



Memorandum
Office of Jenine Windeshausen
Treasurer-Tax Collector

TO: The Honorable Board of Supervisors DATE: March 9, 2021
FROM: Jenine Windeshausen, Treasurer-Tax Collector
By: Tristan Butcher, Treasurer-Tax Manager
SUBJECT: Fire Engine Note Purchase Agreement

ACTION REQUESTED

1. Approve as to form the attached Note Purchase Contract for County of Placer Note 2021-1, Fire Engines in the amount of \$944,797.23 with the Placer County Treasurer at an annual interest rate of 1.37%, for a term of five years and authorize the Chair to execute the final contract, and further authorize County officials to take all the actions necessary to complete the financing.
2. Confirm the Treasurer's investment in the County of Placer Note 2021-1, Fire Engines.

BACKGROUND

As indicated in a companion Board item today from the County Executive Officer (CEO), staff is recommending the purchase of five fire engines (the "Fire Engines") which is overdue pursuant to your Board's policy. Pursuant to your Board's approved Placer County Fire and Vehicle Apparatus Replacement Policy.

The County Purchasing Manager received a quote from the equipment provider's leasing partner and also contacted the Treasurer regarding other opportunities to finance the purchase of the Fire Engines. The Treasurer provided rate quotes for financing the Fire Engines based on the same terms which resulted in further discussion and consideration of Treasury provided financing with the CEO's Office. CEO staff determined the Treasury financing option to be the best option for the County.

The Treasury can provide financing through a Note subject to a Note Purchase Contract at an interest rate at 1% less than other financing options. The Treasurer's financing option will save the County a total of \$32,381 over the term of the financing.

Government Code 53601 requires Board of Supervisors approval for a Treasurer's investment which exceed five years. The County of Placer Note 2021-1, Fire Engines matures in five years, and therefore does not require your Board's approval for purchase the Note. However, the Treasurer seeks the Board's

Placer County Board of Supervisors
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confirmation of this investment in addition to your Board's approval of the Note Purchase Contract and related actions.

FISCAL IMPACT

The County will realize a total savings of \$32,381 over other available financing options.

Attachments:

Form of Purchase Contract, County of Placer Note 2021-1, Fire Engines with Note and Letter of Representations

**NOTE PURCHASE CONTRACT
COUNTY OF PLACER NOTE 2021-1, FIRE ENGINES**

This NOTE PURCHASE CONTRACT dated March 15, 2021 (the “Note Purchase Contract”), between County of Placer (the “County”), a public agency, duly organized and existing under the laws of the State of California (the “State”), and the Placer County Treasurer (the “Note Holder”).

WITNESSETH:

WHEREAS, the Board of Supervisors approved the Placer County Fire Vehicle and Apparatus Replacement Policy in 2016 which recommends replacement of the Type 3 Fire engines every 15 years,

WHEREAS, the County has not been able to implement the policy due to fiscal constraints and all of Placer County’s Type 3 fire engines exceed 15 years of age; and

WHEREAS, the purchase of new fire engines will reduce the current maintenance and repair cost and the new engines can be utilized in the Assistance By Hire program, which allows the County to earn revenue by renting out the fire engines across the state during fires and other catastrophic events; and

WHEREAS, the County has decided to take advantage of historically low interest rates to purchase two Type 3 Fire Engines and three Type 6 Fire Engines (the Fire Engines) to replace 5 Type 3 fire engines currently being used; and

WHEREAS, the County Treasurer (the Note Holder) has offered and arranged to provide financing as the Note Holder for the purchase the Fire engines at a cost savings of \$32,381 compared to outside financing; and

WHEREAS, the County has resolved to issue a note, the County of Placer Note 2021-1, Fire Engines (the “Note”) and has offered to sell the Note to the Note Holder; and

WHEREAS, the Note Holder has determined that the Note is an appropriate investment for the funds held in the Placer County Treasurer’s Investment Pool and is willing to purchase the Note on the terms and conditions set forth herein; and

WHEREAS, in order to induce the Note Holder to purchase the Note on such terms and conditions, the County has delivered to the Note Holder that certain Letter of Representations of the County (the “Letter of Representations”), dated hereof;

NOW, THEREFORE, in consideration of the premises and of the mutual agreements and covenants contained herein and for other valuable consideration, the parties hereto do hereby agree as follows:

1. Definitions. Unless the context otherwise requires, capitalized terms used herein,

and not otherwise defined shall have the meaning set forth in Appendix A attached hereto.

