

BEFORE THE
BOARD OF SUPERVISORS
OF THE
COUNTY OF TULARE
STATE OF CALIFORNIA

RESOLUTION NO. 2024-0725

RESOLUTION AUTHORIZING THE PREPAYMENT OF THE PRINCIPAL OF AND INTEREST ON LEASE PAYMENTS, AND RELATED BOND PRINCIPAL AND INTEREST, AND OPTIONAL REDEMPTION OF AND WITH RESPECT TO THE TULARE COUNTY PUBLIC FINANCING AUTHORITY REFUNDING BONDS, SERIES 2006 (MILLENNIUM FUND PROGRAM) (FEDERALLY TAXABLE), APPROVING THE FORM AND AUTHORIZING THE EXECUTION AND DELIVERY OF A LEASE PREPAYMENT, BOND REDEMPTION, AND TERMINATION OF LEASEHOLD INTERESTS AND RELEASE AGREEMENT WITH RESPECT TO SAID BONDS, AND AUTHORIZING OFFICIAL ACTIONS AND EXECUTION OF DOCUMENTS RELATED THERETO

WHEREAS, on December 5, 2006, the Board of Directors of the Tulare County Public Financing Authority (the “Authority”) adopted its Resolution No. PFA-2006-02 approving the Authority’s issuance and sale of taxable revenue bonds known as the Authority’s “Refunding Bonds, Series 2006 (Millennium Fund Program) (Federally Taxable)” in an aggregate principal amount not to exceed \$43 million and with a maturity date of no later than October 1, 2034 (the “2006 Refunding Bonds”) in order to defease and redeem in whole the then-outstanding principal amount of the Authority’s Variable Rate Demand Bonds, Series 1999 (Millennium Fund Program), all in accordance with the provisions of the Indenture of Trust and Bond Purchase Agreement described below; and

WHEREAS, on December 5, 2006, the Board of Supervisors (the “Board”) of the County of Tulare (the “County”) adopted its Resolution No. 2006-0886 approving the Authority’s issuance and sale of the 2006 Refunding Bonds, all in accordance with the provisions of the Indenture of Trust and Bond Purchase Agreement described below; and

WHEREAS, in connection with the issuance and sale of the 2006 Refunding Bonds, the County and the Authority entered into a site lease dated as of December 1, 2006, and recorded in the Official Records of Tulare County, California (“Official Records”) on December 14, 2006, as Instrument No. 2006-0128976 (the “Site Lease”), pursuant to which the County leased certain real property and improvements described therein (the “Leased Assets”) to the Authority for purposes of financing the construction of certain public facilities; and

WHEREAS, in connection with the issuance and sale of the 2006 Refunding Bonds, the County and the Authority entered into a lease agreement dated as of December 1, 2006, and recorded in the Official Records on December 14, 2006, as Instrument No. 2006-0128977 (the “Lease Agreement”), pursuant to which the County leased the Leased Assets back from the Authority for purposes of financing the construction of certain public facilities, with the Leased Assets serving as and pledged as security for the payment of the principal of, and the interest on, the 2006 Refunding Bonds; and

WHEREAS, pursuant to an unrecorded Indenture of Trust dated as of December 1, 2006 (the “Indenture of Trust”), by and between the Authority and The Bank of New York Mellon

Trust Company, N.A., formerly known as The Bank of New York Trust Company, N.A. (the "Trustee"), the Authority assigned to the Trustee, among other things, its rights to receive lease payments from the County under the Lease Agreement in order to pay the principal of, and the interest on, the 2006 Refunding Bonds, and the right to exercise rights and remedies conferred on the Authority under the Lease Agreement to enforce payment of those lease payments; and

WHEREAS, the Indenture of Trust also established the County's Millennium Fund Program, whereby the County securitized its Tobacco Settlement Revenues (as defined in the Lease Agreement) and directed the investment of said securitized funds, including the proceeds from the 2006 Refunding Bonds, for the purpose of generating investment income that the County annually has used to help defray the costs of capital improvements to various County buildings and related facilities; and

WHEREAS, pursuant to a Bond Purchase Agreement dated as of December 1, 2006, by and among the Authority, the County, and DEPFA Bank plc, New York Branch (the "Bond Purchase Agreement"), the Authority and the County sold and DEPFA Bank plc, New York Branch, as the initial purchaser of the 2006 Refunding Bonds, purchased the 2006 Refunding Bonds; and

WHEREAS, FMS Wertmanagement, an instrumentality of the Federal Republic of Germany ("Bond Owner"), is the assignee of the rights and responsibilities of DEPFA Bank plc, New York Branch, the initial purchaser of the 2006 Refunding Bonds, and is the current owner of all of the outstanding 2006 Refunding Bonds; and

WHEREAS, the Site Lease, the Lease Agreement, the Indenture of Trust, and the Bond Purchase Agreement are collectively referred to herein as the "Financing Documents;" and

