

**BEFORE THE BOARD OF DIRECTORS  
OF THE SANTA CRUZ COUNTY CAPITAL FINANCING AUTHORITY, 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 DIRECTORS OF THE  
SANTA CRUZ COUNTY CAPITAL FINANCING  
AUTHORITY AUTHORIZING THE ISSUANCE, SALE AND  
DELIVERY OF TAXABLE LEASE REVENUE, 2017 SERIES  
A (DIRECT PAY SUBSIDY NEW CLEAN RENEWABLE  
ENERGY BONDS), 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 as of February 25, 2014 by and between the County of Santa Cruz (the "County") and the Santa Cruz County Flood Control and Water Conservation District and under the provisions of Articles 1 through 4 (commencing with section 6500) of Chapter 5 of Division 7 of Title I of the California Government Code (the "Act") and is authorized pursuant to Article 4 of the Act (the "Bond Law") to borrow money for the purpose of financing the acquisition of bonds, notes, and other obligations of, or for the purpose of making loans to, public entities and to provide financing for public capital improvements of public entities;

**WHEREAS**, for such purposes, 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 the Bond Law and an Indenture of Trust (the "Existing Indenture") dated as of June 1 2015, 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 Authority's right to receive lease payments under the Lease Agreement has been and is being assigned to the Trustee under the Indenture and will also be memorialized in an Amended and Restated Assignment Agreement (the "Amended Assignment Agreement") to be entered into by the Authority and the Trustee in connection with the issuance of the 2017 Bonds;

**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**, 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;

**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 Authority;

**WHEREAS**, the Board of Directors of the Authority (the "Board") desires to make a finding of significant public benefit pursuant to section 6586.5(a)(2) of the California Government Code, and to approve the financing and transactions contemplated by the 2017 Bonds; and

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

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

Section 1. Findings. The Board hereby finds that significant public benefits will arise from the financing in accordance with section 6586 of the California Government Code.

Section 2. Issuance of 2017 Bonds; Approval of First Supplemental Indenture. The Board hereby authorizes the issuance of the 2017 Bonds in an aggregate principal amount not to exceed \$8,600,000, for the purpose of providing funds to finance various capital facilities, as well as to pay the costs of issuance of the 2017 Bonds.

The Board hereby approves the First Supplemental Indenture in the form on file with the Secretary. The Chair, the Executive Director, the Assistant Executive Director or the Treasurer of the Authority (collectively, the "Designated Officers"), each acting alone, are hereby authorized and directed to execute, for and in the name of the Authority, and the Secretary is hereby authorized and directed to attest, the First Supplemental Indenture in such form, together with any changes therein or additions thereto deemed advisable by the Designated Officer executing the Indenture upon consultation with Bond Counsel, and the execution and delivery of the First Supplemental Indenture 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 Authority of the First Supplemental Indenture.

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 Secretary of the Board (the "Secretary"). The Designated Officers, each acting alone, are hereby authorized and directed to execute, for and in the name of the County, and the Secretary 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 Authority 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 Secretary. The Designated Officers, each acting alone, are hereby authorized and directed to execute, for and in the name of the Authority, and the Secretary 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 Authority of the First Amendment to Lease Agreement.

Section 5. Approval of Amended Assignment Agreement. The Board hereby approves the Amended Assignment Agreement in the form on file with the Secretary. The Designated Officers, each acting alone, are hereby authorized and directed to execute, for and in the name of the Authority, and the Secretary is hereby authorized and directed to attest, the Amended Assignment Agreement in such form, together with any changes therein or additions thereto deemed advisable by the Designated Officer executing the Amended Assignment Agreement upon consultation with Bond Counsel, and the execution and delivery of the Amended Assignment 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 Authority of the Amended Assignment Agreement.

Section 6. Selection of Underwriter. Stifel, Nicolaus & Company, Incorporated is hereby appointed as the underwriter (the "Underwriter") for the 2017 Bonds.

Section 7. 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 Secretary, provided that the Underwriter's commission does not exceed \$5 per \$1,000 principal amount of the 2017 Bonds, and the true interest cost does not exceed 5%. The Designated Officers, each acting alone, are hereby authorized and directed to execute, for and in the name of the Authority, together with any changes therein or additions thereto deemed advisable by the Designated Officer executing the Bond Purchase Agreement upon consultation with Bond Counsel, and the execution and delivery of the Bond Purchase Agreement by a Designated Officer shall be conclusive evidence of its approval.

Section 8. 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 Secretary and presented to this meeting. The Designated Officers, each acting alone, are hereby authorized and directed to execute an appropriate certificate stating the Authority'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 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 Authority 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 9. Official Actions. The Designated Officers, the Secretary and all other officers of the Authority are each authorized and directed in the name and on behalf of the Authority to make any and all assignments, and to execute any and all certificates, 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 Authority is authorized to execute or countersign any document or take any action, such execution, countersigning of 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 10. 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 Directors of the  
Santa Cruz County Capital Financing  
Authority

ATTEST:

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Susan Galloway  
Secretary

Approved as to form:

  
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Stephen G. Melikian  
Bond Counsel