

RESOLUTION NO.: ____
Meeting Date: _____

**RESOLUTION OF THE BOARD OF SUPERVISORS OF THE
COUNTY OF SAN DIEGO PROVIDING FOR THE EXECUTION
AND DELIVERY OF A SITE LEASE, A FACILITY LEASE, A
TRUST AGREEMENT, AN ESCROW AGREEMENT AND A
CONTINUING DISCLOSURE AGREEMENT, APPROVING THE
EXECUTION AND DELIVERY OF COUNTY OF SAN DIEGO
REFUNDING CERTIFICATES OF PARTICIPATION, SERIES
2025 (COUNTY OPERATIONS CENTER) EVIDENCING
PRINCIPAL IN AN AGGREGATE AMOUNT OF NOT TO
EXCEED \$65,000,000, AUTHORIZING THE DISTRIBUTION OF
AN OFFICIAL STATEMENT IN CONNECTION WITH THE
OFFERING AND SALE OF SUCH CERTIFICATES AND
AUTHORIZING THE EXECUTION OF NECESSARY
DOCUMENTS AND CERTIFICATES AND RELATED ACTIONS
RELATED THERETO**

WHEREAS, the San Diego Regional Building Authority Lease Revenue Refunding Bonds (County Operations Center) Series 2016A (the “Prior Obligations”), were issued on March 3, 2016 evidencing \$105,330,000 principal amount, of which \$70,675,000 principal amount is currently outstanding, pursuant to an Indenture, dated as of March 1, 2016 (the “Prior Indenture”), by and among Zions Bank, a Division of ZB, National Association (predecessor to Zions Bancorporation, National Association), as trustee, the County of San Diego (the “County”) and the San Diego Regional Building Authority (the “Authority”) as issuer of the Prior Obligations, and secured by rental payments made by the County pursuant to a Facility Lease, dated as of March 1, 2016, as amended (the “Prior Facility Lease”), by and between the County and the Authority; and

WHEREAS, the County intends to restructure its lease arrangements concerning the Prior Obligations in order to reduce the annual rental paid by the County pursuant to the Prior Facility Lease; and

WHEREAS, in order to effect such restructuring, it is necessary that the County prepay its obligations under the Prior Facility Lease, thereby defeasing the outstanding Prior Obligations; and

WHEREAS, the Authority has completed its role in assisting with the development of the County Operations Center that commenced in 2009, and as provided in the Prior Facility Lease and Prior Indenture, upon such prepayment and defeasance its obligations will be terminated and discharged; and

WHEREAS, in order to effect such restructuring and defeasance of the Prior Obligations, the County and the San Diego County Capital Asset Leasing Corporation (the “Corporation”) will enter into a site lease (the “Site Lease”), whereby the County will lease to the Corporation certain real property owned by the County, including the improvements thereto, consisting of certain facilities and property comprising the County Operations Center property (the “Leased Property”), and the Corporation and the County will enter into a facility lease (the “Facility Lease”), whereby the County will sublease the Leased Property back from the Corporation; and

WHEREAS, pursuant to an assignment agreement, the Corporation will transfer and assign, without recourse, certain of its rights, title and interests in and to the Site Lease and the Facility Lease,

including its right to receive base rental payments due under the Facility Lease, to Zions Bancorporation, National Association, a national banking association duly organized and existing under and by virtue of the laws of the United States of America, as trustee (the “Trustee”); and

WHEREAS, pursuant to a trust agreement (the “Trust Agreement”) by and among the Trustee, the County and the Corporation, the Trustee will execute and deliver the County of San Diego Refunding Certificates of Participation, Series 2025 (County Operations Center), or similar or additional designation as may be specified, on a tax-exempt basis, evidencing principal in an aggregate principal amount not to exceed \$65,000,000 (the “Series 2025 Certificates”), representing interests in, among other things, the base rental payments due under the Facility Lease, the proceeds of which will be used to prepay base rental payments, in full, in accordance with the Prior Facility Lease and thereby refund and defease the Prior Obligations and pay the costs associated with delivering the Series 2025 Certificates; and

WHEREAS, the County desires to provide for the public sale of the Series 2025 Certificates; and

WHEREAS, a form of the Notice of Intention to Sell to be published in connection with the public offering and sale of the Series 2025 Certificates has been prepared (such Notice of Intention to Sell, in the form presented to this meeting, with such changes, insertions and omissions as are made pursuant to this Resolution, being referred to herein as the “Notice of Intention to Sell”); and