WHEREAS, the Bond Owner has requested, and the County has agreed that on August 13, 2024 (the "Redemption Date"), the County will prepay to the Trustee, by wire transfer for the benefit of the Bond Owner, a sum not to exceed \$21,290,000 (the "Redemption Payment"), which amount after the County's principal payment on the 2006 Refunding Bonds of \$1,700,000 on August 1, 2024, will be the sum of the then-outstanding principal of \$23,690,000, plus the accrued interest thereon as of said Redemption Date, less a discount of \$2,600,000, and which amount the Bond Owner and Trustee have agreed to accept as the discounted payment in full of the principal of and accrued interest on all of the outstanding 2006 Refunding Bonds as of said date; and

WHEREAS, the County and the Authority, as the parties to the Lease Agreement, and the Trustee, as the assignee of the Authority's rights to receive lease payments under the Lease Agreement, have agreed that upon payment of the Redemption Payment on the Redemption Date, no additional amounts will be payable under the Lease Agreement; and

WHEREAS, the County, the Authority, Bond Owner, and the Trustee are prepared to enter into a "Lease Prepayment, Bond Redemption, and Termination of Leasehold Interests and Release Agreement," a form of which has been presented to this Board in order to accomplish the prepayment of the lease payments and redemption of the outstanding 2006 Refunding Bonds at a discounted price, and termination of the Financing Documents, including termination and release of the leasehold and security interests in the Leased Assets created by the Financing Documents; and

WHEREAS, notwithstanding the termination of the Indenture of Trust, the Board intends to continue to operate the Millennium Fund Program, henceforth to be known as the “Millennium Capital Project Fund Program,” substantially in its present form as provided for in a separate resolution of this Board.

NOW, THEREFORE, the Board of Supervisors of the County of Tulare hereby resolves, orders and directs as follows:

1. Findings and Determinations. The Board finds and determines that the foregoing recitals are true and correct.

2. Approval of Lease Prepayment, Bond Redemption, and Termination of Leasehold Interests and Release Agreement. The form of the Lease Prepayment, Bond Redemption, and Termination of Leasehold Interests and Release Agreement (the “Agreement”) presented herewith, providing for the prepayment of the lease payments and redemption of the outstanding 2006 Refunding Bonds at a discounted price, and termination of the Financing Documents, including termination and release of the leasehold and security interests in the Leased Assets created by the Financing Documents, is hereby approved. The Board’s Chair and Vice-Chair, the County Administrative Officer, the Clerk of the Board, and the County Auditor-Controller/Treasurer-Tax Collector or their respective designees (each an “Authorized Officer” and collectively the “Authorized Officers”) are, and each them is, hereby authorized and directed, for and in the name of the County, to execute the Agreement in substantially said form, with such changes therein as the Authorized Officer executing the same may require or approve, with such approval to be conclusively evidenced by the execution and delivery thereof.

3. Prepayment of Lease Payments. The Authorized Officers of the County are authorized and directed to take all actions as may be necessary or convenient to cause the prepayment of all of the outstanding principal of and interest, if any, on the lease payments due from the County to the Trustee under the Lease Agreement, in the amounts agreed upon in the Agreement, with said sums to be paid on August 13, 2024.

4. Optional Redemption of 2006 Refunding Bonds. The Authorized Officers of the County are authorized and directed to take all actions as may be necessary or convenient to cause the optional redemption of the 2006 Refunding Bonds by arranging for the prepayment of all of the outstanding principal of and interest, if any, on said 2006 Refunding Bonds, in the amounts agreed upon in the Agreement, with said sums to be paid on August 13, 2024.

5. Ratification of Actions. All actions heretofore taken by any officers, employees or agents of the County with respect to the subject of this Resolution, or in connection with or related to any of the agreements, documents, or instruments referred to herein, are hereby approved, confirmed and ratified.

6. General Authorization. Each Authorized Officer, and each of them acting alone or together, is hereby authorized and directed, for and in the name of and on behalf of the County, to take such actions, and to execute such agreements, documents, instruments, and certificates as may be necessary to effectuate the purposes of this Resolution, including, but not limited to, submitting the fully-executed Agreement to the County Recorder for recording in the official records of the County.

7. Professional Services. In connection with the transactions described herein, KNN Public Finance, LLC is hereby appointed to serve as Municipal Advisor to the County and Hawkins Delafield & Wood LLP is hereby appointed to serve as Bond Counsel to the County. Said firms shall be compensated for their services hereunder from funds made available for that purpose and in such reasonable amounts as the County Administrative Officer or designee shall approve. The County Administrative Officer or designee is also authorized and directed to pay such other incidental costs of the transactions described herein as may be necessary, including the reasonable costs of the Trustee and its counsel.

8. Effective Date of Resolution. This Resolution shall take effect immediately upon its adoption.

The foregoing Resolution was passed and adopted by the members of the Board of Supervisors of the County of Tulare on the 30th day of July, 2024, at a regular meeting of said Board and regularly convened on said day by the following vote:

AYES: SUPERVISORS MICARI, VANDER POEL, SHUKLIAN, VALERO AND
TOWNSEND
NOES: NONE
ABSTAIN: NONE
ABSENT: NONE

County of Tulare

By: [Signature]
Chair, Board of Supervisors

ATTEST: JASON T. BRITT, County
Administrative Officer/Clerk of the Board of
Supervisors

By: [Signature]
Deputy Clerk



APPROVED AS TO FORM:
COUNTY COUNSEL
By: [Signature]
Chief Deputy
Matter No. 2024534