2. Terms of Note. The Note shall be issued in physical form in a face amount of \$944,797.23 and shall mature on March 15, 2026. The Note is attached hereto as Appendix B and shall be executed by an authorized representative of the County Board of Supervisors and attested by the Clerk of the Board.

The principal amount of the Note as of any given date shall be equal to (i) the total amount advanced by the Note Holder less any Principal Prepayment in accordance with the terms of this Note Purchase Contract, provided the principal amount shall at no time exceed \$944,797.23. The Note Holder shall maintain accurate records with respect to the principal amount of the Note from time to time outstanding.

3. Representations, Warranties, Covenants and Agreements of the County. The County hereby represents, warrants, and covenants to and agrees with the Note Holder that:

- (a) The County is duly organized and existing under the laws of the State of California, and has full legal right, power and authority to (i) execute and deliver this Note Purchase Contract, (ii) issue the Note and sell and deliver the Note to the Note Holder on the terms and conditions set forth in this Note Purchase Contract, (iii) perform its obligations under this Note Purchase Contract, and (iv) the person or persons signing any and all documents associated with this agreement has full authority to sign on behalf of the County;
- (b) On March 9, 2021, the Board of Supervisors of the County approved the purchase of two type 3 fire engines and three type 6 fire engines and duly authorized the Purchasing Manager to sign all documents pertaining to the purchase thereof. This grant of authority authorizes the Chair of the Board of Supervisors to approve the issuance, sale and delivery of the Note, duly authorize and approve the execution and delivery of this Note Purchase Contract, duly authorize and approve the performance by the County of its obligations contained in, and the taking of any and all actions as may be necessary to carry out, give effect to and consummate the transactions contemplated by, the Note and this Note Purchase Contract;
- (c) The Note has been duly and validly issued by the County and this Note Purchase Contract has been duly executed and delivered by the County and the Note and this Note Purchase Contract constitute valid and binding obligations of the County, enforceable in accordance with their respective terms, subject to bankruptcy, insolvency, reorganization, moratorium and other similar laws affecting the enforcement of creditors' rights generally and to general principals of equity;
- (d) The County is not in breach of or default under any applicable law or administrative regulation of the State, the United States of America, or of any department, division, agency or instrumentality of either thereof, or any applicable court or administrative decree or order or any loan agreement, note, resolution,

certificate, contract, agreement or other instrument to which the County is a party or is otherwise subject; the execution and delivery of this Note Purchase Contract, the Note and the other instrument contemplated by any of such documents to which the County is or will be a party and compliance with the provisions of each thereof will not conflict with or constitute a breach of or default under any applicable law or administrative regulation of the State, the United States of America, or of any department, division, agency or instrumentality of either thereof, or any applicable court or administrative decree or order or any loan agreement, note, resolution, certificate, contract, agreement or other instrument to which the County is a party or is otherwise subject or bound;

- (e) No litigation is pending in any court or before any tribunal or administrative agency or, to the knowledge of the County, threatened in any way affecting the existence of the County or the titles of the members of its Board or officers of the County to their respective offices, or seeking to restrain or enjoin the issuance, sale or delivery of the Note, the pledge of the County's finances or in any way contesting or affecting the validity or enforceability of the Note or this Note Purchase Contract or the powers of the County or its authority to perform its duties under this Note Purchase Contract;
- (f) All of the information provided by the County to the Note Holder in connection with the negotiation of the terms and the execution and delivery of the Note Purchase Contract is true, correct and complete in all material respects;
- (g) The County will punctually pay the principal of and interest on the Note in strict conformity with the terms thereof, and will faithfully observe and perform all the agreements, conditions, covenants and terms contained in the Note and in this Note Purchase Contract required to be observed and performed by it, and will not terminate this Note Purchase Contract for any cause whatsoever, including, without limiting the generality of the foregoing, any acts or circumstances that may constitute failure of consideration, commercial frustration of purpose, any change in the tax or other laws of the United States of America or of the State or any political subdivision of either or any failure of the Note Holder to observe or perform any agreement, conditions, covenant or term contained herein required to be observed and performed by it, whether express or implied;
- (h) The County will preserve and protect the security hereof and the rights of the Note Holder to the payment of principal of and interest on the Note and will warrant and defend such rights against all claims and demands of all persons;
- (i) The County will, so long as the Note remains outstanding, apply amounts as provided herein;
- (j) The County will keep appropriate accounting records in which complete and correct entries shall be made of all transactions relating to repayment of the Note,

which records shall be available for inspection by the Note Holder at reasonable hours and under reasonable conditions;

