

**BOARD OF SUPERVISORS
OF THE COUNTY OF MENDOCINO
RESOLUTION NO. 12-_____**

**RESOLUTION OF THE BOARD OF SUPERVISORS OF THE COUNTY
OF MENDOCINO PROVIDING FOR THE EXECUTION AND DELIVERY
OF A SITE LEASE, FACILITY LEASE AND TRUST AGREEMENT AND
THE EXECUTION AND DELIVERY OF COUNTY OF MENDOCINO
REFUNDING CERTIFICATES OF PARTICIPATION, 2012 SERIES AND
CERTAIN ADDITIONAL DOCUMENTS RELATING THERETO**

WHEREAS, the County of Mendocino (the "County") executed and delivered its Series 2000 Certificates of Participation (the "Series 2000 Certificates") on September 7, 2000 in the principal amount of \$22,480,000 pursuant to the Trust Agreement, dated as of July 1, 2000 (the "Series 2000 Trust Agreement"), by and among the County, the Corporation, and U.S. Bank National Association, as successor in interest to U.S. Bank Trust National Association, as Trustee (the "Series 2000 Trustee"); and

WHEREAS, the Series 2000 Certificates are secured by rental payments made by the County pursuant to the Facility Lease, dated as of July 1, 2000 (the "Series 2000 Facility Lease"), by and between the County and the Mendocino County Public Facilities Corporation (the "Corporation"); and

WHEREAS, the County executed and delivered its 2001 Refunding Certificates of Participation (the "Series 2001 Certificates" and together with the Series 2000 Certificates, the "Prior Certificates") on December 5, 2001 in the principal amount of \$7,965,000 pursuant to the Trust Agreement, dated as of October 1, 2001 (the "Series 2001 Trust Agreement"), by and among the County, the Corporation, and Union Bank, N.A. as successor in interest to Union Bank of California, N.A., as trustee (the "Series 2001 Trustee"); and

WHEREAS, the Series 2001 Certificates are secured by rental payments made by the County pursuant to the Amended and Restated Facility Lease, dated as of November 1, 2001 (the "Series 2001 Facility Lease" and together with the Series 2000 Facility Lease, the "Prior Facility Leases"), by and between the County and the Corporation; and

WHEREAS, if the County can achieve debt service savings as described herein with respect to the Prior Certificates and reduce the annual rental payable by the County under the Prior Facility Leases, the County intends to prepay its obligations under either or both of the Prior Facility Leases and defease and prepay the outstanding Prior Certificates; and

WHEREAS, in connection therewith, the Corporation and the County have determined that it would be in the best interests of the Corporation, the County and the citizens of the County to authorize the preparation, sale, execution and delivery of Refunding Certificates of Participation, 2012 Series, in one or more series (with such other or additional series designations as may be approved by the County), on a federally taxable or tax-exempt basis, in an aggregate principal amount not to exceed \$26,000,000 (the "Series 2012 Certificates"), pursuant to the terms of the Trust Agreement (the "Trust Agreement"), by and among the County, the Corporation and the trustee named therein (the "Trustee"); and

WHEREAS, in connection therewith the County and the Corporation will enter into a Site Lease (the "Site Lease"), whereby the County will lease to the Corporation certain real property and the improvement located thereon as described in the Site Lease (the "Leased Property"), and the County will sublease the Leased Property from the Corporation pursuant to the Facility Lease (the "Facility Lease"); and

WHEREAS, in connection therewith the Corporation will assign without recourse certain of its rights under the Site Lease and the Facility Lease, including all of its rights to receive the base rental payments scheduled to be paid by the County pursuant to the Facility Lease, to the Trustee for the benefit of the owners of the Refunding Certificates of Participation, 2012 Series (the "Series 2012 Certificates") pursuant to an Assignment Agreement (the "Assignment Agreement") by and between the Corporation and the Trustee; and

WHEREAS, to facilitate the prepayment of the Prior Certificates, the County desires to enter into one or more escrow agreements (each, an "Escrow Agreement"); and

