the Authority, the Treasurer and Controller of the Authority or such other officer or officers of the Authority designated for such purpose by either such official (the "Authorized Officers") is hereby authorized to cause to be published the Notice of Intention to Sell Bonds as required by law. The Authorized Officers shall, with the concurrence of the County, award the sale of the Bonds pursuant to the Official Notice of Sale.
The true interest cost limitations described in this Section, and the terms of the Bonds described in Section 2, shall apply to such competitive sale.

Notwithstanding any other provision of this Resolution, the Authorized Officers, in consultation with the Director of Finance of the County, the County Executive or such other officer or officers of the County designated for such purpose by either such official (the "County Authorized Officers") and the Financial Advisor, are hereby authorized to determine that it would be in the best interests of the Authority to sell the Bonds through a negotiated sale to an underwriter rather than through a competitive sale. Upon such determination, the Authorized Officers are hereby authorized and directed, for and in the name and on behalf of the Authority, to execute and deliver a bond purchase agreement ("Bond Purchase Agreement"), in substantially similar form to bond purchase agreements previously executed by the Authority for the sale of lease revenue bonds, providing for the sale by the Authority and the purchase by the underwriter of the Bonds at a purchase price to be set forth therein and with an underwriter’s discount that shall not exceed one percent (1.00%) of the aggregate amount of the Bond proceeds, with such changes as the Authorized Officers and the County Authorized Officers may require or approve, such approval to be conclusively evidenced by the execution and delivery thereof. The purchase price and true interest cost limitations described in this Section, and the terms of the Bonds described in Section 2, shall apply to such negotiated sale.

Section 4. Approval of Trust Agreement. The Trust Agreement relating to the Bonds in substantially the form on file with the Finance Agency is hereby approved. Any of the Authorized Officers is hereby authorized and directed, for and in the name and 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 by the Authority.

Section 5. Approval of Facilities Lease. The Facilities Lease relating to the Bonds in substantially the form on file with the Finance Agency is hereby approved. Any of the Authorized Officers is 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.

Section 6. Approval of Site Lease. The Site Lease relating to the Bonds in substantially the form on file with the Finance Agency is hereby approved. Any of the Authorized Officers is 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.

Section 7. Approval of Official Statement. The form Official Statement relating to the Bonds in substantially the form on file with the Finance Agency is hereby approved. Any of the Authorized Officers is hereby authorized and directed to execute and deliver a final Official Statement in substantially said form with such additions, corrections and revisions as may be determined to be necessary or desirable by the Authorized Officers or County
Counsel. The Financial Advisor is hereby authorized and directed to cause to be supplied to prospective bidders for the Bonds copies of a preliminary Official Statement in such form, and to supply the winning bidder of the Bonds with copies of a final Official Statement, completed to include, among other things, the interest rate or rates and final sale information. Any of the Authorized Officers is 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.

Section 8. Approval of Continuing Disclosure Agreement. The proposed form of Continuing Disclosure Agreement in substantially the form on file with the Finance Agency is hereby approved.

Section 9. Professional Services. Orrick, Herrington & Sutcliffe LLP shall serve as bond counsel, KNN Public Finance Inc., A Division of Zions First National Bank, shall serve as financial advisor, and Hawkins Delafield & Wood LLP shall serve as disclosure counsel to the Authority for the Bonds.

Section 10. Approval of Actions. The officers and boardmembers of the Authority are hereby authorized and directed, jointly and severally, to do any and all things and to execute and deliver any all documents and certificates which they 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, execution of 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 Bonds, and termination and acceptance agreements and other documents necessary to release the Facilities from encumbrances and clarify the title thereto. 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 execute and deliver the leases, pay costs of issuance or to accomplish the transactions contemplated herein.

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 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 facilitating the transaction may be taken or given by the Authorized Officers without further authorization by the governing board of the Authority, and the Authorized Officers are each 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 11. Severability. If any one or more of the agreements, conditions, covenants or terms contained herein required to be observed or performed by or on the part of the Authority shall be contrary to law, then such agreement or agreements, such condition or
conditions, such covenant or covenants or such term or terms shall be null and void and shall be deemed severable from the remaining agreements, conditions, covenants and terms hereof and shall in no way affect the validity hereof or of the Bonds, and the owners of the Bonds shall retain all the benefit, protection and security afforded to them hereunder and under all provisions of applicable law. The governing board of the Authority hereby declares that it would have adopted this Resolution and each and every other section, paragraph, subdivision, sentence, clause and phrase hereof and would have authorized the issuance of the Bonds pursuant hereto irrespective of the fact that any one or more sections, paragraphs, subdivisions, sentences, clauses or phrases hereof or the application thereof to any person or circumstance may be held to be unconstitutional, unenforceable or invalid.

Section 12. Effective Date. 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 on this 22nd day of May, 2012, by the following vote:

AYES: CORTES, KNISS, SHIRAKAWA, WASSERMAN, YEAGER

NOES: NONE

ABSENT: NONE

George Shirakawa
CHAIR

(Seal)

Attest:

Lynn Regadanz
Interim Secretary

Approved as to form and legality:

Miguel Márquez, County Counsel

By

Orry P. Korb
Assistant County Counsel

Dated: _________________
CERTIFICATE OF THE SECRETARY OF THE SANTA CLARA COUNTY FINANCING AUTHORITY

I, Lynn Regadanz, Interim Secretary of the Santa Clara County Financing Authority (the "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 said Authority duly and regularly held in San Jose, California, on May 22, 2012 of which meeting all of the members of said Authority 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 hereto as of this date, May 22, 2012.

By [Signature]

Lynn Regadanz
Interim Secretary

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