- (k) Promptly upon learning of such occurrence, the County shall provide written notice to the Note Holder of the occurrence of any of the following:
 - i. Discovery that a representation or warranty made by the County in this Note Purchase Contract or the Letter of Representations is inaccurate in any material respect;
 - ii. Any material breach by the County under this Note Purchase Contract or the Letter of Representations;
 - iii. The filing of any claim or suit, or the threat of any litigation, or the commencing of any administrative proceedings against the County respecting the Note, this Note Purchase Contract, the Letter of Representations or (if such claim, suit, litigation, or proceeding could materially adversely affect the interest of the Note Holder or the security for the Note) or the Project; or
- (l) The County will adopt, deliver, execute and make any and all further assurances, instruments and resolutions as may be reasonably necessary or proper to carry out the intention or to facilitate the performance hereof and for the better assuring and confirming unto the Note Holder of the rights and benefits provided to it herein; and
- (m) Any certificate signed by the Chair of the Board of Supervisors, or the Vice Chair of the Board of Supervisors, the County Executive Officer, or Clerk of the Board, or any other authorized representative of the County shall be deemed a representation and warranty by the County to the Note Holder as to the statements made therein.

4. Annual Appropriations

Notwithstanding anything contained in this agreement to the contrary, in the event the funds appropriated by County's governing body or otherwise available by any means whatsoever in any fiscal period of the County for payments or other amounts due under this agreement are insufficient therefor, this agreement shall terminate on the last day of the fiscal period for which appropriations were received without penalty or expense to the Lessee of any kind whatsoever, except to the portions of payments or other amounts herein agreed upon for which funds shall have been appropriated and budgeted or are otherwise available. The County will immediately notify the Note Holder of such occurrence. In the event of such termination, the County acknowledges and expressly agrees that the Note Holder may, nonetheless, exercise its remedies set forth in Section 5 of this Note Purchase Contract.

5. Default, Events and Remedies.

(a) The following shall constitute an Event of Default of the County's obligations under the Note, the Note Purchase Contract and the Letter of Representations:

- i. Nonpayment of interest and/or principal when due;
- ii. Default shall be made by the County in the performance of any of the other agreements or covenants contained in the Note or in this Note Purchase Contract, or the Letter of Representations, which shall have continued for a period of thirty days after the County shall have been given notice in writing of such default by the Note Holder;
- iii. Any representation or warranty made by the County in this Note Purchase Contract, or the Letter of Representations shall be untrue or incorrect in any material respect when made or deemed made, and not promptly corrected; or
- iv. If the County shall file a petition or answer seeking arrangement or reorganization under the federal bankruptcy laws or any other applicable law of the United States of America or any state therein, or if a court or competent jurisdiction shall approve a petition filed with or without the consent of the County seeking arrangement or reorganization under the federal bankruptcy laws or any other applicable law of the United States of America or any state therein, or if under the provisions of any other law for the relief or aid of debtors any court of competent jurisdiction shall assume custody or control of the County or of the whole or any substantial part of its property.

(b) Upon the occurrence of default the Note Holder may:

- i. Present a claim against the County's account against the County's current fiscal year revenues held in the County Treasury, to direct the Auditor to make such distributions to the Note Holder as may be required to satisfy any defaulted amount;
- ii. Attach the County's account of any of the County's Funds held in the County Treasury, and direct the Auditor and/or the Treasurer to make such distributions to the Note Holder as may be required to satisfy any defaulted amounts;
- iii. Bring suit by mandamus or other action or proceeding or suit at law or in equity to enforce its rights against the County or any member of the County Board of Supervisors, officer or employee, in their official capacity with the County, thereof, and to compel the County or any such member of the County Board of Supervisors, officer or employee to perform and carry out its duties under agreements and covenants required to be performed by it or him or her contained herein;

iv. Bring suit in equity to enjoin any acts or things which are unlawful or violate the rights of the Note Holder.

(c) Nothing in this Section 5 or in any other provision hereof shall affect or impair the obligation of the County, which is absolute and unconditional, to pay the principal of and interest on the Note when due as provided herein, or shall affect or impair the right of the Note Holder, which is also absolute and unconditional, to institute suit to enforce such payment by virtue of the contract embodied herein.