WHEREAS, a form of the Notice Inviting Bids to be distributed in connection with the public offering and sale of the Series 2025 Certificates has been prepared (such Notice Inviting Bids, in the form presented to this meeting, with such changes, insertions and omissions as are made pursuant to this Resolution, being referred to herein as the “Notice Inviting Bids”); and

WHEREAS, Rule 15c2-12 promulgated under the Securities Exchange Act of 1934, as amended (the “Rule”) requires that, in order to be able to purchase or sell the Series 2025 Certificates, a municipal securities dealer must have reasonably determined that the issuer thereof has undertaken for the benefit of the holders of the Series 2025 Certificates to provide disclosure of certain annual financial information and events on an ongoing basis; and

WHEREAS, in order to cause such Rule to be satisfied, the County will enter into a Continuing Disclosure Agreement (a form of which is presented at this meeting to be utilized with such changes, insertions and omissions as are made pursuant to this Resolution, being referred to herein as the “Continuing Disclosure Agreement”), whereby the County will agree to provide certain continuing disclosure reports; and

WHEREAS, a form of the Preliminary Official Statement to be distributed in connection with the public offering of the Series 2025 Certificates has been prepared (such form presented at this meeting to be utilized with such changes, insertions and omissions as are made pursuant to this Resolution, being referred to herein as the “Preliminary Official Statement”) including, as appendices thereto a form of Appendix A summarizing certain economic, demographic and financial information with respect to the County; and

WHEREAS, California Government Code Section 5852.1 requires that the Board of Supervisors of San Diego County (the “Board”) obtain from an underwriter, financial advisor or private lender and disclose, prior to authorization of the issuance of bonds with a term of greater than 13 months, good faith estimates of the following information in a meeting open to the public: (a) the true interest cost of the bonds, (b) the sum of all fees and charges paid to third parties with respect to the bonds, (c) the amount of proceeds of the bonds expected to be received net of the fees and charges paid to third parties and any reserves or capitalized interest paid or funded with proceeds of the bonds, and (d) the sum total of all debt service

payments on the bonds calculated to the final maturity of the bonds plus the fees and charges paid to third parties not paid with the proceeds of the bonds; and

WHEREAS, in compliance with California Government Code Section 5852.1, the Board has obtained from Public Resources Advisory Group, as the County's municipal advisor (the "Municipal Advisor"), the required good faith estimates and such estimates are disclosed and set forth on Exhibit A attached hereto; and

WHEREAS, County Board Policy B-65, as revised and confirmed from time to time, constitutes the County's Financial Management and Long-Term Obligations Policy and debt policy (the "Debt Management Policy") in compliance with California Government Code Section 8855(i), and its obligations under the Facility Lease and the proposed execution and delivery of the Series 2025 Certificates as contemplated by this Resolution is in compliance with the Debt Management Policy; and

WHEREAS, in connection with the execution and delivery of the Series 2025 Certificates, the County also desires to approve the form and distribution of a preliminary official statement (the "Preliminary Official Statement"); and

WHEREAS, to facilitate the refunding of the Prior Obligations, the County desires to enter into an Escrow Agreement (a form of which is presented at this meeting with such changes, insertions and omissions as are made pursuant to this Resolution, being referred to herein as the "Escrow Agreement"), by and between the County and Zions Bancorporation, National Association, as successor trustee (in name) under the Prior Indenture (the "Escrow Agent"); and

WHEREAS, there have been presented to this meeting proposed forms of the following documents:

1. a Trust Agreement;
2. a Site Lease;
3. a Facility Lease;
4. a Preliminary Official Statement;
5. a Notice of Intention to Sell;
6. a Notice Inviting Bids;
7. a Continuing Disclosure Agreement; and
8. an Escrow Agreement;

NOW, THEREFORE, IT IS RESOLVED, DETERMINED AND ORDERED by the Board of Supervisors of San Diego County as follows:

Section 1. Approval of Refunding; Execution of Series 2025 Certificates. The Board hereby authorizes and approves the execution and delivery of the Series 2025 Certificates to current refund the Prior Obligations, and hereby authorizes and directs the Chief Financial Officer and the other officers of the County to cause the Series 2025 Certificates to be executed and delivered in accordance with the Trust Agreement. The Series 2025 Certificates shall be in substantially the form set forth in an exhibit to

the Trust Agreement, with such changes therein, deletions therefrom and additions thereto as any of the County's Chief Administrative Officer, Assistant Chief Administrative Officer, Chief Financial Officer, Auditor and Controller, Treasurer-Tax Collector, Chief Deputy Treasurer, Chief Investment Officer, Financial Policy and Planning Director, Debt Finance Manager, Debt and Capital Finance Officer or its designee (each, an "Authorized Officer") shall approve, such approval to be conclusively evidenced by the execution and delivery of the Trust Agreement; provided, however, that (i) the aggregate principal amount evidenced by the Series 2025 Certificates shall not exceed \$65,000,000; (ii) the true interest cost on the Series 2025 Certificates shall not exceed 5.00%; (iii) the Series 2025 Certificates shall mature not later than October 1, 2035; and (iv) the refunding of the Prior Obligations shall comply in all material respects with the County's Debt Advisory Committee "Refunding Policy" adopted pursuant to the County's Board Policy B-65, as demonstrated by a report of the Municipal Advisor. Notwithstanding the provisions of the draft of the Trust Agreement presented to this meeting and the form of Series 2025 Certificate included therein, an Authorized Officer is hereby authorized to determine the provisions for prepayment of the Series 2025 Certificates, if any, and the other terms and provisions thereof. Each such determination by an Authorized Officer shall be conclusively evidenced by the execution and delivery of the Trust Agreement. The Series 2025 Certificates shall not constitute an obligation of the County for which the County is obligated or permitted to levy or pledge any form of taxation or for which the County has levied or pledged or will levy or pledge any form of taxation. Notwithstanding the foregoing, if an Authorized Officer or their designee determines that a refunding of any or all of the Prior Obligations is not in the best interest of the County or that such refunding would not achieve any savings to the County, then such Authorized Officer or their designee may determine not to proceed with all or a portion of the refunding of the Prior Obligations.

Section 2. Approval of Trust Agreement. The form of Trust Agreement presented at this meeting is hereby approved and each Authorized Officer is hereby authorized, and any one of the Authorized Officers is hereby authorized and directed, for and in the name of and on behalf of the County, to execute, acknowledge and deliver the Trust Agreement in substantially the form presented at this meeting with such changes therein as the Authorized Officer executing the same may approve, subject to the limitations set forth in Section 1 above, such approval to be conclusively evidenced by the execution and delivery thereof.

Section 3. Approval of Site Lease. The form of Site Lease, in substantially the form submitted to this meeting and made a part hereof as though set forth herein, with such changes, insertions and omissions therein as may be approved by an Authorized Officer, be and the same is hereby approved, and each Authorized Officer is hereby authorized, and any one of the Authorized Officers is hereby authorized and directed, for and in the name of and on behalf of the County, to execute, acknowledge and deliver the Site Lease in substantially the form presented at this meeting with such changes therein as the Authorized Officer executing the same may approve, such approval to be conclusively evidenced by the execution and delivery thereof.

Section 4. Approval of Facility Lease. The form of the Facility Lease, in substantially the form submitted to this meeting and made a part hereof as though set forth herein, with such changes, insertions and omissions therein as may be approved by an Authorized Officer, be and the same is hereby approved, and each Authorized Officer is hereby authorized, and any one of the Authorized Officers is hereby authorized and directed, for and in the name of and on behalf of the County, to execute, acknowledge and deliver the Facility Lease in substantially the form presented at this meeting with such changes therein as the Authorized Officer executing the same may approve, such approval to be conclusively evidenced by the execution and delivery thereof; provided, however, that such changes shall not result in an aggregate principal amount evidenced by the Series 2025 Certificates payable from the base rental payments in excess of \$65,000,000 and shall not result in the term of the Facility Lease terminating later than October 1, 2035 (provided that such term may be extended as provided therein).

Section 5. Approval of Official Statement. The Preliminary Official Statement, in substantially the form submitted to this meeting and made a part hereof as though set forth herein, is hereby approved and the same may be used and is hereby authorized to be used and distributed in the market incident to the marketing of the Series 2025 Certificates, together with any amendment or supplement thereto as may be deemed necessary by an Authorized Officer. Each Authorized Officer is hereby authorized (a) to make such changes in such form of the Preliminary Official Statement as such officer, in consultation with County Counsel, shall determine to be appropriate, and (b) on behalf of the County, to deem such Preliminary Official Statement “final” pursuant to the Rule. Each Authorized Officer is authorized to prepare and distribute a final Official Statement and any supplement thereto, with such additional information as may be permitted to be excluded from such Preliminary Official Statement pursuant to the Rule in connection with the delivery of the Series 2025 Certificates, which final Official Statement shall be executed and delivered in the name and on behalf of the County by an Authorized Officer, and such Authorized Officer is authorized and directed to prepare, execute and deliver in the name and on behalf of the County any amendment or supplement thereto.

