AN ORDINANCE OF THE BOARD OF SUPERVISORS OF THE COUNTY OF ORANGE AUTHORIZING THE EXECUTION AND DELIVERY OF A FACILITY LEASE, A GROUND LEASE AND OTHER DOCUMENTS AND MATTERS RELATED THERETO

ORDINANCE NO. 18-008

WHEREAS,the County of Orange (the “County”) and Board of Supervisors (the “Board”) have determined that it is in the best interest of the County to move forward with the development, design, construction, equipping, financing, leasing and acquisition of a new office building that includes administrative offices of the County and a hearing room for Board and department meetings, and two levels of below-grade secured employee parking (the “Project”) on the site previously occupied by a County office building (generally known as “Building 14”) located in the Orange County Civic Center;

WHEREAS,the Capital Facilities Development Corporation, a California nonprofit, public-benefit corporation formed by the County (the “Corporation”), will facilitate the development of the Project by entering into a ground lease and a facility lease of the real property on which the Project is to be located with the County, and obtaining needed financing for the acquisition, construction, equipping and development of the Project;

WHEREAS,pursuant to Chapter 5 of Division 7 of Title 1 of the Government Code of the State of California (the “Act”), certain public agencies (the “Members”) have entered into a Joint Exercise of Powers Agreement Relating to the California Municipal Finance Authority, dated January 1, 2004 (the “Agreement”) in order to form the California Municipal Finance Authority (the “Authority”), for the purpose of promoting economic, cultural and community development, and in order to exercise any powers common to the Members, including the issuance of bonds, notes or other evidences of indebtedness;

WHEREAS,the Authority is authorized and empowered by the Act to issue revenue bonds for the purpose of financing the acquisition, construction, rehabilitation, improvement and equipping of facilities like the Project for California public agencies and public corporations such as the Corporation;

WHEREAS,the County is a Member of the Authority;

WHEREAS,the Corporation has applied for the assistance of the Authority in financing the Project through the issuance and sale of its Lease Revenue Bonds, Series 2018A (Orange County Civic Center Infrastructure Improvement Program–Phase II) (the “Bonds”) pursuant to the Act, subject to certain conditions, including the conditions set forth herein, for the purpose of lending the proceeds thereof to the Corporation to finance the Project to be leased to the County;

WHEREAS,the Authority determined that it is necessary and desirable and a public purpose for the Authority to provide financing for the Project by issuing and selling the Bonds pursuant to the Act, subject to certain conditions, including the conditions set forth herein;

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

1. the Ground Lease – Phase II (the “Ground Lease”) between the County and the corporation; and
2. the Facility Lease – Phase II (the “Facility Lease”) between the County and the Corporation;

WHEREAS,the Facility Lease includes as Exhibits thereto the following documents:

1. the Development Agreement between Griffin Structures, Inc. and the Corporation;

(b) the Letter of Representations to be signed by the County, which will be an attachment to the Bond Purchase Agreement among the Authority, the Corporation and Citigroup Global Markets Inc. (the “Underwriter”); and

(c) the Continuing Disclosure Certificate to be signed by the County, together with the County’s Appendix A which includes financial and operating data about the County (“Appendix A”);

WHEREAS,Section 4 of the Agreement provides that the County approve the issuance of the Bonds by the Authority;

WHEREAS,notice of a public hearing has been duly given, and the County has heretofore held a public hearing at which all interested persons were given an opportunity to be heard on all matters relative to the financing of the Project and the Authority’s issuance of the Bonds therefor;

WHEREAS,the County has determined that the consummation of the transactions contemplated in the Facility Lease and the agreements attached as Exhibits thereto are in the best interests of the County and are expected to result in significant public benefits in the form of more efficient delivery of County services and related efficiencies from undertaking the financing of the Project in a timely fashion; and

WHEREAS,it is in the public interest and for the public benefit that the County approves the issuance of the Bonds by the Authority and the financing of the Project for the aforesaid purposes;

NOW, THEREFORE, THE BOARD OF SUPERVISORS OF THE COUNTY OF ORANGE DOES ORDAIN AS FOLLOWS:

Section 1: Preambles. The County hereby specifically finds and declares that the actions authorized hereby are public affairs of the County and that the statements, findings and determinations of the County set forth in the preambles above are true and correct in all respects.

Section 2:Issuance of Bonds by the Authority. The County hereby acknowledges that the Authority will issue the Bonds. In accordance with Section 4 of the Agreement, the County approves the issuance of the Bonds by the Authority subject to the following limitations: (i) the aggregate principal amount of Bonds shall not exceed $210,000,000, (ii) the maturity of the Bonds shall not exceed June 1, 2048, (iii) the true interest cost with respect to the Bonds shall not exceed

5.25% per annum and (iv) the underwriter’s discount with respect to the Bonds shall not exceed 1.00% of the principal amount of the Bonds.

Section 3: Approval of Ground Lease. The form of Ground Lease presented at this meeting is hereby approved and each of the Chair or Vice Chair of the Board, the County Executive Officer, the County Chief Financial Officer, or the County Public Finance Director or any designee thereof (each, an “Authorized Officer”) is hereby authorized and directed, for and in the name of and on behalf of the County, to execute, acknowledge and deliver the Ground 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 Facility Lease presented at this meeting, including each of the documents attached as Exhibits thereto, is hereby approved and each Authorized Officer 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, and as and to the extent required each of the documents included as Exhibits thereto, 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 5: Approval of Appendix A. Appendix A is hereby approved and the same may be used and is hereby authorized to be incorporated into the Preliminary Official Statement and final Official Statement with respect to the Bonds (the “Official Statement”) and used and distributed in the market by the Underwriter incident to the marketing of the Bonds. Each Authorized Officer is hereby authorized to (a) make such changes in such form of Appendix A as such officer, in consultation with the County’s financial and legal consultants and the Underwriter, shall determine to be appropriate and necessary to make Appendix A accurate both as of the date of the Preliminary Official Statement and as of the date of the Official Statement, and (b) on behalf of the County, to deem Appendix A, as modified, “final” pursuant to Rule 15c2-12 under the Securities Exchange Act of 1934, as amended (the “Rule”). Each Authorized Officer is authorized and directed to prepare a final Appendix A, with such additional information as may be permitted, which final Appendix A shall be delivered in the name and on behalf of the County by an Authorized Officer, and such Authorized Officer is authorized and directed to prepare and deliver in the name and on behalf of the County any supplemental filings related to such final Appendix A.

Section 6: Attesting of Signatures and Fixing of Seal. The Clerk of the Board is hereby authorized and directed to attest the signature of the Authorized Officers or other County officials and to affix and attest the seal of the County as may be required or appropriate in connection with the execution and delivery of the documents approved herein.

Section 7: Other Acts. The 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, which in consultation with County Counsel or with Orrick, Herrington & Sutcliffe LLP, as bond counsel, they may deem necessary or advisable in order to effectuate the purposes of this Ordinance, and any and all such actions previously taken by such officers or staff members are hereby ratified and confirmed. The County finds that it is in the best interest of the County to provide County staff and resources to support the operations of the Corporation and the officers and staff of the County are hereby authorized and directed, jointly and severally, to do any and all things, to assist the Corporation in the performance of its duties and obligations and to take all actions as are necessary to assist the Corporation in the performance of its obligations under all documents

executed by the Corporation with respect to the Bonds and the Project.

Section 8: Referendum. This Ordinance is subject to the provisions for referendum applicable to the County.