A waiver of any default or breach of duty or contract by the Note Holder shall not affect any subsequent default or breach of duty or contract or impair any rights or remedies on any such subsequent default or breach of duty or contract, and no delay or omission by the County to exercise any right or remedy accruing upon any default or breach of duty or contract shall impair any such right or remedy accruing or shall be construed to be a waiver of any such default or breach of duty or contract or an acquiescence therein, and every right or remedy conferred upon the Note Holder by applicable law or by this article may be enforced and exercised from time to time and as often as shall be deemed expedient by the Note Holder.

(d) No remedy herein conferred upon or reserved to the Note Holder is intended to be exclusive of any other remedy, and each such remedy shall be cumulative and shall be in addition to every other remedy given hereunder or now or hereafter existing in law or in equity or by statute or otherwise and may be exercised without exhausting and without regard to any other remedy conferred by applicable law.

(e) If an Event of Default shall exist under the Note or this Note Purchase Contract and the Note Holder employs attorneys or consultants or incurs other expenses for the collection of any amounts due on the Note or hereunder, or for the enforcement of performance of any obligation or agreement on the part of the County under the Letter of Representations, the County shall upon demand pay to the Note Holder reasonable fees, whether suit be brought or not, of such attorneys or consultants and such other expenses so incurred.

6. Expenses. The Note Holder shall have no obligation to pay, and the County shall pay or cause to be paid, all expenses incident to the execution and delivery of this Note Purchase Contract, the Note issuance, sale, and delivery of the Note, and all expenses incident to the performance of the County's obligations under this Note Purchase Contract.

7. Amendment; Emergency.

(a) Except as otherwise specifically provided in this Note Purchase Contract, this Note Purchase Contract may not be amended, changed, modified, altered or terminated without the written consent of both the Note Holder and the County.

(b) Upon the occurrence of an Emergency, the Note Holder and the County will negotiate in good faith such amendments to this Note Purchase Contract and the Note

as shall be necessary to address such Emergency; provided, no such amendment shall materially adversely affect the interests of the Note Holder or the security for the Note without the consent of the Note Holder, which consent shall be given in the Note Holder's sole and absolute discretion.

8. Miscellaneous.

- (a) No member of the County Board of Supervisors, officer or employee of the County, in their individual capacity with the County shall be personally liable for the payment of the principal of or interest on the Note, but nothing contained herein shall relieve any member of the County Board of Supervisors, officer or employee of the County from the performance of any official duty provided by any applicable provisions of law or hereby.
- (a) The headings or titles of the several articles and sections hereof and the table of contents appended hereto shall be solely for convenience of reference and shall not affect the meaning, convenience or effect hereof, and works of any gender shall be deemed and construed to include all genders. All references herein to "Sections" and paragraphs are to the corresponding sections or paragraphs hereof; and the words "hereby," "herein," "hereto," "herewith," "hereunder," and words of similar import refer to this Note Purchase Contract as a whole and not to any particular article, section, subdivision or clause hereof.
- (d) Whenever either the Note Holder or the County is named or referred to herein, such reference shall be deemed to include the successor to the powers, duties and functions that are presently vested in the Note Holder or the County, and all agreements and covenants required hereby to be performed by or on behalf of the Note Holder or the County shall bind and inure to the benefit of the respective successors thereof whether so express or not.
- (e) Except as provided in paragraph (d), nothing contained herein, express or implied, is intended to give to any person other than the Note Holder, the County and their assigns any right, remedy or claim under or pursuant hereto, and any agreement or covenant required herein to be performed by or on behalf of the Note Holder, the County and their assigns.
- (f) This Note Purchase Contract and the Note constitute the entire agreement and supersede all prior agreements and understandings, both written and oral, between the Note Holder and the County with respect to the subject matter hereof.
- (g) If any one or more of the agreements or covenants or portions thereof required hereby to be performed by or on the part of the Note Holder or the County shall be contrary to law, then such agreement or agreements, such covenant or covenants or such portions thereof shall be null and void and shall be deemed separable from the remaining agreements and covenants or portions thereof and shall in no way affect the validity hereof, and the Note Holder and the County hereby declare that they

would have executed this Note purchase Contract and each and every other article, section, paragraph, subdivision, sentence, clause and phrase hereof irrespective of the fact that any one or more articles, sections, paragraphs, subdivisions, sentences, clauses or phrases hereof or the application thereof to any person or circumstance may be held to be unconstitutional, unenforceable or invalid.

