

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

**RESOLUTION NO. \_\_\_\_\_**

On the motion of Board Member \_\_\_\_\_  
Duly seconded by Board Member \_\_\_\_\_  
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 TAXABLE LEASE REVENUE DIRECT PAY SUBSIDY  
NEW CLEAN RENEWABLE ENERGY BONDS, 2017 SERIES  
A ((DIRECT PAY SUBSIDY NEW CLEAN RENEWABLE  
ENERGY BONDS), AND APPROVING RELATED  
DOCUMENTS AND OFFICIAL ACTIONS**

**WHEREAS**, in order to assist the County of Santa Cruz (the "County") with financing certain renewable energy projects, the Santa Cruz County Capital Financing Authority (the "Authority") has determined to issue its Santa Cruz County Capital Financing Authority Taxable Lease Revenue Bonds, 2017 Series A (Direct Pay Subsidy New Clean Renewable Energy Bonds), in the aggregate principal amount of not-to-exceed \$8,600,000 (the "2017 Bonds");

**WHEREAS**, the 2017 Bonds will be issued under the provisions of Article 4 (commencing with section 6584) of Chapter 5 of Division 7 of Title 1 of the California Government Code and the Indenture of Trust dated as of June 1, 2015 (the "Existing Indenture"), by and between the Authority and The Bank of New York Mellon Trust Company, N.A., as trustee (the "Trustee"), as supplemented by a First Supplemental Indenture of Trust (the "First Supplemental Indenture" and, together with the Existing Indenture, the "Indenture") between the Authority and the Trustee;

**WHEREAS**, the 2017 Bonds will be issued under the Indenture on a parity with the Santa Cruz County Capital Financing Authority Taxable Lease Revenue Refunding Bonds, 2015 Series A (the "Series A Bonds") and the Santa Cruz County Capital Financing Authority Lease Revenue Bonds, 2015 Series B (together with the Series A Bonds, the "2015 Bonds");

**WHEREAS**, in order to provide for the payment of debt service on the 2015 Bonds, the Authority leased certain real property and improvements (the "Property") to the County pursuant to a Lease Agreement, dated as of June 1, 2015 (the "Existing Lease Agreement") under which the County agreed to make lease payments to the Authority and to budget and appropriate sufficient amounts in each year to pay the full amount of principal of and interest on the 2015 Bonds;

**WHEREAS**, in connection with the issuance of the 2017 Bonds, the Authority and the County will enter into (i) a First Amendment to Lease Agreement (the "First Amendment to Lease Agreement" and together with the Existing Lease Agreement, the "Lease Agreement") in order to ensure that the lease payments payable under the Lease Agreement will be sufficient to pay debt service on a timely basis on the 2015 Bonds and the 2017 Bonds, and (ii) a First Amendment to Site and Facility Lease (the "First Amendment to Site and Facility Lease");

**WHEREAS**, the 2017 Bonds will be issued as New Clean Renewable Energy Bonds, and the Authority and the County will be entitled to receive certain amounts from the Federal government to defray the interest costs on the 2017 Bonds;

**WHEREAS**, the County is authorized to enter into the First Amendment to Lease Agreement and First Amendment to Site and Facility Lease under sections 4217.12 and 4217.13 of the Government Code of the State of California (the "Government Code") and section 25521 of the Government Code; and

**WHEREAS**, as required pursuant to sections 4217.12, 4217.13 and 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;

**WHEREAS**, the Board desires to make the findings required by said sections 4217.12, 4217.13 and 6586.5(a) of the Government Code, and to approve the financing and the transactions contemplated by the 2017 Bonds;

**WHEREAS**, the County has solicited proposals from qualified investment banking firms to purchase and underwrite the 2017 Bonds and has selected Stifel, Nicolaus & Company, Incorporated as the underwriter (the "Underwriter") for the 2017 Bonds;

**WHEREAS**, there has been presented to the Board a form of bond purchase agreement (the "Bond Purchase Agreement") for the 2017 Bonds, to be entered into among the Authority, the County and the Underwriter;

**WHEREAS**, a proposed form of preliminary official statement (the "Preliminary Official Statement") describing the 2017 Bonds, to be used in connection with the marketing of the 2017 Bonds by the Underwriter has been prepared and has been presented to the County; and

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

**NOW, THEREFORE**, it is hereby **DECLARED** and **ORDERED** as follows.

Section 1. Findings. The Board has held a public hearing regarding the issuance of the 2017 Bonds and the approval of the First Amendment to Lease Agreement and the First Amendment to Site and Facility Lease, as required by Sections 4217.12 and 4217.13 of the Government Code, and has determined that the renewable clean energy project (the "Project") procured with the proceeds of the 2017 Bonds is expected to generate energy for the benefit of the County, offsetting energy otherwise purchased from Pacific Gas & Electric Company ("PG&E") over the 25 year useful life of the Project, and that the lease payments due under the First Amendment to Lease Agreement to pay for the Project are projected to be available from said avoided payments to PG&E.

