

BEFORE THE BOARD OF SUPERVISORS
OF THE COUNTY OF SANTA CRUZ, STATE OF CALIFORNIA

RESOLUTION NO. _____

On Motion of Supervisor
Duly Seconded by Supervisor
The following resolution is adopted.

RESOLUTION OF THE BOARD OF SUPERVISORS OF THE
COUNTY OF SANTA CRUZ APPROVING PROCEEDINGS BY
THE SANTA CRUZ COUNTY CAPITAL FINANCING
AUTHORITY FOR THE ISSUANCE, SALE AND DELIVERY
OF NOT TO EXCEED \$15,000,000 AGGREGATE PRINCIPAL
AMOUNT OF LEASE REVENUE BONDS, 2025 SERIES A AND
APPROVING RELATED DOCUMENTS AND OFFICIAL
ACTIONS

WHEREAS, the Santa Cruz County Capital Financing Authority (the “Authority”) is a joint powers authority duly organized and existing under and pursuant to that certain Joint Exercise of Powers Agreement, dated February 25, 2014, as amended (the “Agreement”), by and between the County of Santa Cruz, California (the “County”) and the Santa Cruz County Flood Control and Water Conservation District, and under Articles 1 through 4 (commencing with section 6500) of Chapter 5 of Division 7 of Title 1 of the California Government Code (the “Act”), and is authorized pursuant to the Agreement and Article 4 (commencing with section 6584) of the Act to provide financing or refinancing for public capital improvements of the County; and

WHEREAS, the Authority and the County have previously entered into the Site and Facility Lease, dated as of June 1, 2024 (the “Existing Site Lease”) pursuant to which the County agreed to lease to the Authority certain parcels of real property and all buildings and improvements situated thereon (collectively, the “Existing Leased Property”); and

WHEREAS, the County and the Authority have previously entered into a Lease Agreement, dated as of June 1, 2024 (the “Existing Lease”), pursuant to which the Authority agreed to sublease the Existing Leased Property to the County in consideration for which the County agreed to make certain payments of base rental; and

WHEREAS, the base rental payments under the Existing Lease were assigned by the Authority to secure payment of the Authority’s Lease Revenue Bonds, 2024 Series C; and

WHEREAS, the County desires to finance public capital improvements to the County’s Ben Lomond Transfer Station, the acquisition of certain real property at 420 and 440 May Avenue, Santa Cruz, California and other public capital improvements (collectively, the “2025A Project”); and

WHEREAS, the Authority has determined to issue its Santa Cruz County Capital Financing Authority Lease Revenue Bonds, 2025 Series A, in an aggregate principal amount not-

to-exceed \$15,000,000 (the “2025A Bonds”) to provide funds for the financing of the 2025A Project and pay costs of issuance in connection therewith; and

WHEREAS, the County and the Authority desire to amend the Existing Site Lease and the Existing Lease to add property to the properties leased thereunder and to add additional base rental payments (the “2025A Base Rental Payments”), pursuant to a First Amendment to Site and Facility Lease and a First Amendment to Lease Agreement; and

WHEREAS, the Authority desires to assign and transfer to the Trustee certain of its right, title and interest in and to the Existing Site Lease and the Existing Lease, as proposed to be amended, including its right to receive 2025A Base Rental Payments thereunder, by entering into an Amended and Restated Assignment Agreement; and

WHEREAS, as required pursuant to section 6586.5(a) of the Government Code, a public hearing has been held by the Board of Supervisors of the County (the “Board”) in connection with the financing of the 2025A Project; and

WHEREAS, the Board desires to make the findings required by section 6586.5(a) of the Government Code, and to approve the financing and the transactions in connection with the 2025A Bonds; and

WHEREAS, the County has determined that the issuance of the 2025A Bonds complies with the County’s Debt Management Policy approved by the Board on June 28, 2016, and amended on April 18, 2017 and March 12, 2024; and

WHEREAS, in furtherance of the issuance and sale of the 2025A Bonds by the Authority, there has been submitted to the Board, for its consideration and approval, a form of each of the following:

- (a) the First Amendment to Site and Facility Lease, by and between the Authority and the County;
- (b) the First Amendment to Lease, by and between the Authority and the County;
- (c) the Bond Purchase Agreement, by and among the Authority, the County and Stifel, Nicolaus & Co., Incorporated (the “Underwriter”);
- (d) the Preliminary Official Statement (as defined herein); and
- (e) the Continuing Disclosure Certificate (as defined herein); and

WHEREAS, the Board has duly considered such transactions and wishes at this time to approve such transactions in the public interests of the County;

NOW, THEREFORE, BE IT RESOLVED AND ORDERED, that the County of Santa Cruz Board of Supervisors does hereby determine and declare as follows:

Section 1. Findings. The above recitals are true and correct. The Board has held a duly noticed public hearing regarding the issuance of the 2025A Bonds, and hereby finds that significant public benefits will arise from the transactions in connection therewith in accordance with section 6586 of the California Government Code, including demonstrable savings in effective interest rate, bond preparation, or bond issuance costs.

Section 2. Approval of 2025A Bonds. The Board hereby approves the issuance, sale and delivery by the Authority of the 2025A Bonds for the purposes set forth in the recitals hereto and to pay related costs; provided, however, that 2025A Bonds shall not exceed an aggregate principal amount of \$15,000,000 and the 2025A Bonds shall not result in a true interest cost in excess of 6.00%. Each Authorized Officer is authorized to determine, with the advice of the Municipal Advisor, whether to sell the 2025A Bonds by negotiated sale or competitive sale.

Section 3. Approval of First Amendment to Site and Facility Lease. The Board hereby approves the First Amendment to Site and Facility Lease in the form on file with the Clerk and presented at this meeting. The Chairperson, the County Executive Officer, the Assistant County Executive Officer or the Auditor-Controller-Treasurer-Tax Collector (collectively, the “Designated Officers”) each acting alone, are hereby authorized and directed to execute, for and in the name of the County, the First Amendment to Site and Facility Lease in such form, together with any changes therein or additions thereto deemed advisable by the Designated Officer executing the First Amendment to Site and Facility Lease upon consultation with the County Counsel and Bond Counsel, and the execution and delivery of the First Amendment to Site and Facility Lease by a Designated Officer shall be conclusive evidence of the approval of any such changes or additions. The Board hereby authorizes the delivery and performance by the County of the First Amendment to Site and Facility Lease.

Section 4. Approval of First Amendment to Lease Agreement. The Board hereby approves the First Amendment to Lease Agreement in the form on file with the Clerk and presented at this meeting. The Designated Officers, each acting alone, are hereby authorized and directed to execute, for and in the name of the County, the First Amendment to Lease Agreement in such form, together with any changes therein or additions thereto deemed advisable by the Designated Officer executing the First Amendment to Lease Agreement upon consultation with the County Counsel and Bond Counsel, and the execution and delivery of the First Amendment to Lease Agreement by a Designated Officer shall be conclusive evidence of the approval of any such changes or additions. The Board hereby authorizes the delivery and performance by the County of the First Amendment to Lease Agreement.

Section 5. Bond Purchase Agreement. The Bond Purchase Agreement, in the form presented at this meeting and on file with the Clerk is hereby approved. If the 2025A Bonds are to be sold by negotiated sale, the Designated Officers, each acting alone, are hereby authorized and directed to execute, for and in the name of the County, the Bond Purchase Agreement in such form, together with any changes therein or additions thereto deemed advisable by the Designated Officer executing the Bond Purchase Agreement upon consultation with the County Counsel and Bond Counsel, and the execution and delivery of the Bond Purchase Agreement by a Designated Officer shall be conclusive evidence of the approval of any such changes or additions; provided the Underwriter’s discount shall not exceed 1.00%. The Board hereby authorizes the delivery and performance by the County of the Bond Purchase Agreement.