- (h) Note Holder's approval of any matter in connection with this Note Purchase Contract and the Note is for the sole purpose of protecting the security and rights of the Note Holder. No such approval will result in a waiver of any default of the County. In no event may the Note Holder's approval be a representation of any kind with regard to the matter being approved.
- (i) Any payment or act required to be done or made on a day that is not a Business Day shall be done or made on the next succeeding day that is a Business Day with the same force and effect as if it had been done on the date originally scheduled for such payment or act.
- (j) This Note Purchase Contract shall be governed exclusively by and construed in accordance with the applicable laws of the State of California.
- (k) All written notices to be given hereunder shall be given by mail to the party entitled thereto at its address set forth below, or at such other address as such party may provide to the other part in writing from time to time, namely:

If to the Note Holder:

Placer County Treasurer-Tax Collector
2976 Richardson Drive
Auburn, CA 95603

If to the County:

Placer County Counsel
175 Fulweiler Avenue
Auburn, CA 95603

- (l) It is agreed and acknowledged by the parties hereto that the provisions of this Note Purchase Contract have been arrived at through negotiation and that each of the parties has had a full and fair opportunity to review the provisions of this Note Purchase Contract and to have such provisions reviewed by legal counsel. Therefore, any rule of construction that any ambiguities are to be resolved against the drafting party shall not apply in construing or interpreting this Note Purchase Contract.

- (m) This Note Purchase Contract shall be in full force and effect from the date hereof until such time as the Note shall have been fully paid. Time is of the essence in the Note Purchase Contract.
- (n) The Note Holder will keep appropriate records regarding the Note, this Note Purchase Contract and the transactions hereunder, which records shall be available for inspection by the County at reasonable hours and under reasonable conditions.

IN WITNESS WHEREOF, the County and Note Holder have executed this Note Purchase Contract as of the date first written above.

NOTE HOLDER

By: _____
Jenine Windeshausen
Placer County Treasurer

COUNTY OF PLACER

By: _____
Robert Weygandt
Chair of the Board

Appendix A

Business Day

“Business Day” means any day that the County of Placer is normally open for business as declared by the governing board, and the Federal Banking System is open for money transactions.

Closing Date

“Closing Date” means March 15, 2021.

Dated Date

“Dated Date” means March 15, 2021.

Event of Default

“Event of Default” means the failure by the County to pay interest or to pay scheduled principal on the Note on the maturity date, or any event defined in Section 5.

Maturity Date

“Maturity Date” means March 15, 2026.

Principal Prepayment Date

“Principal Prepayment Date” means any date prior to March 15, 2026, wherein the County makes a payment to the Note Holder applicable to repayment of principal advanced in whole or in part.

APPENDIX B

**County of Placer
Note, 2021-1, Fire Engines**

Dated Date: March 15, 2021

Maturity Date: March 15, 2026

Registered Owner: Placer County Treasurer

Face Amount (Maximum Principal Amount): Nine Hundred Forty-Four Thousand Seven Hundred Ninety-Seven Dollars and Twenty-Three Cents (\$944,797.23)

The County of Placer (the “County”) is a public agency, duly organized and existing under the laws of the State of California (the “State”), for value received, hereby promises to pay, subject only to the provisions of that certain Note Purchase Contract dated March 15, 2021 (the “Note Purchase Contract”), between the County and the Placer County Treasurer (the “Note Holder”), providing for the allocation and application of amounts received and held by the County, by wire transfer or deposit to an account specified by the Note Holder, the principal amount hereof, on the date described below, with interest on the unpaid principal balance hereof at the rates determined as described below and on the dates described below (each date as “Maturity Date”), in lawful money of the United States of America. Unless defined herein, capitalized terms used herein shall have the meanings ascribed thereto in the Note Purchase Contract.

Pledge; Limited Obligation

To secure the payment of principal of and interest on this Note, the County hereby agrees that it will promptly pay its obligations hereunder subject to annual appropriation of funds. Notwithstanding anything contained in this Agreement to the contrary, in the events the funds appropriated by the County’s governing body or otherwise available by any means whatsoever in any fiscal period of County for payments or other amounts due under this agreement are insufficient therefore, this agreement shall terminate on the last day of the fiscal period for which appropriations were received. The County will immediately notify the Note Holder of such occurrence. The County acknowledges that the Note Holder will have the right to pursue its remedies to recover any amounts remaining unpaid, as described more fully in the Note Purchase Contract dated March 15, 2021.

