

RESOLUTION NO.

OF THE BOARD OF SUPERVISORS OF THE COUNTY OF EL DORADO
Resolution Authorizing and Providing for a Lease Financing for the Purpose of
Providing a Portion of the Cost of Acquiring, Constructing, Enlarging, Improving,
and/or Extending its Public Safety Facility to Serve an Area Lawfully Within its
Jurisdiction to Serve

WHEREAS, it is necessary for the County of El Dorado (hereinafter called the “County”) to raise a portion of the cost of such undertaking by entering into a lease financing including the execution and delivery of certificates of participation in the County’s lease obligation created thereunder in the principal amount of \$9,500,000 pursuant to the provisions of the California Government Code; and

WHEREAS, the County intends to obtain assistance from the Rural Housing Service, Rural Business – Cooperative Service, Rural Utilities Service, or their successor Agencies with the United States Department of Agriculture (herein called the “Government”), acting under the provisions of the Consolidated Farm and Rural Development Act (7 U.S.C. 1921 et seq.) in the planning, financing, and supervision of such undertaking and the purchasing of certificates of participation lawfully issued, in the event that no other acceptable purchaser for such certificates of participation is found by the County:

NOW THEREFORE in consideration of the premises, the Board of Supervisors of the County of El Dorado hereby resolves:

1. To have prepared on its behalf and to adopt a resolution for the execution and delivery of lease financing documents containing such items and in such forms as are required by State statutes and as are agreeable and acceptable to the Government.
2. To refinance the unpaid balance, in whole or in part, of the certificates of participation upon the request of the Government if at any time it shall appear to the Government that the County is able to refinance the certificates of participation by obtaining a loan for such purposes from responsible cooperative or private sources at reasonable rates and terms for loans for similar purposes and periods of time as required by section 333(c) of said Consolidated Farm and Rural Development Act (7 U.S.C. 1983(c)).
3. To provide for, execute, and comply with Form RD 400-4, “Assurance Agreement,” and Form RD 400-1, “Equal Opportunity Agreement,” including an “Equal Opportunity Clause,” which clause is to be incorporated in, or attached as a rider to, each construction contract and subcontract involving in excess of \$10,000.
4. To indemnify the Government for any payments made or losses suffered by the Government on behalf of the County. Such indemnification shall be payable from the same source of funds pledged to pay the County’s lease obligations or any other legal permissible source.
5. That upon default in the payments of any principal and accrued interest with respect to the certificates of participation or in the performance of any covenant or agreement contained herein or in

the instruments incident to making or insuring the loan, the Government at its option may (a) for the account of the County (payable from the source of funds pledged to pay the County's lease obligations or any other legally permissible source), incur and pay reasonable expenses for repair, maintenance, and operation of the facility and such other reasonable expenses as may be necessary to cure the cause of default, and/or (b) take possession of the facility, repair, maintain, and operate or rent it. Default under the provisions of this resolution or any instrument incident to the making or insuring of the loan may be construed by the Government to constitute default under any other instrument held by the Government and executed or assumed by the County, and default under any such instrument may be construed by the Government to constitute default hereunder.

6. Not to sell, transfer, lease, or otherwise encumber the facility or any portion thereof, or interest therein, or permit others to do so without the prior written consent of the Government.

7. Not to defease the certificates of participation, or to borrow money, enter into any contract or agreement, or otherwise incur any liabilities for any purpose in connection with the facility (exclusive of normal maintenance) without the prior written consent of the Government if such undertaking would involve the source of funds pledged to pay the County's lease obligations.

8. To place the proceeds of the certificates of participation on deposit in an account and in a manner approved by the Government. Funds may be deposited in institutions insured by the State or Federal Government or invested in readily marketable securities backed by the full faith and credit of the United States.

9. To comply with all applicable State and Federal laws and regulations and to continually operate and maintain the facility in good condition.

10. To acquire and maintain such insurance and fidelity bond coverage as may be required by the Government.

11. To establish and maintain such books and records relating to the operation of the facility and its financial affairs and to provide for required audit thereof as required by the Government, to provide the Government a copy of each such audit without its request, and to forward to the Government such additional information and reports as it may from time to time require.

12. To provide the Government at all reasonable times access to all books and records relating to the facility and access to the property of the system so that the Government may ascertain that the County is complying with the provisions hereof and of the instruments incident to the making or insuring of the loan.

13. That if the Government requires that a reserve account be established and maintained, disbursements from that account may be used when necessary for payments due on the certificates of participation if sufficient funds are not otherwise available. With the prior written approval of the Government, funds may be withdrawn for:

- a. Paying the cost of repairing or replacing any damage to the facility caused by catastrophe.
- b. Repairing or replacing short-lived assets.
- c. Making extensions or improvements to the facility.

Any time funds are disbursed from the reserve account, additional deposits will be required until the reserve account has reached the required funded level.

14. To comply with the measures identified in the Government's environmental impact analysis for this facility for the purpose of avoiding or reducing the adverse environmental impacts of the facility's construction or operation.

15. The provisions hereof and the provisions of all instruments incident to the making or the insuring of the loan, unless otherwise specifically provided by the terms of such instrument, shall be binding upon the County as long as the certificates of participation are held or insured by the Government or assignee. The provisions of sections 6 through 14 hereof may be provided for in more specific detail in the lease financing documents; to the extent that the provisions contained in such lease financing documents should be found to be inconsistent with the provisions hereof, these provisions shall be construed as controlling between the County and the Government or assignee.

PASSED AND ADOPTED by the Board of Supervisors of the County of El Dorado at a regular meeting of said Board, held the ____ day of _____, 20__, by the following vote of said Board:

Attest:
James S. Mitrisin
Clerk of the Board of Supervisors

Ayes:
Noes:
Absent:

By: _____
Deputy Clerk

_____ Chair, Board of Supervisors