

BEFORE THE BOARD OF DIRECTORS
OF THE SANTA CRUZ COUNTY CAPITAL FINANCING AUTHORITY,
SANTA CRUZ COUNTY, STATE OF CALIFORNIA

RESOLUTION NO. _____

On motion of Director
duly seconded by Director
the following resolution is adopted.

**RESOLUTION OF THE BOARD OF DIRECTORS OF THE SANTA
CRUZ COUNTY CAPITAL FINANCING AUTHORITY AUTHORIZING
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 and other public capital improvements and the acquisition of certain real property at 420 and 440 May Avenue, Santa Cruz, California (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 California Government Code, a public hearing has been held by the Board of Supervisors of the County in connection with the financing of the 2025A Project; and

WHEREAS, in accordance with Government Code Section 5852.1, the Board of Directors of the Authority (the “Board”) has obtained and wishes to disclose the information set forth in Exhibit A hereto; and

WHEREAS, the Authority has determined that the issuance of the 2025A Bonds complies with the County’s Debt Management Policy approved by the Board of Supervisors 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 Supplemental Indenture, by and between the Authority and the Trustee, relating to the 2025A Bonds;
- (b) the First Amendment to Site and Facility Lease, by and between the Authority and the County;
- (c) the First Amendment to Lease, by and between the Authority and the County;
- (d) the Amended and Restated Assignment Agreement, by and between the Authority and the Trustee;
- (e) the Notice of Intention to Sell (as defined herein);
- (f) an Official Notice of Sale of the Authority (as defined herein);
- (g) the Bond Purchase Agreement, by and among the Authority, the County and Stifel, Nicolaus & Co., Incorporated (the “Underwriter”); and
- (h) the Preliminary Official Statement (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 Authority;

NOW, THEREFORE, be it hereby **DECLARED** and **ORDERED** as follows:

Section 1. Findings. The above recitals are true and correct.

Section 2. Issuance of the 2025A Bonds. The Board hereby authorizes the issuance and sale of the 2025A Bonds to be designated as the “Santa Cruz County Capital Financing Authority Lease Revenue Bonds, 2025 Series A” for the purposes set forth in the recitals hereto and to pay related costs; provided, however, that the 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%.

Section 3. First Supplemental Indenture. The First Supplemental Indenture, in the form presented at this meeting and on file with the Secretary is hereby approved. The Chair, the Executive Director, the Assistant Executive Director or the Treasurer of the Authority, or deputy of such officers, or any member of the Board, and any of their respective designees (each of the foregoing, an “Authorized Officer”) each acting alone, are hereby authorized and directed to execute, for and in the name of the Authority, the First Supplemental Indenture in such form, together with any changes therein or additions thereto deemed advisable by the Authorized Officer executing the First Supplemental Indenture upon consultation with the Authority Counsel and Bond Counsel, and the execution and delivery of the First Supplemental Indenture by an Authorized Officer shall be conclusive evidence of the approval of any such changes or additions. The Board hereby authorizes the delivery and performance by the Authority of the First Supplemental Indenture. The 2025A Bonds may be issued in such other number of series and as tax-exempt or taxable bonds as an Authorized Officer shall require or approve.

Section 4. First Amendment to Site and Facility Lease. The First Amendment to Site and Facility Lease, in the form presented at this meeting and on file with the Secretary is hereby approved. The Authorized Officers, each acting alone, are hereby authorized and directed to execute, for and in the name of the Authority, the First Amendment to Site and Facility Lease in such form, together with any changes therein or additions thereto deemed advisable by the Authorized Officer executing the First Amendment to Site and Facility Lease upon consultation with the Authority Counsel and Bond Counsel, and the execution and delivery of the First Amendment to Site and Facility Lease by an Authorized Officer shall be conclusive evidence of the approval of any such changes or additions. The Board hereby authorizes the delivery and performance by the Authority of the First Amendment to Site and Facility Lease.

Section 5. First Amendment to Lease Agreement. The First Amendment to Lease Agreement, in the form presented at this meeting and on file with the Secretary is hereby approved. The Authorized Officers, each acting alone, are hereby authorized and directed to execute, for and in the name of the Authority, the First Amendment to Lease Agreement in such form, together with any changes therein or additions thereto deemed advisable by the Authorized Officer executing the First Amendment to Lease Agreement upon consultation with the Authority Counsel and Bond Counsel, and the execution and delivery of the First Amendment to Lease Agreement by an Authorized Officer shall be conclusive evidence of the approval of any such changes or

additions. The Board hereby authorizes the delivery and performance by the Authority of the First Amendment to Lease Agreement.

Section 6. Amended and Restated Assignment Agreement. The Amended and Restated Assignment Agreement, in the form presented at this meeting and on file with the Secretary is hereby approved. The Authorized Officers, each acting alone, are hereby authorized and directed to execute, for and in the name of the Authority, the Amended and Restated Assignment Agreement in such form, together with any changes therein or additions thereto deemed advisable by the Authorized Officer executing the Amended and Restated Assignment Agreement upon consultation with the Authority Counsel and Bond Counsel, and the execution and delivery of the Amended and Restated Assignment Agreement by an Authorized Officer shall be conclusive evidence of the approval of any such changes or additions. The Board hereby authorizes the delivery and performance by the Authority of the Amended and Restated Assignment Agreement.

