



RESOLUTION No. _____

OF THE BOARD OF SUPERVISORS OF THE COUNTY OF NEVADA

RESOLUTION MAKING FINDINGS AND APPROVING AND AUTHORIZING THE EXECUTION AND DELIVERY OF VARIOUS DOCUMENTS WITH RESPECT TO THE FINANCING OF ENERGY CONSERVATION EQUIPMENT AND CERTAIN SOLAR POWER GENERATING EQUIPMENT AND AUTHORIZING THE TAKING OF ALL OTHER ACTIONS NECESSARY TO THE CONSUMMATION OF SUCH FINANCING

WHEREAS, pursuant to the provisions of California Government Code Section 6586.5(a)(2), this Board of Supervisors has held a duly noticed public hearing with respect to the possible financing of various capital improvements including (i) the acquisition, construction, rehabilitation and installation of certain lighting, mechanical, utility, water and other energy conservation measures on and to certain of public buildings and other facilities (collectively, the "*Tax-Exempt Project*") and (ii) the acquisition, installation and equipping of certain solar systems and photovoltaic power generating systems and related improvements on and to certain public buildings and other facilities (collectively, the "*Clean Renewable Energy Project*" and, together with the Tax-Exempt Project, the "*Project*") through a lease-leaseback financing arrangement by and between the County of Nevada (the "*County*") and the Nevada County Finance Authority (the "*Authority*"); and

WHEREAS, the County is a member of the Authority, and the Project is located entirely within the boundaries of the County; and

WHEREAS, the County desires to finance the Project through such a lease agreement; and

WHEREAS, in connection with such financing of the Project, there have been presented to this Board of Supervisors: (i) a form of a Site, Facility, and Equipment Lease (the "*Site Lease*") by and between the County and the Authority, (ii) a form of Lease Agreement (the "*Lease Agreement*") by and between the Authority and the County including (i) the schedules and provisions related to the financing of the Tax-Exempt Project (collectively, the "*Tax-Exempt Project Lease*") and (ii) the schedules and provisions related to the financing of the Clean Renewable Energy Project (collectively, the "*NCREBs Equipment Lease*") and (iii) a form of Purchase Contract (the "*Purchase Contract*") between Banc of America Leasing & Capital, LLC ("*BofA Leasing LLC*"), as purchaser, and the County and the Authority; and

WHEREAS, the County desires to designate the aggregate principal component of base rental payments under the NCREBs Equipment Lease for purposes of Section 54C(a)(3) of the Internal Revenue Code of 1986, as amend (the "*Code*") as a "*new clean renewable energy bond*" within the meaning of Section 54C(a) of the Code; and

WHEREAS, the County desires to receive direct cash subsidy payments from the United States Department of Treasury as provided by Section 6431 of the Code with respect to the NCREBs Equipment Lease and, in that connection, to irrevocably elect to have Section 6431(f) of the Code apply to the NCREBs Equipment Lease; and

WHEREAS, one of the sites included in the Clean Renewable Energy Project, the location of the Lake of the Pines Wastewater Treatment Plant (the "*Treatment Plant Site*"), is owned by Nevada County Sanitation District No. 1 (the "*Sanitation District*"); and, in order to facilitate that portion of the Clean Renewable Energy Project, the Sanitation District has offered to grant the County an easement over the Treatment Plant Site pursuant to which the County will have the right to install a portion of the Clean Renewable Energy Project (the "*Easement*"), and the County and the Sanitation District wish to enter into an Equipment Sublease Purchase Agreement (the "*Sublease Agreement*" and, together with the Site Lease, the Lease Agreement, including the Tax-Exempt Project Lease and the NCREBs Equipment Lease, and the Purchase Contract, the "*Financing Agreements*") pursuant to which the Sanitation District will sublease from the County the portion of the Clean Renewable Energy Project that is to be installed on the Treatment Plant Site; and

WHEREAS, there have been presented to this Board of Supervisors forms of the Easement and the Sublease Agreement.

