

**COUNTY OF SAN LUIS OBISPO FUNDING CONTRIBUTION CERTIFICATE
FOR THE SAN LUIS OBISPO COUNTY JAIL PROJECT**

All capitalized terms not otherwise defined herein shall have the meaning given them in the Project Delivery and Construction Agreement.

WHEREAS, pursuant to Chapter 3.11 of Part 10b of Division 3 of Title 2 of the California Government Code (commencing at Section 15820.90) (the "Law"), the State Public Works Board (the "Board") is authorized to finance the acquisition, design and construction of a jail facility approved by the Board of State and Community Corrections (the "BSCC") pursuant to Section 15820.906 of the California Government Code (the "AB 900 Jail Financing Program"); and

WHEREAS, pursuant to California Code of Regulations Title 15, Division 1, Chapter 1, Subchapter 6, only the cost of certain construction activities are potentially eligible for reimbursement under the AB 900 Jail Financing Program – acquisition, pre-design, design, and other specific construction costs are not eligible; and

WHEREAS, the County of San Luis Obispo (the "Participating County") has proposed to build a jail facility, the San Luis Obispo County Women's Jail project, (the "Project"), to be located at 1585 Kansas Avenue, San Luis Obispo, CA 93405, real property controlled by the Participating County through fee-simple ownership (the "Site"); and

WHEREAS, pursuant to the Law, the Participating County is contributing funding in addition to its Cash (hard) Match and In-Kind (soft) Match (the "Other Participating County Funding"); and

WHEREAS, the Board intends to assist in the oversight and financing of the Project, subject to satisfaction of certain conditions and requirements of the Board, and the Board may in its sole, reasonable discretion, issue and sell lease revenue bonds as necessary (the "Bonds"); and

WHEREAS, the interests of both the Board and the Participating County require confirmation of certain facts and certain assurances concerning the Other Participating County Funding.

NOW, THEREFORE, the Participating County, acting through its duly authorized representative, does hereby represent, warrant and covenant as follows:

(A) Lawfully Available Funds. The Other Participating County Funding, as described in Exhibit 1, has been derived exclusively from lawfully available funds of the Participating County.

(B) Other Participating County Funding Is Legal and Authorized. The payment of the Other Participating County Funding for the Project (i) is within the power, legal right, and authority of the Participating County; (ii) is legal and will not conflict with or constitute on the part of the Participating County a material violation of, a material breach of, a material default under, or result in the creation or imposition of any lien, charge, restriction, or encumbrance upon any property of the Participating County under the provisions of any charter instrument, bylaw, indenture, mortgage, deed of trust, pledge, note, lease, loan, installment sale agreement, contract, or other material agreement or instrument to which the Participating County is a party or by which the Participating

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County or its properties or funds are otherwise subject or bound, decree, or demand of any court or governmental agency or body having jurisdiction over the Participating County or any of its activities, properties or funds; and (iii) have been duly authorized by all necessary and appropriate action on the part of the governing body of the Participating County. The authorized representative of the Participating County executing this Certificate is fully authorized and empowered to take such actions for and on behalf of the Participating County.

(C) Governmental Consents. The execution, delivery, and performance by the Participating County of this certificate and the use of the Other Participating County Funding for the costs of the Project do not require the consent, approval, permission, order, license, or authorization of, or the filing, registration, or qualification with, any governmental authority other than the Participating County in connection with the execution, delivery, and performance of this Certificate, the consummation of any transaction herein contemplated, or the offer, issue, sale, or delivery of the Bonds, except as shall have been obtained or made and as are now in full force and effect.

(D) No Prior Pledge. The Other Participating County Funding and the Project are not and will not be mortgaged, pledged, or hypothecated by the Participating County in any manner or for any purpose and have not been and will not be the subject of a grant of a security interest by the Participating County. In addition, the Other Participating County Funding and the Project are not and will not be mortgaged, pledged, or hypothecated for the benefit of the Participating County or its creditors in any manner or for any purpose and have not been and will not be the subject of a grant of a security interest in favor of the Participating County or its creditors. The Participating County shall not in any manner impair, impede or challenge the security, rights and benefits of the owners of the Bonds or the trustee for the Bonds.

IN WITNESS WHEREOF, the undersigned duly authorized representative of the Participating County has executed and delivered this Certificate to the Board on the date set forth below.

Date: _____, 2014

COUNTY OF SAN LUIS OBISPO

By: _____
Authorized Representative

Name: _____

Title: _____

APPROVED AS TO FORM
AND LEGAL EFFECT
Rita L. Neal, County Counsel
By: Rita L. Neal 1/24/2014
Deputy County Counsel Date

Exhibit 1-Description of Other Participating County Funding

San Luis Obispo County's Other Participating County Funding of \$6,345,000 for the San Luis Obispo County Women's Jail Project will be funded from the Capital Projects Fund, Detention Facilities and Facilities Planning designations; the Criminal Justice Facility Construction Fund; and the General Fund. The source of funds in the Capital Projects Fund is monies transferred from the General Fund, which is allocated at the discretion of the Board of Supervisors. The source of funds in the Criminal Justice Facility Construction Fund is primarily from court imposed fines and penalties. Section 76101 of the California Government Code authorizes the establishment of this fund and the expenditure of moneys deposited into it for the purpose of assisting the county in the construction, reconstruction, expansion, improvement, operation, or maintenance of county criminal justice and court facilities.