Section 6. Approval of Notice of Intention to Sell. The form of Notice of Intention to Sell, in substantially the form submitted to this meeting and made a part hereof as though set forth in full herein, with such changes, insertions and omissions therein as may be approved by an Authorized Officer, be and the same is hereby approved, and the use of the Notice of Intention to Sell, to be published in connection with the offering and sale of the Series 2025 Certificates is hereby authorized and approved. The Authorized Officers are each hereby authorized and directed, for and in the name and on behalf of the County, to cause the Notice of Intention to Sell to be published once in The Bond Buyer (and/or in such other financial publication generally circulated throughout the State of California or reasonably expected to be disseminated among prospective bidders for the Series 2025 Certificates as an Authorized Officer shall approve as being in the best interests of the County) at least five days prior to the date set for the opening of bids in the Notice Inviting Bids, with such changes, insertions and omissions therein as an Authorized Officer may require or approve, such requirement or approval to be conclusively evidenced by such publishing of the Notice of Intention to Sell.

Section 7. Approval of Notice Inviting Bids. The Notice Inviting Bids, in substantially the form submitted to this meeting and made a part hereof as though set forth herein, with such changes, insertions and omissions therein as may be approved by an Authorized Officer, be and the same is hereby approved, and the use of the Notice Inviting Bids, which may be released on one date (or two dates if second bids are required) in connection with the offering and sale of the Series 2025 Certificates is hereby authorized and approved. The terms and conditions of the offering and sale of the Series 2025 Certificates shall be as specified in the Notice Inviting Bids. Bids for the purchase of the Series 2025 Certificates shall be received at the time and place set forth in the Notice Inviting Bids. The Authorized Officers are each hereby authorized and directed, for and in the name and on behalf of the County, to accept the bids for the Series 2025 Certificates as determined to offer the lowest true interest cost, or to reject bids for the Series 2025 Certificates, in accordance with the terms of the Notice Inviting Bids, and proceed to accept bids at a second time and place to be set forth in the Notice Inviting Bids.

Section 8. Approval of Continuing Disclosure Agreement. The form of Continuing Disclosure Agreement, in substantially the form submitted to this meeting and made a part hereof as though set forth herein, with such changes, insertions and omissions therein as may be approved by an Authorized Officer, be and the same is hereby approved, and each Authorized Officer is hereby authorized, and any one of the Authorized Officers is hereby authorized and directed, for and in the name of and on behalf of the County, to execute and deliver the Continuing Disclosure Agreement in substantially the form presented at this meeting with such changes therein as the Authorized Officer executing the same may approve, such approval to be conclusively evidenced by the execution and delivery thereof.

Section 9. Approval of Escrow Agreement. The form of Escrow Agreement, in substantially the form submitted to this meeting and made a part hereof as though set forth herein, with such changes, insertions and omissions therein as may be approved by an Authorized Officer, be and the same is hereby approved, and each Authorized Officer is hereby authorized, and any one of the Authorized Officers is hereby authorized and directed, for and in the name of and on behalf of the County, to execute, acknowledge and deliver the Escrow Agreement in substantially the form presented at this meeting with such changes therein as the Authorized Officer executing the same may approve, such approval to be conclusively evidenced by the execution and delivery thereof.

Section 10. Debt Management Policy. With the passage of this Resolution, the County hereby confirms that it has adopted the Debt Management Policy and certifies that such Debt Management Policy complies with Government Code Section 8855(i), and that the County's financing described in this Resolution and its obligations under the Facility Lease as contemplated by this Resolution is in compliance with the Debt Management Policy, and instructs Orrick, Herrington & Sutcliffe LLP, as Special Counsel, on behalf of the County with respect to the Series 2025 Certificates described in this Resolution, (a) to cause notices of the proposed sale and final sale of the Series 2025 Certificates to be filed in a timely manner with the California Debt and Investment Advisory Commission pursuant to Government Code Section 8855, and (b) to check, on behalf of the County, the "Yes" box relating to such certifications in the notice of proposed sale filed pursuant to Government Code Section 8855.