Neither the faith and credit nor the taxing powers of the State, any public agency or any political subdivision of the State is pledged for the purpose of repayment of the principal or interest on this Note. Neither the County Board of Supervisors, nor any person executing this Note shall be personally liable on this Note by reason of its issuance. The County Board of Supervisors, and any officer or employee of the County, in their individual capacity with the County, shall not be personally liable for any obligations set forth herein, including the repayment of principal of or interest on this Note, or in respect of any undertakings by the County under the Note Purchase Contract.

Interest

Interest on the Note shall be due and payable at the interest rate determined as set forth in Table 1 below, which is attached hereto and incorporated fully into the Note.

From the Dated Date of this Note through the Maturity Date, the Note shall bear interest on the outstanding principal balance at the rate of 1.37%. The amount of interest due and payable on the Maturity Date will be computed on the actual/360 day count basis for the number of days elapsed.

In the event the County prepays any or all principal due under the Note, the County shall also pay interest from the Dated Date to the date such prepayment is made. Interest will continue to accrue on any unpaid principal thereafter outstanding.

Principal

The principal amount of this Note as of any given date shall be equal to the total amount advanced by the Note Holder less any Principal Prepayment in accordance with the terms of the Note Purchase Contract as principal on this Note.

Principal on this Note shall be due and payable as set forth in Table 1, below.

Prepayment of Principal

Principal on this Note may be prepaid at the option of the County, in whole or in part, without premium or penalty, on any date upon the County giving a minimum of two business days' advance written notice to the Note Holder that the County shall make a prepayment. The amount available for prepayment of principal and accrued interest on the prepayment amount shall be specified in such written notice. Prepayment of principal by the County shall be in the amount of \$50,000 or greater, unless the amount is the remaining balance for payment in full.

Upon written receipt of such notice, the Note Holder shall calculate the amount to be applied to outstanding principal and the amount of accrued interest and thereby notify the County of such amounts within one business day of receipt of the notice of prepayment from the County.

Incorporation of Note Purchase Contract

All of the agreements, covenants, conditions, limitations, provisions and stipulations contained in the Note Purchase Contract are hereby made a part of this Note to the same extent and with the same effect as if they were fully set forth herein.

Actions and Remedies Upon Default

Upon the occurrence of a Default, the Note Holder may take any or all of the actions authorized by the Note Purchase Contract. In the event of a Default, all principal and interest amounts due together with any attorney's fees incurred by the Note Holder in collecting or enforcing payment hereof, whether suit be brought or not, and all other sums due hereunder or under the Note Purchase Contract, notwithstanding anything to the contrary therein and payment thereof may be enforced and recovered in whole or in part, at any time, by one or more of the remedies provided in this Note or the Note Purchase Contract.

The remedies of the Note Holder, as provided herein and in the Note Purchase Contract, may be pursued at the sole discretion of the Note Holder and may be exercised as often as occasion therefore shall occur. The failure to exercise any such right or remedy shall in no event be construed as a waiver or release thereof.

The Note Holder shall not be deemed, by any act of omission or commission, to have waived any of its rights or remedies hereunder unless such waiver is in writing and signed by the Note Holder and then only to the extent specifically set forth in the waiver.

A waiver with reference to one event shall not be construed as a continuing waiver or as a bar to or waiver of any right or remedy as to a subsequent event.

Registration; Transfer Only to Legal Successor

This Note is transferable upon the books of the County by the registered Note Holder hereof in person or by its attorney duly authorized in writing, upon surrender of this Note together with a written instrument of transfer satisfactory to the County, duly executed by the registered Note Holder or its duly authorized attorney; provided, this Note may be transferred only to a legal successor of the Note Holder. Upon such transfer, the County will note the date of registration and the name and address of the newly registered Note Holder on the books of the County. The County may deem and treat the person in whose name this Note is last registered upon the books of the County as the absolute owner hereof for the purpose of payments so made to the registered Note Holder or upon such Note Holder's order shall be valid sums so paid, and the County shall not be affected by any notice to the contrary.

It is intended that this Note is made with reference to and shall be construed as a contract governed by the laws of the State of California.

IT IS HEREBY CERTIFIED AND RECITED that all conditions, acts and things required to exist, happen and be performed precedent to or in the issuance of this Note do exist, have happened and have been performed in regular and due form as required by law.