WHEREAS, in connection with the execution and delivery of the Refunding Certificates of Participation the County is to enter into amendments to the Debt Service Forward Sale Agreement dated September 11, 2000 (the "2000 Debt Service Forward Sale Agreement") by and among U.S. Bank National Association, as successor in interest to U.S. Bank Trust National Association, the County and J.P. Morgan Chase Bank (the "Provider"), the Reserve Fund Forward Sale Agreement dated September 11, 2000 (the "2000 Reserve Fund Forward Sale Agreement") by and among the U.S. Bank National Association, as successor in interest to U.S. Bank Trust National Association, the County and the Provider, and the Debt Service Forward Sale Agreement dated December 13, 2011 (the "2001 Debt Service Forward Sale Agreement") by and among Union Bank, N.A. (formerly known as Union Bank of California, National Association), the County and the Provider; and

WHEREAS, the Corporation has determined that it may be in the best interests of the Corporation and the County to fund a debt service reserve fund for the Series 2012 Certificates, to obtain such credit enhancement and/or reserve fund surety and such other insurance policies or surety as may be necessary to improve the marketability of the Series 2012 Certificates; and

WHEREAS, in connection with the execution and delivery of the Series 2012 Certificates, the County desires to approve the form and distribution of a preliminary official statement (the "Preliminary Official Statement"); and

WHEREAS, the County and the Corporation propose to sell the Series 2012 Certificates pursuant to a negotiated public offering pursuant to a Purchase Contract (the "Purchase Contract") to be entered into with the Underwriter (defined herein); and

WHEREAS, to satisfy the requirements of Rule 15c2-12 under the Securities Exchange Act of 1934, as amended (the "Rule"), the County and the Trustee, as Dissemination Agent will enter into a Continuing Disclosure Agreement (the "Continuing Disclosure Agreement"), whereby the County will agree to provide certain information in accordance with the Rule; and

WHEREAS, the County desires to approve the forms of the Assignment Agreement, the Site Lease, the Facility Lease, the Escrow Agreements, the Continuing Disclosure Agreement, the Purchase Contract and the Preliminary Official Statement and authorize and approve the execution and delivery of the Assignment Agreement, the Site Lease, the Facility Lease, the Trust Agreement, the Escrow Agreement and the Continuing Disclosure Agreement and such other documents and certificates as may be necessary or desirable in connection therewith; and

WHEREAS, there have been presented to this meeting proposed forms of the Site Lease, the Facility Lease, the Trust Agreement, the Assignment Agreement, the Continuing Disclosure Agreement, the Escrow Agreements, the Purchase Contract and the Preliminary Official Statement; and

WHEREAS, all acts, conditions and things required by the Constitution and laws of the State to exist, to have happened and to have been performed precedent to and in connection with the consummation of the transaction authorized hereby do exist, have happened and have been performed in regular and due time, form and manner as required by law, and the County is now duly authorized and empowered, pursuant to each and every requirement of law, to consummate its role in such transaction for the purpose, in the manner and upon the terms herein provided; and

NOW THEREFORE, be it resolved by the Board of Supervisors of the County of Mendocino (the "Board") as follows:

SECTION 1. Approval of Financing; Execution of Certificates. The Board hereby authorizes the preparation, sale, execution and delivery of the Series 2012 Certificates, in one or more series, on a federally taxable or tax-exempt basis, in an aggregate principal amount not to exceed \$26,000,000, to bear interest at a true interest cost not to exceed 5.0% per annum; provided, however, the County's Chief Executive Officer, Chief Financial Officer, Auditor and Controller, Treasurer-Tax Collector, Chief Deputy Treasurer, or his or her designee (each, an "Authorized Officer") shall have determined, in consultation with KNN Public Finance, a Division of Zions First National Bank, as Financial Advisor, that the present value savings in connection with the prepayment of the Prior Certificates shall equal or exceed 5.0%. The Series 2012 Certificates shall mature not later than June 1, 2030 in accordance with the terms and provisions of the Trust Agreement. The proceeds of the sale of the Series 2012 Certificates will be used to prepay the Prior Certificates and prepay any lease payments, fund a reserve fund or pay the costs of a reserve surety authorized herein, pay costs of municipal bond insurance or other credit enhancement with respect to some or all of the Series 2012 Certificates, and pay costs of sale, execution and delivery of the Series 2012 Certificates. The Series 2012 Certificates shall be designated as "Refunding Certificates of Participation, 2012 Series" with such other or additional designations as may be approved in accordance with Section 10 of this Resolution and the Trust Agreement. The Series 2012 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.