Section 6. Preliminary Official Statement. The Board hereby approves a Preliminary Official Statement (the “Preliminary Official Statement”) relating to the 2025A Bonds in the form on file with the Clerk and presented at this meeting, with such changes therein as any Designated Officer may approve, in their discretion, as being in the best interest of the County. The officers of the County are hereby authorized and directed to prepare or cause to be prepared the final form of the Preliminary Official Statement. After the sale of the 2025A Bonds, the Designated Officers, each acting alone, are hereby authorized and directed to prepare a final official statement with respect to the 2025A Bonds (the “Official Statement”). The distribution of copies of the Preliminary Official Statement and Official Statement to persons who may be interested in purchasing or who have purchased the 2025A Bonds is hereby authorized and approved. The Designated Officers, each acting alone, are hereby authorized and directed to execute the Official Statement. The Designated Officers, each acting alone, are hereby authorized to certify on behalf of the County that the Preliminary Official Statement is deemed final as of its date, within the meaning of Rule 15c2-12 promulgated under the Securities Exchange Act of 1934, as amended (except for the omission of certain final pricing, rating and related information as permitted by such Rule).

Section 7. Continuing Disclosure Certificate. The Board hereby approves the Continuing Disclosure Certificate (the “Continuing Disclosure Certificate”) related to the 2025A Bonds in the form presented at this meeting appended to the Preliminary Official Statement. The Designated Officers, each acting alone, are hereby authorized and directed to execute, for and in the name of the County, the Continuing Disclosure Certificate in such form, together with any changes therein or additions thereto deemed advisable by the Designated Officer executing the Continuing Disclosure Certificate upon consultation with the County Counsel and Disclosure Counsel, and the execution and delivery of the Continuing Disclosure Certificate by a Designated Officer shall be conclusive evidence of the approval of any such changes or additions. The Board hereby authorizes the delivery and performance by the County of the Continuing Disclosure Certificate.

Section 8. Good Faith Estimates. In accordance with Government Code Section 5852.1, good faith estimates of the following are set forth on Exhibit A attached hereto: (a) the true interest cost of the 2025A Bonds, (b) the sum of all fees and charges paid to third parties with respect to the 2025A Bonds, (c) the amount of proceeds of the 2025A Bonds expected to be received net of the fees and charges paid to third parties and any reserves or capitalized interest paid or funded with proceeds of the 2025A Bonds, and (d) the sum total of all debt service payments on the 2025A Bonds calculated to the final maturity of the 2025A Bonds plus the fees and charges paid to third parties not paid with the proceeds of the 2025A Bonds.

Section 9. Ratification of the Appointment of Professionals. The County ratifies the appointment of Norton Rose Fulbright US LLP, as bond counsel, Stradling Yocca Carlson & Rauth LLP, as disclosure counsel and Harrell & Company Advisors, LLC, as municipal advisor (the “Municipal Advisor”), in connection with the 2025A Bonds.

Section 10. Other Actions. The Designated Officers, the Clerk and all other officers of the County are each authorized and directed in the name and on behalf of the County to: cause to be funded a reserve fund with proceeds of the 2025A Bonds if, upon the advice of the Municipal Advisor, the funding of the reserve fund will be economically beneficial to the financing; execute

any and all certificates, requisitions, agreements, notices, consents, instruments of conveyance, assignments and other documents, which they or any of them deem necessary or appropriate in order to consummate the sale and issuance of the 2025A Bonds, and any of the other transactions contemplated by the documents approved pursuant to this Resolution; and designate additional public improvements or working capital to be financed with the proceeds of the 2025A Bonds. Whenever in this Resolution any officer of the County is authorized to execute or countersign any document or take any action, such execution, countersigning or action may be taken on behalf of such officer by any person designated by such officer to act on their behalf in the case such officer is absent or unavailable. All actions previously taken by the Designated Officers, the Clerk and all other officers of the County in furtherance of this Resolution are hereby ratified and confirmed.

Section 11. Electronic and Digital Signatures. The Board hereby approves the execution and delivery of all agreements, documents, certificates and instruments referred to herein with electronic signatures as may be permitted under the California Uniform Electronic Transactions Act and digital signatures as may be permitted under Section 16.5 of the California Government Code.

Section 12. Effective Date. This Resolution shall take effect from and after its adoption.