IN WITNESS WHEREOF, the County has caused this Note to be executed and attested on its behalf by the manual signatures of its duly authorized officers, all as of the date first set forth above.

COUNTY OF PLACER

By: _____
Chair of the Board

ATTEST:

Clerk of the Board

TABLE 1

DEBT SERVICE SCHEDULE

**County of Placer
Note 2021-1
Fire Engines**

	Inputs		Outputs
Total Cost for 5 fire engines:	\$ 1,294,797.23		
Down payment:	\$ 350,000.00		
Loan amount	\$ 944,797.23	Periodic rate	0.69 %
Interest rate	1.37 %	Semiannual payment	\$ 98,075.69
Years	5	Total interest	\$ 35,959.70
Payment per year	2	Total principal & interest	\$ 980,756.93
Estimated Start date of loan	3/15/2021	Total periods	10

Periods	Payment Date	Scheduled Payment	Principal	Interest	Principal Balance
0					\$ 944,797.23
1	09/15/2021	\$ 98,075.69	\$ 91,603.83	\$ 6,471.86	\$ 853,193.40
2	03/15/2022	\$ 98,075.69	\$ 92,231.32	\$ 5,844.37	\$ 760,962.08
3	09/15/2022	\$ 98,075.69	\$ 92,863.10	\$ 5,212.59	\$ 668,098.98
4	03/15/2023	\$ 98,075.69	\$ 93,499.22	\$ 4,576.48	\$ 574,599.76
5	09/15/2023	\$ 98,075.69	\$ 94,139.68	\$ 3,936.01	\$ 480,460.08
6	03/15/2024	\$ 98,075.69	\$ 94,784.54	\$ 3,291.15	\$ 385,675.54
7	09/15/2024	\$ 98,075.69	\$ 95,433.82	\$ 2,641.88	\$ 290,241.72
8	03/15/2025	\$ 98,075.69	\$ 96,087.54	\$ 1,988.16	\$ 194,154.18
9	09/15/2025	\$ 98,075.69	\$ 96,745.74	\$ 1,329.96	\$ 97,408.45
10	03/15/2026	\$ 98,075.69	\$ 97,408.45	\$ 667.25	

APPENDIX C
Letter of Representations

March 15, 2021

Jenine Windeshausen
Placer County Treasurer
2976 Richardson Drive
Auburn, CA 95603

Re: Placer County Note 2021-1 Fire Engines

Dear Ms. Windeshausen:

We hereby deliver this letter to you in connection with your execution of a Note Purchase Contract (the “Note Purchase Contract”), dated March 15, 2021, pursuant to which the County has agreed to sell the above referenced Note (the “Note”) to you, as Note Holder, which Note will be held as an investment in the Placer County Treasurer’s Investment Pool in which are invested the funds of a number of public agencies, including school districts, the County and special districts, serving the residents of Placer County.

The County has read and is familiar with the terms of the Note Purchase Contract, and, unless otherwise defined in this letter, capitalized terms used herein which are defined in this Note Purchase Contract shall have the respective meanings therein specified.

In order to induce you to enter into this Note Purchase Contract, and to purchase the Note as therein contemplated, and to provide assurances to the investors in the Placer County Treasurer’s Investment Pool, the undersigned, County of Placer (the “County”), hereby represents, warrants and covenants to you that:

- (a) The County is a political subdivision of the State, and has full legal right, power and authority to (i) execute and deliver this Letter of Representations, and (ii) perform its obligations under this Letter of Representations;
- (b) The County has duly authorized and approved the performance by the County of its obligations contained in, and the taking of any and all action as may be necessary to carry out, give effect to and consummate the transactions contemplated by, this Letter of Representations;
- (c) This Letter of Representations has been duly executed and delivered by the County and constitutes valid and binding obligations of the County, enforceable in accordance with their respective terms, subject to bankruptcy, insolvency, reorganization, moratorium and other similar laws affecting the enforcement of creditors’ rights generally and to general principles of equity;

