

Attachment A

RESOLUTION OF THE BOARD OF SUPERVISORS OF THE
COUNTY OF ORANGE AUTHORIZING THE ISSUANCE OF
A PENSION OBLIGATION DEBENTURE, THE ISSUANCE
AND SALE OF TAXABLE PENSION OBLIGATION BONDS,
THE EXECUTION AND DELIVERY OF A TENTH
SUPPLEMENTAL TRUST AGREEMENT AND A BOND
PURCHASE AGREEMENT, AND OTHER MATTERS
RELATING THERETO

December 17, 2019

WHEREAS, the County of Orange (the “County”) adopted a retirement plan under the County Employees Retirement Law of 1937, being Chapter 3 of the Government Code of the State of California, Sections 31450 through 31898, inclusive, as amended (the “Retirement Law”); and

WHEREAS, the Retirement Law obligates the County (1) to make normal annual contributions to the Orange County Employees Retirement System (the “System”) to fund the present value of pension benefits being earned by current employees, (2) to amortize the unfunded actuarial accrued liability with respect to pension benefits already earned by current and former employees, and (3) to appropriate funds for the purposes described in the foregoing clauses (1) and (2); and

WHEREAS, under and pursuant to Resolution No. 06-209 (the “Pension Obligation Bond Resolution”) adopted on October 31, 2006, the County Board of Supervisors (the “Board”), among other authorizations, authorized the execution and delivery of a Debenture, the Trust Agreement (the “Master Trust Agreement”), dated as of January 1, 2007, the issuance of 2007 Series A Bonds, the issuance of additional Debentures and Additional Bonds (each as defined in the Master Trust Agreement) and the filing of a judicial validation action in connection therewith; and

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WHEREAS, the Superior Court of the State of California, County of Orange, entered a default judgment in the judicial validation action on December 14, 2006; and

WHEREAS, the County desires to evidence its obligation to pay a portion of its normal annual contribution and its amortization of the unfunded actuarial accrued liability to the System for Fiscal Year 2020-2021 by issuing a debenture (the “2020 Debenture”) to the System; and

WHEREAS, the 2020 Debenture shall be prepayable at a discount as determined by the System; and

WHEREAS, the County desires to issue its Taxable Pension Obligation Bonds, 2020 Series A (the “Bonds”) in an aggregate principal amount sufficient to refund the 2020 Debenture and pay costs of issuance of the Bonds; and

WHEREAS, the County desires to enter into a Bond Purchase Agreement with respect to the Bonds (the “Bond Purchase Agreement”) with the Orange County Treasurer, on behalf of the Orange County Investment Fund; and

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

1. the 2020 Debenture;
2. a Tenth Supplemental Trust Agreement (the “Tenth Supplemental Trust Agreement”) to be entered into by the County and U.S. Bank National Association, as successor trustee (the “Trustee”), relating to the Bonds, including the form of Bond attached thereto as an exhibit; and
3. the Bond Purchase Agreement.

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NOW, THEREFORE, it is resolved, determined and ordered by the Board of Supervisors of the County of Orange as follows:

Section 1. The Board hereby finds and declares that the issuance of the 2020 Debenture, the issuance of the Bonds to refund the 2020 Debenture, and the other actions contemplated by this Resolution are in the best interests of the County and are expected to result in savings to the County.

Section 2. The form of the 2020 Debenture is hereby approved. The Chairwoman of the Board, the County Executive Officer or the County Public Finance Director or any designee thereof (each an “Authorized Officer”) are each hereby authorized and directed, jointly and severally, for and in the name and on behalf of the County, to execute and deliver the 2020 Debenture to the System in substantially said form, with such changes therein as such officer may require or approve, such approval to be conclusively evidenced by the execution and delivery thereof, and the Clerk of the Board is authorized and directed to affix to the 2020 Debenture and attest the seal of the County; provided, however, that the 2020 Debenture shall be in a principal amount not to exceed the estimated annual contribution of the County to the System for the 2020-2021 Fiscal Year and the prepayment amount shall not exceed the prepayment amount determined by the System’s actuary.

Section 3. The Board hereby authorizes and approves the issuance of the Bonds and hereby authorizes and directs the Chairwoman of the Board to execute the Bonds by manual or facsimile signature and to cause the Bonds to be authenticated and delivered in accordance with the Tenth Supplemental Trust Agreement, and the Clerk of the Board to countersign the Bonds by manual or facsimile signature. The Bonds shall be in substantially the form set forth in Exhibit A to the Tenth Supplemental Trust Agreement, with such changes therein, deletions therefrom and

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additions thereto as any Authorized Officer shall approve, such approval to be conclusively evidenced by the issuance of the Bonds; provided, however, that (a) the aggregate principal amount of the Bonds shall not exceed the lesser of (i) the prepayment amount of the 2020 Debenture, plus an amount not to exceed the costs of issuance relating to the Bonds, or (ii) \$499,000,000, (b) the Bonds shall mature not later than June 30, 2021, and (c) the true interest cost on the Bonds shall not exceed four percent (4%) per annum. Each determination by such Authorized Officer shall be conclusively evidenced by the issuance of the Bonds.

Section 4. The form of the Tenth Supplemental Trust Agreement is hereby approved. Any Authorized Officer is hereby authorized and directed, for and in the name and on behalf of the County, to execute and deliver the Tenth Supplemental Trust Agreement in substantially said form, with such changes therein as such officer may require or approve, such approval to be conclusively evidenced by the execution and delivery thereof. The date, maturity dates, interest rates, interest payment dates, denominations, form, registration privileges, manner of execution, place of payment and other terms of the Bonds shall be as provided in the Tenth Supplemental Trust Agreement as finally executed.

Section 5. The form of the Bond Purchase Agreement is hereby approved. Any Authorized Officer is hereby authorized and directed, for and in the name and on behalf of the County, to execute and deliver the Bond Purchase Agreement in substantially said form, with such changes therein as such officer may require or approve, such approval to be conclusively evidenced by the execution and delivery thereof.

Section 6. All terms, provisions and authorizations of the Pension Obligation Bond Resolution and the Master Trust Agreement shall remain in full force and effect. The Authorized Officers and other appropriate officers and employees of the County are hereby

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authorized and directed, jointly and severally, to do any and all things and to execute and deliver any and all documents and certificates and to pay costs of issuance of the Bonds, including, but not limited to, paying the fees and expenses of Orrick, Herrington & Sutcliffe LLP, Bond Counsel, Fieldman, Rolapp & Associates, Inc., as the Municipal Advisor, the Trustee, and the actuary which they may deem necessary or advisable in order to consummate the issuance of the Bonds, and otherwise to carry out, give effect to and comply with the terms and intent of this resolution. Such actions heretofore taken by such officers and employees are hereby ratified, confirmed and approved.

Section 7. This resolution shall take effect immediately upon its passage.