NOW, THEREFORE, BE IT RESOLVED by the Board of Supervisors of the County of Nevada, State of California, as follows:

1. Defined Terms. Capitalized terms that are used, but not otherwise defined, in the remainder of this Resolution shall have the respective meanings ascribed to them in the recitals of this Resolution.
2. Findings. It is hereby found and determined that the proposed financing described in the recitals of this Resolution, as further described in the Financing Agreements, will provide significant public benefits to the citizens of the County through demonstrable savings in effective interest rate, bond preparation, bond underwriting, and bond issuance costs.
3. Appointment of Authorized County Representatives. The Chairman of this Board of supervisors, any other member of this Board of supervisors, the County Executive Officer, and the Deputy County Executive Officer of the County (each individually, an "*Authorized County Representative*," and collectively the "*Authorized County Representatives*") are each hereby designated to act as authorized representatives of the County for purposes of each of the documents approved by this Resolution.
4. Acceptance of Easement. The form, terms and provisions of the Easement are hereby approved in substantially the form presented at this meeting; and each of the Authorized County Representatives, acting alone, is hereby authorized and directed to evidence the County's acceptance of the interest in the Treatment Plant Site conveyed by the Easement, with such insertions, omissions and changes as shall be approved by such Authorized County Representative, the execution of such document being conclusive evidence of such approval.
5. Approval and Authorization of Sublease Agreement. The form, terms and provisions of the Sublease Agreement are hereby approved in substantially the form presented at this meeting; and each of the Authorized County Representatives, acting alone, is hereby authorized and directed to accept, execute and deliver to the Sanitation District the Sublease Agreement for and on behalf of the County with such insertions, omissions and changes as shall be approved by such Authorized County Representative, the execution and delivery of such document being conclusive evidence of such approval.

6. Approval and Authorization of Site Lease, Lease Agreement and Purchase Contract. The form, terms and provisions of the Site Lease, the Lease Agreement, including the Tax-Exempt Project Lease and the NCREBs Equipment Lease, and the Purchase Contract are hereby approved in substantially the forms presented at this meeting; and each of the Authorized County Representatives, acting alone, is hereby authorized and directed to accept, execute and deliver to the respective other parties thereto the Site Lease, the Lease Agreement, the Tax-Exempt Project Lease, the NCREBs Equipment Lease and the Purchase Contract (together with all exhibits and schedules to each of the foregoing) for and on behalf of the County with such insertions, omissions and changes as shall be approved by such Authorized County Representative, the execution and delivery of such document being conclusive evidence of such approval; *provided that*, (a) the aggregate principal component of lease payments due under the Tax-Exempt Project Lease shall not exceed \$2,200,000, the maximum initial interest rate applicable to the Tax-Exempt Project Lease shall not exceed 2.75%, and the maximum term of the Tax-Exempt Project Lease shall not exceed 25 years and (b) the aggregate principal component of lease payments due under the NCREBs Equipment Lease shall not exceed \$10,900,000, the maximum initial interest rate applicable to the NCREBs Equipment Lease shall not exceed 4.00% and the maximum term of the NCREBs Equipment Lease shall not exceed 30 years.
7. Designation for Purposes of Section 54C(a)(3) of the Code; Irrevocable Election. The County hereby designates the NCREBs Equipment Lease for purposes Section 54C(a)(3) of the Code as a “*new clean renewable energy bond*” within the meaning of Section 54C(a) of the Code. The County hereby irrevocably elects to have Section 6431(f) of the Code apply to the NCREBs Equipment Lease.
8. Other Actions Authorized. The officers and employees of the County shall take all action necessary or reasonably required by the respective other parties to the Financing Agreements or otherwise to carry out, give effect to and consummate the transactions contemplated hereby and thereby (including obtaining insurance policies) and to take all action necessary in conformity therewith, including, without limitation, the recordation of any of the Financing Agreements and the execution and delivery of any closing and other documents required to be delivered in connection with any of the Financing Agreements.
9. Severability. If any section, paragraph, clause or provision of this Resolution shall for any reason be held to be invalid or unenforceable, the invalidity or unenforceability of such section, paragraph, clause or provision shall not affect any of the remaining provisions of this Resolution.
10. Effective Date. This Resolution shall be effective immediately upon its approval and adoption.