Section 11. Changes to Property. If upon the review of title reports and other matters relating to the real property and improvements thereto consisting of certain facilities and property comprising the County Operations Center property, such site is shown to have an encumbrance or attribute that would affect the Facility Lease as contemplated or the marketing of the Series 2025 Certificates, or it is otherwise determined that the use of such site as a leased asset is not in the best interest of the County as determined by an Authorized Officer, any one of the Authorized Officers is hereby authorized and directed, jointly and severally, to select such property or alternative County-owned sites and related facilities to constitute all or a portion of the Leased Property to be leased under the Site Lease and the Facility Lease and, further, to execute such documents and certificates to provide for the addition or release of properties pursuant to the terms of any facility lease for the substitution or removal of leased property as determined by an Authorized Officer if determined to be in the best interest of the County.

Section 12. Other Acts. The officers and staff of the County are hereby authorized and directed, jointly and severally, to do any and all things, and the Authorized Officers are hereby authorized and directed, jointly and severally, to execute and deliver any and all documents, which in consultation with County Counsel or with Orrick, Herrington & Sutcliffe LLC, the County's special counsel, 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, without limitation, the release of, or substitution of real property for, real property currently subject to the Prior Facility Lease.

Section 13. Ratification of Actions. All actions heretofore taken by any officer of the County with respect to the execution, delivery or sale of the Series 2025 Certificates, or in connection with or related to any of the agreements or documents referenced herein, are hereby approved, confirmed and ratified in all respects.

Section 14. Electronic Signatures. The Board hereby approves the execution and delivery of any and all agreements, documents, certificates and instruments referred to herein with electronic signatures as may be permitted under the California Uniform Electronic Transactions Act and digital signatures as may be permitted under Section 16.5 of the Government Code using DocuSign.

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

APPROVED AS TO FORM AND LEGALITY

CLAUDIA G. SILVA,
County Counsel

By: Walter J. de Lorrell III, Chief Deputy County Counsel

EXHIBIT A

GOOD FAITH ESTIMATES

The following information was obtained from the County's Municipal Advisor, and is provided in compliance with California Government Code Section 5852.1 with respect to the County of San Diego Refunding Certificates of Participation, Series 2025 (County Operations Center) (the "Series 2025 Certificates"):

1. *True Interest Cost of the Series 2025 Certificates.* Assuming the aggregate principal amount evidenced by the Series 2025 Certificates estimated to be executed and delivered (\$55,540,000) is sold, 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 Series 2025 Certificates, 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 Series 2025 Certificates, is 3.01%.

2. *Finance Charge of the Series 2025 Certificates.* Assuming the aggregate principal amount evidenced by the Series 2025 Certificates estimated to be executed and delivered (\$55,540,000) 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 Series 2025 Certificates, which means the sum of all fees and charges paid to third parties (or costs associated with the Series 2025 Certificates), is \$542,142.

3. *Amount of Proceeds to be Received.* Assuming the aggregate principal amount evidenced by the Series 2025 Certificates estimated to be executed and delivered (\$55,540,000) 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 County for sale of the Series 2025 Certificates less the finance charge of the Series 2025 Certificates described in paragraph 2 above and any reserves or capitalized interest paid or funded with proceeds of the Series 2025 Certificates, is \$61,115,184.

4. *Total Payment Amount.* Assuming the aggregate principal amount evidenced by the Series 2025 Certificates estimated to be executed and delivered (\$55,540,000) is 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 County will make to pay base rental payments with respect to the Series 2025 Certificates plus the finance charge of the Series 2025 Certificates described in paragraph 2 above not paid with the proceeds of the Series 2025 Certificates, calculated to the final maturity of the Series 2025 Certificates, is \$70,565,250.

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 those presently estimated due to variations from these estimates in the timing of the sale of the Series 2025 Certificates, the actual principal amount evidenced by Series 2025 Certificates sold, the amortization of the Series 2025 Certificates sold and market interest rates at the time of sale. The actual interest rates at which the Series 2025 Certificates will be sold will depend on the bond market at the time of sale. Market interest rates are affected by economic and other factors beyond the County's control.

[Insert Clerk's Certificate Regarding Due Adoption of Resolution]