PASSED, APPROVED AND ADOPTED this ____ day of _____, 2025, by the following vote:

AYES:

NOES:

ABSENT:

ABSTAIN:

Chair of the Board of Supervisors

ATTEST:

Chief Deputy Clerk of said Board of Supervisors

Approved as to form:



Stepan A. Haytayan
Norton Rose Fulbright US LLP
Bond Counsel

EXHIBIT A

GOOD FAITH ESTIMATES

The good faith estimates set forth herein are provided with respect to the 2025A Bonds in accordance with California Government Code Section 5852.1. Such good faith estimates have been provided to the County by Harrell & Company Advisors, LLC (the “Municipal Advisor”).

For the purpose of the estimates:

Principal Amount. The Municipal Advisor has informed the Authority that, based on the financing plan and current market conditions, its good faith estimate of the aggregate principal amount of the 2025A Bonds to be sold is \$12,005,000 (the “Estimated Principal Amount”).

True Interest Cost of the 2025A Bonds. The Municipal Advisor has informed the Authority that, assuming that the Estimated Principal Amount of the 2025A Bonds is sold, and based on market interest rates prevailing at the time of preparation of such estimate, its good faith estimate of the true interest cost of the 2025A Bonds, which means the rate necessary to discount the amounts payable on the respective principal and interest payment dates to the purchase price received for the 2025A Bonds, is 4.65%.

Finance Charge of the 2025A Bonds. The Municipal Advisor has informed the Authority that, assuming that the Estimated Principal Amount of 2025A Bonds is sold, and based on market interest rates prevailing at the time of preparation of such estimate, its good faith estimate of the finance charge for the 2025A Bonds, which means the sum of all fees and charges paid to third parties (or costs associated with the 2025A Bonds), is \$280,000.

Amount of Proceeds to be Received. The Municipal Advisor has informed the Authority that, assuming that the Estimated Principal Amount of the 2025A Bonds is sold, and based on market interest rates prevailing at the time of preparation of such estimate, its good faith estimate of the amount of proceeds expected to be received by the Authority for the sale of the 2025A Bonds, less the finance charge of the 2025A Bonds, as estimated above, and any reserve fund paid or funded with proceeds of the 2025A Bonds is \$12,500,000.

Total Payment Amount. The Municipal Advisor has informed the Authority that, assuming that the Estimated Principal Amount of the 2025A Bonds is sold, and based on market interest rates prevailing at the time of preparation of such estimate, its good faith estimate of the total payment amount, which means the sum total of all payments the Authority will make to pay debt service on the 2025A Bonds, plus the finance charge for the 2025A Bonds, as described above, not paid with the proceeds of the 2025A Bonds, calculated to the final maturity of the 2025A Bonds, together with the sum of annual ongoing costs to administer the 2025A Bonds not paid with proceeds of the 2025A Bonds (such as fiscal agent fees) is \$23,915,000.

The foregoing estimates constitute good faith estimates only and are based on market conditions prevailing at the time of preparation of such estimates on May 19, 2025. The actual principal amounts of the 2025A Bonds issued and sold, the true interest cost thereof, the finance charges thereof, the amount of proceeds received therefrom and total payment amount with respect

thereto may differ from such good faith estimates due to (a) the actual date of the sale of the 2025A Bonds being different than the date assumed for purposes of such estimates, (b) the actual principal amount of 2025A Bonds sold being different from the Estimated Principal Amount, (c) the actual amortization of the 2025A Bonds being different than the amortization assumed for purposes of such estimates, (d) the actual market interest rates at the time of sale of the 2025A Bonds being different than those estimated for purposes of such estimates, (e) other market conditions, or (f) alterations in the County's financing plan, or a combination of such factors. The actual date of sale of the 2025A Bonds and the actual principal amount of 2025A Bonds sold will be determined by the County and the Authority based on various factors. The actual interest rates borne by the 2025A Bonds will depend on market interest rates at the time of sale thereof. The actual amortization of the 2025A Bonds will also depend, in part, on market interest rates at the time of sale thereof. Market interest rates are affected by economic and other factors beyond the control of the County and the Authority.