- (d) The County is not in breach of or default under any applicable law or administrative regulation of the State, the United States of America, or of any department, division, agency or instrumentality of either thereof, or any applicable court or administrative instrument to which the County is a party or is otherwise subject, which breach or default could materially adversely affect the ability of the County to perform its obligations under this Letter of Representations; the execution and delivery of this Letter of Representations is or will be a party and compliance with the provisions of each thereof will not conflict with or constitute a breach of or default under any applicable law or administrative instrumentality of either thereof, or any applicable court or administrative decree or order or any loan agreement, note resolution, certificate, contract, agreement or other instrument to which the County is a party or is otherwise subject or bound;
- (e) All approvals, consents, authorizations, elections and orders of or filings or registrations with any governmental authority, board, agency or commission having jurisdiction that would constitute a condition precedent to the performance by the County of its obligations under this Letter of Representations have been obtained and are in full force and effect;
- (f) The County is in compliance, in all material respects, with the County Resolution, and this Letter of Representations;
- (g) No litigation is pending in any court or before any tribunal or administrative agency or, to the knowledge of the County, threatened in any way affecting the existence of the County or the title of the members of its County Board of Supervisors or officers of the County to their respective office, or seeking to restrain or enjoin the issuance, sale or delivery of the Note or the application of the proceeds of the Note or in any way contesting or affecting the validity or enforceability of this Letter of Representations or the powers of the County or its authority to perform its duties under this Letter of Representations;
- (h) All of the information provided by the County to the Note Holder in connection with the negotiation of the terms and the execution and delivery of the Note Purchase Contract is true, correct and complete in all material respects;
- (i) The County will comply with, keep, observe and perform all agreements, conditions, covenants and terms, express or implied, required to be kept, observed and performed by it contained in all contracts affecting or involving the Project to the extent that the County is a party thereto;
- (j) Promptly upon learning of such occurrence, the County shall provide written notice to the Note Holder of the occurrence of any of the following:
 - a. Discovery that a representation or warranty made by the District/City/County/Authority in this Letter of Representations is inaccurate in any material respect;
 - b. Any material breach by the County under this Letter of Representations; or

- c. The filing of any claim or suit, or the threat of any litigation, or the commencing of any administrative proceedings against the County respecting the Note, or this Letter of Representations;
- (k) The County will adopt, deliver, execute and make any and all further assurances, instruments and resolutions as may be reasonably necessary or proper to carry out the intention or to facilitate the performance hereof and for the better assuring and conforming unto the Note Holder of the rights and benefits provided to it herein; and
- (l) Any certificate signed by the Chair of the County Board of Supervisors or of the County Chief Executive Officer, or any other authorized representative of the County shall be deemed a representation and warranty by the County to the Note Holder as to the statements made therein.

The words “hereby,” “herein,” “hereto,” “herewith,” hereunder” and other words of similar import refer to this Letter of Representations as a whole and not to any particular paragraph hereof.

Whenever either the Note Holder or the County is named or referred to herein, such reference shall be deemed to include the successor to the powers, duties and functions that are presently vested in the Note Holder or the County and all agreements and covenants required hereby to be performed by or on behalf of the Note Holder or the County with respect to the Note shall bind and inure to the benefit of the respective successors thereof whether so expressed or not.

Except as provided in the preceding paragraph, nothing contained herein, express or implied, is intended to give to any person other than the Note Holder and the Note Holder’s assigns any right, remedy or claim under or pursuant hereto, and any agreement or covenant required herein to be performed by or on behalf of the County shall be for the sole and exclusive benefit of the Note Holder and the Note Holder’s assigns.

The Note Purchase Contract and this Letter of Representations constitute the entire agreement and supersede all prior agreements and understandings, both written and oral, between the Note Holder and the County with respect to the subject matter hereof.

Note Holder’s approval of any matter in connection with this Note Purchase Contract and the Note is for the sole purpose of protecting the security and rights of the Note Holder. No such approval will result in a waiver of any default of the County. In no event may Note Holder’s approval be a representation of any kind with regard to the matter being approved.

All written notices to be given by the County under the terms of the Note Purchase Contract shall be given by mail to the party entitled thereto at its address set forth below, or at such other address as the County may provide to the Note Holder in writing from time to time, namely:

Placer County Counsel
175 Fulweiler Avenue
Auburn, CA 95603

It is agreed and acknowledged by the County that the provisions of the Note Purchase Contract and this Letter of Representations have been arrived at through negotiation and that each of the parties has had a full and fair opportunity to review the provisions of the Note Purchase Contract and this Letter of Representations and to have such provisions reviewed by legal counsel. Therefore, any rule of construction that any ambiguities are to be resolved against the drafting party shall not apply in construing or interpreting the Note Purchase Contract and this Letter of Representations.

This Letter of Representations shall be in full force and effect from the date hereof until such time as the Note shall have been fully paid.

COUNTY OF PLACER

By: _____
Karin Schwab, County Counsel