



County of Sonoma

State of California

Date: August 18, 2020

Item Number: _____

Resolution Number: _____

☐ 4/5 Vote Required

Resolution Of The Board Of Supervisors Of The County Of Sonoma, State Of California, consenting to the issuance and sale by the California County Tobacco Securitization Agency of not to exceed \$80 million initial principal amount of Tobacco Settlement Bonds (Sonoma County Securitization Corporation) Series 2020 in one or more series and other related matters; Authorizing the execution and delivery by the County of a Certificate of the County; And authorizing the execution and delivery of and approving other related documents and actions in connection therewith

Whereas, the County of Sonoma (the "County") is a political subdivision duly organized and existing under the Constitution and laws of the State of California; and

Whereas, the County previously entered into an Amended and Restated Sale Agreement, entered into as of March 1, 2002, and amended and restated as of September 1, 2005 (the "Sale Agreement"), with the Sonoma County Securitization Corporation (the "Corporation"), pursuant to which the County sold certain tobacco assets (the "County Tobacco Assets") to the Corporation; and

Whereas, the Corporation previously entered into an Amended and Restated Secured Loan Agreement, entered into as of March 1, 2002, as amended and restated as of September 1, 2005 (the "Prior Loan Agreement"), with The California County Tobacco Securitization Agency (the "Agency"), pursuant to which the Agency loaned the proceeds of its Tobacco Settlement Asset-Backed Refunding Bonds (Sonoma County Securitization Corporation), Series 2005 (the "Prior Bonds"), issued pursuant to an Amended and Restated Indenture, entered into as of March 1, 2002, and amended and restated as of September 1, 2005 (the "Prior Indenture"), by and between the Agency and The Bank of New York Trust Company, N.A., as prior trustee, to the Corporation (the "Prior Loan") to refinance the Corporation's obligation to make loan payments to the Agency; and

Whereas, the Corporation now desires to prepay the Prior Loan with proceeds derived from a new loan from the Agency (the "2020 Loan") pursuant to an amended and restated Secured Loan Agreement (the "Loan Agreement") by and between the Corporation and the Agency; and

Whereas, the Agency now proposes to issue its Tobacco Settlement Bonds (Sonoma County Securitization Corporation), Series 2020 (the "Series 2020 Bonds") pursuant to the Amended and Restated Indenture, as supplemented by the Series 2020 Supplement (collectively, the "Indenture"), both between the Agency and The Bank of New York Mellon Trust Company, N.A., as indenture trustee (the "Trustee"), the proceeds of which will be loaned to the Corporation pursuant to the Loan Agreement for application to the prepayment of the Prior Loan and the refunding in full of the Prior Bonds and for the other authorized purposes including making a payment to the registered owner of the Residual Certificate held in accordance with the Trust Agreement (defined below) for certain capital improvements of the County; and

Whereas, the Series 2020 Bonds will be limited obligations of the Agency secured solely by the collateral pledged under the Indenture, which consists of loan payments made by the Corporation under the Loan Agreement together with certain other funds, assets and proceeds described therein; and

Whereas, the County now desires to consent to the issuance of the Series 2020 Bonds; and

Whereas, in the event that the prepayment in full of the Prior Loan and related refunding of all of the Prior Bonds is not practicable, the County desires to consent to the refunding of a portion of the Prior Bonds and authorize all necessary changes and actions to effect a refunding of a portion of the Prior Bonds; and

Whereas, the County desires to execute and deliver a Certificate of the County (the "Certificate of the County") attached to the bond purchase agreement, dated the date of sale of the Series 2020 Bonds (the "Bond Purchase Agreement"); and

Whereas, all acts, conditions and things required by the Constitution and laws of the State of California to exist, to have happened and to have been performed precedent to and in connection with the consummation of the actions 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 such actions for the purpose, in the manner and upon the terms herein provided;

Now, Therefore, Be It Resolved

Section 1. Recitals. The Board of Supervisors finds each of the foregoing recitals is true and correct.

Section 2. Consent to Series 2020 Bonds. The County consents to the issuance and sale of the Series 2020 Bonds by the Agency in one or more series of current interest bonds and/or capital appreciation bonds and/or convertible capital appreciation bonds that may be secured as senior bonds or subordinate bonds, provided, however, that the aggregate initial principal amount of the Series 2020 Bonds shall not exceed \$80 million, the true interest cost of the Series 2020 Bonds shall not exceed 5.25%, and the final maturity of the Series 2020 Bonds shall not be later than June 1, 2060.

Section 3. Certificate of the County. The form of the Certificate of the County, submitted to and on file with the Executive Officer-Clerk of the Board of Supervisors, is hereby approved, and the Chair of the Board of Supervisors, and such other member of the Board of Supervisors as the Chair may designate, the Treasurer and Tax Collector of the County, the Chief Executive Officer of the County or any other person or persons designated by the Treasurer and Tax Collector of the County or the Chief Executive Officer of the County (collectively, the "Authorized Officers") are each hereby authorized and directed, for and in the name and on behalf of the County, to execute and deliver the Certificate of the County in substantially said form, with such changes therein as the Authorized Officer executing the same may require or approve, such approval to be conclusively evidenced by the execution and delivery thereof.

Section 4. Authorization of Actions Necessary for Partial Refunding of Prior Bonds. The County hereby authorizes all necessary actions to be taken to effect a partial refunding of the Prior Bonds if a full refunding is not practicable. The County authorizes any amendments to the Prior Indenture, the Prior Loan Agreement, the Declaration and Agreement of Trust, dated as of March 1, 2002 (the "Trust Agreement"), by the Corporation and the trustee named therein, and any other documents necessary to effectuate a partial refunding of the Prior Bonds. The Authorized Officers are each hereby authorized and directed, for and in the name and on behalf of the County, to execute and deliver any amendments to the Prior Indenture, the Prior Loan Agreement, the Trust Agreement and any other documents to effect a partial refunding of the Prior Bonds.

Section 5. Other Actions. The Authorized Officers are hereby authorized and directed, jointly and severally, to take all actions and execute any and all documents 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, but not limited to, the execution and delivery of a tax certificate relating to the Series 2020 Bonds, and any certifications that are consistent with the requirements of the Sale Agreement, the Loan Agreement, and the Indenture. All actions heretofore taken by the officers, employees and agents of the County with respect to the transactions set forth above are hereby approved, confirmed and ratified.

Section 6. Effective Date. This resolution shall take effect immediately upon its passage.

The foregoing Resolution was on the ____ day of _____, 2020, adopted by the Board of Supervisors of the County of Sonoma and *ex officio* the governing body of all other special assessment and taxing districts, agencies and authorities for which the Board so acts.

Be It Further Resolved

Supervisors:

Rabbitt: Zane: Gore: Hopkins: Gorin:

Ayes: Noes: Absent: Abstain:

So Ordered.