Section 7. Sale of the 2025 Bonds. The sale of the 2025A Bonds, in one or more series and on one or more dates, is hereby authorized and approved by the Board, subject to the limitations and conditions provided herein. Each Authorized Officer is authorized to determine, with the advice of the Municipal Advisor, whether to sell the 2025A Bonds from time to time by negotiated sale or competitive sale.

Section 8. Notice of Intention to Sell. The Notice of Intention to Sell (the “Notice of Intention to Sell”), in the form presented at this meeting and on file with the Secretary, with such changes, insertions and omissions therein as may be approved by an Authorized Officer, is hereby approved, and the use of the Notice of Intention to Sell in connection with the offering and sale of the 2025A Bonds is hereby approved. The Authorized Officers, each acting alone, are hereby authorized and directed, for and in the name and on behalf of the Authority, to cause the Notice of Intention to Sell to be published once in *The Bond Buyer* (or in such other financial publication generally circulated throughout the State of California or reasonably expected to be disseminated among prospective bidders for the 2025A Bonds as an Authorized Officer shall approve as being in the best interests of the Authority) at least five days prior to the date set for the opening of bids in the Official Notice of Sale, with such changes, insertions and omissions therein as an Authorized Officer may require or approve, such requirement or approval to be conclusively evidenced by such publishing of the Notice of Intention to Sell.

Section 9. Official Notice of Sale. The Official Notice of Sale (the “Official Notice of Sale”), in the form presented at this meeting and on file with the Secretary, with such changes, insertions and omissions therein as may be approved by an Authorized Officer, is hereby approved, and the use of the Official Notice of Sale in connection with the offering and sale of the 2025A Bonds is hereby authorized and approved. The terms and conditions of the offering and sale of the 2025A Bonds shall be as specified in the Official Notice of Sale. Bids for the purchase of the 2025A Bonds shall be received at the time and place set forth in the Official Notice of Sale. The Authorized Officers, each acting alone, are hereby authorized and directed, for and in the name and on behalf of the Authority, to accept the bid for the 2025A Bonds with the lowest true interest cost, or to reject all bids therefor, in accordance with the terms of the Official Notice of Sale.

Section 10. Bond Purchase Agreement. The Bond Purchase Agreement, in the form presented at this meeting and on file with the Secretary is hereby approved. The Authorized Officers, each acting alone, are hereby authorized and directed to execute, for and in the name of the Authority, the Bond Purchase Agreement in such form, together with any changes therein or additions thereto deemed advisable by the Authorized Officer executing the Bond Purchase Agreement upon consultation with the Authority Counsel and Bond Counsel, and the execution and delivery of the Bond Purchase Agreement by an Authorized Officer shall be conclusive evidence of the approval of any such changes or additions; provided the Underwriter's discount thereunder shall not exceed 1.00%. The Board hereby authorizes the delivery and performance by the Authority of the Bond Purchase Agreement.

Section 11. Preliminary Official Statement. The Preliminary Official Statement (the "Preliminary Official Statement"), relating to the 2025A Bonds, in the form presented at this meeting and on file with the Secretary, is hereby approved, with such changes therein as any Authorized Officer may approve, in their discretion, as being in the best interest of the Authority. The officers of the Authority 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 Authorized 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 Authorized Officers, each acting alone, are hereby authorized and directed to execute the Official Statement. The Authorized Officers, each acting alone, are hereby authorized to certify on behalf of the Authority 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 12. 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 13. Ratification of the Appointment of Professionals. The Authority ratifies the appointment of Norton Rose Fulbright US LLP, as bond counsel, Best Best & Krieger LLP, as disclosure counsel and Harrell & Company Advisors, LLC, as municipal advisor (the "Municipal Advisor"), in connection with the 2025A Bonds.

Section 14. General Authorization. Any Authorized Officer is authorized and directed to execute and deliver any and all documents; and to do and cause to be done any and all acts necessary or proper for carrying out the issuance and sale of the 2025A Bonds, the transactions contemplated by this Resolution, and the documents herein approved; the funding of 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; and designation of additional public improvements or working capital to be financed with the proceeds of the 2025A Bonds; and, the investment of the proceeds of the 2025A Bonds.

Section 15. Ratification. All actions heretofore taken by the officers and employees of the Authority, with respect to the issuance and sale of the 2025A Bonds, or in connection with or related to any of the agreements or documents referenced herein, are approved, confirmed and ratified.

Section 16. 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 17. Effective Date. This Resolution shall take effect immediately upon adoption.

* * * * *

PASSED AND ADOPTED by the Board of Directors of the Santa Cruz County Capital Financing Authority this ____ day of ____, 2025 by the following vote.

AYES: Directors:
NOES: Directors:
ABSTAIN: Directors:
ABSENT: Directors:

Chair of the Board of Directors of the
Santa Cruz County Capital Financing Authority

ATTEST:

Juliette Burke
Secretary

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.