SECTION 2. Approval of Site Lease, Facility Lease, Trust Agreement, Assignment Agreement, Continuing Disclosure Agreement and Escrow Agreements. The forms of Site Lease, Facility Lease, Trust Agreement, Assignment Agreement, Continuing Disclosure Agreement and Escrow Agreements presented at this meeting are hereby approved and each 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, Facility Lease, Trust Agreement, Assignment Agreement, Continuing Disclosure Agreement and Escrow Agreements in substantially the form presented at this meeting with such additions thereto and changes therein as are approved by any such Authorized Officer, acting singly, such approval to be conclusively evidenced by the execution and delivery thereof.

SECTION 3. Approval of Purchase Contract. The form of the Purchase Contract presented to this meeting, by and among the County, the Corporation, and Morgan Keegan & Company, Inc. (the "Underwriter"), is hereby approved. Each Authorized Officer is hereby authorized and directed, for and in the name of and on behalf of the Corporation, to execute and deliver or otherwise approve the Purchase Contract in substantially the form presented at this meeting with such additions thereto and changes therein as are approved by any such Authorized Officer, acting singly, such approval to be conclusively evidenced by the execution and delivery thereof; *provided, however*, that the underwriting fee payable by the County pursuant to the Purchase Contract shall not exceed 0.5% of the aggregate principal amount of the Series 2012 Certificates.

SECTION 4. Approval of Preliminary Official Statement and Official Statement. The form of the Preliminary Official Statement presented to this meeting is hereby approved and the same may be used and is hereby authorized to be used and distributed by the Underwriter incident to the marketing of the Series 2012 Certificates. Each Authorized Officer is hereby authorized to (a) make such changes in such form of the Preliminary Official Statement as such Authorized Officer, in consultation with County Counsel and the Underwriter, 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 and directed to prepare a final Official Statement, with such additional information as may be permitted to be excluded from the Preliminary Official Statement pursuant to the Rule, 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 supplemental filings related to such final Official Statement.

SECTION 5. General Authorization. The Authorized Officers and staff of the County are hereby authorized and directed, jointly and severally, to do any and all things, to execute and deliver any and all documents and certificates, which in consultation with County Counsel or with Hawkins Delafield & Wood LLP, special counsel to the County in connection with the proposed execution and delivery of the Series 2012 Certificates, they may deem necessary or advisable in order to effectuate the purposes of this Resolution, the defeasance and prepayment of the Prior Certificates, the execution and delivery of the Facility Lease and the Site Lease, and the amendments of the 2000 Debt Service Forward Sale Agreement, the 2000 Reserve Fund Forward Sale Agreement and the 2001 Debt Service Forward Sale Agreement, and any and all such actions previously taken by such officers or staff members are hereby ratified and confirmed.

SECTION 6. Effective Date. This Resolution shall take effect immediately upon its adoption.

The foregoing Resolution introduced by Supervisor _____, seconded by Supervisor _____, and carried this _____ day of _____, 2012, by the following vote:

AYES:
NOES:
ABSENT:

WHEREUPON, the Chair declared said Resolution adopted and SO ORDERED.

ATTEST: CARMEL J. ANGELO
Clerk of the Board

Deputy

APPROVED AS TO FORM:
JEANINE B. NADEL, County Counsel

JOHN MCCOWEN, Chair
Mendocino County Board of Supervisors

I hereby certify that according to the provisions of Government Code Section 25103, delivery of this document has been made.

BY: CARMEL J. ANGELO
Clerk of the Board

Deputy