The Board also hereby finds that significant public benefits will arise from the financing in accordance with section 6586 of the California Government Code.

Section 2. Approval of 2017 Bonds. The Board hereby approves the issuance, sale and delivery of the 2017 Bonds in an aggregate principal amount not to exceed \$8,600,000, for

the purpose of providing funds to finance various clean renewable energy projects, to pay capitalized interest on the 2017 bonds, and to pay the costs of issuance of the 2017 Bonds.

Section 3. Approval of First Amendment to Site and Facility Lease. The Board hereby approves the First Amendment to Site and Facility Lease. The Chairperson, the County Administrative Officer, the Assistant County Administrative 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, and the Chief Deputy Clerk of the Board (the "Clerk") is hereby authorized and directed to attest, 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. The Designated Officers, each acting alone, are hereby authorized and directed to execute, for and in the name of the County, and the Clerk is hereby authorized and directed to attest, 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. Selection of Underwriter. Stifel, Nicolaus & Company, Incorporated is hereby appointed as the underwriter (the "Underwriter") for the 2017 Bonds.

Section 6. Sale of the 2017 Bonds. The Board hereby approves the sale of the 2017 Bonds by the Authority to the Underwriter pursuant to the Bond Purchase Agreement in the form on file with the Clerk, so long as the true interest cost on the 2017 Bonds does not exceed 5%. The Designated Officers, each acting alone, are hereby authorized and directed to execute, for and in the name of the County, 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. The Board hereby authorizes the delivery and performance by the County of the Bond Purchase Agreement. The amount of Underwriter's compensation for the 2017 Bonds shall not exceed \$5 per \$1000 principal amount of the 2017 Bonds.

Section 7. Official Statement. The Board hereby approves, and hereby deems nearly final within the meaning of Rule 15c2-12 of the Securities Exchange Act of 1934, as amended (the "Rule"), the Preliminary Official Statement in the form on file with the Clerk and presented to this meeting. The Designated Officers, each acting alone, are hereby authorized and directed to execute an appropriate certificate stating the County's determination that the Preliminary Official Statement is nearly final within the meaning of the Rule. Distribution of the Preliminary Official Statement in connection with the sale of the 2017 Bonds is hereby approved. The

Designated Officers, each acting alone, are hereby authorized and directed, upon consultation with the County Counsel and Disclosure Counsel, to approve any changes in or additions to the Preliminary Official Statement deemed necessary or desirable to bring it into the form of a final official statement (the "Final Official Statement"), and the Final Official Statement shall be executed in the name and on behalf of the County by any Designated Officer whose execution thereof shall be conclusive evidence of approval of any such changes and additions. The Board hereby authorizes the distribution of the Final Official Statement by the Underwriter.

Section 8. Official 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 make any and all assignments, and to execute any and all certificates (including the Continuing Disclosure Certificate referenced in the Final Official Statement), requisitions, agreements, notices, consents, instruments of conveyance, warrants and other documents (including any agreement needed to obtain bond insurance for the 2017 Bonds if in the judgment of the Designated Officers, upon consultation with the Municipal Advisor, such insurance is cost effective), which they or any of them deem necessary or appropriate in order to consummate the sale and issuance of the 2017 Bonds, and any of the other transactions contemplated by the documents approved pursuant to this Resolution. 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 his or her behalf in the case such officer shall be absent or unavailable.

Section 9. Effective Date. This Resolution shall take effect from and after its adoption.

PASSED, APPROVED AND ADOPTED this 7th day of November 2017 by the following vote.

AYES

NOES

ABSTAIN:

ABSENT:

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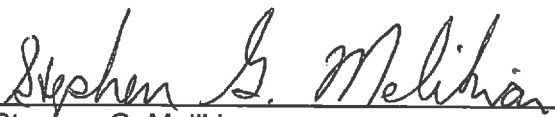
Chairperson of the Board of Supervisors  
County of Santa Cruz, California

ATTEST:

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Chief Deputy Clerk of the Board of  
Supervisors

Approved as to form:

  
\_\_\_\_\_  
Stephen G. Melikian  
Bond Counsel