

SANTA CRUZ COUNTY OFFICE OF EDUCATION

RESOLUTION NO. 26-04

RESOLUTION OF THE BOARD OF EDUCATION OF THE SANTA CRUZ COUNTY OFFICE OF EDUCATION AUTHORIZING THE EXECUTION AND DELIVERY OF CERTIFICATES OF PARTICIPATION (2026 CAPITAL PROJECTS) (BANK QUALIFIED) IN AN AGGREGATE PRINCIPAL AMOUNT OF NOT TO EXCEED \$7,500,000, AUTHORIZING THE DISTRIBUTION OF AN OFFICIAL STATEMENT IN CONNECTION THEREWITH, AND AUTHORIZING THE EXECUTION OF VARIOUS DOCUMENTS AND RELATED ACTIONS

WHEREAS, the Santa Cruz County Office of Education (the "Office") is a political subdivision of the State of California (the "State");

WHEREAS, in order to finance the acquisition, construction, installation and equipping of certain capital improvements to its facilities and sites, including modernization of the special education facilities operated by the Office on the Soquel High School campus (the "Project"), this Board of Education of the Office (this "Board") desires to authorize the execution and delivery of Santa Cruz County Office of Education Certificates of Participation (2026 Capital Projects) (Bank Qualified), in one or more series with such additional series designations as may be beneficial in the marketing and sale of such certificates (the "Certificates");

WHEREAS, the Certificates are intended to be executed and delivered pursuant to a Trust Agreement (the "Trust Agreement"), by and among the Office, the California School Boards Association, Incorporated (the "Corporation") and U.S. Bank Trust Company, National Association, as trustee (the "Trustee");

WHEREAS, the Office will lease certain real property and the improvements thereon (the "Property") to the Corporation pursuant to a Site Lease (the "Site Lease") to be entered into by and between the Office and the Corporation, and will sublease the Property back from the Corporation pursuant to a Lease Agreement to be entered into by and between the Office and the Corporation (the "Lease Agreement");

WHEREAS, all rights to receive the lease payments payable under the Lease Agreement will be assigned without recourse by the Corporation to the Trustee pursuant to an Assignment Agreement to be entered into by such parties;

WHEREAS, in consideration of such assignment and the execution of the Trust Agreement, the Trustee will execute and deliver the Certificates, each evidencing a direct, fractional undivided interest in the lease payments to be paid under the Lease Agreement;

WHEREAS, Rule 15c2-12 promulgated under the Securities Exchange Act of 1934 ("Rule 15c2-12") requires that, in order to be able to sell the Certificates, the Underwriter must have reasonably determined that the Office has undertaken in a written agreement or contract for the benefit of the holders of the Certificates to provide disclosure of certain financial information and certain enumerated events on an ongoing basis;

WHEREAS, in order to comply with Rule 15c2-12, the Office proposes to enter into a Continuing Disclosure Agreement (the "Continuing Disclosure Agreement");

WHEREAS, a form of the Preliminary Official Statement (the "Preliminary Official Statement") to be distributed in connection with the public offering of the Certificates has been prepared;

WHEREAS, the Board has now been presented with the form of each document referred to herein relating to the actions contemplated hereby, and the Board has examined and approved each document and desires to authorize and direct the execution of such documents and the consummation of such actions in order to cause the execution and delivery of the Certificates;

WHEREAS, all acts, conditions and things required by the Constitution and laws of the State of California to exist, to have happened and to have been performed precedent to and in connection with the consummation of the actions authorized hereby do exist, have happened and have been performed in regular and due time, form and manner as required by law, and the Office is now duly authorized and empowered, pursuant to each and every requirement of law, to consummate such actions for the purpose, in the manner and upon the terms herein provided.

NOW, THEREFORE, this Board hereby ORDERS, RESOLVES, and DETERMINES, as follows:

SECTION 1. Recitals. All of the recitals herein contained are true and correct and the Board so finds.

SECTION 2. Approval of Site Lease. The form of the Site Lease, on file with the Secretary to the Board, is hereby approved, and each of the County Superintendent of Schools, Deputy Superintendent of Business Services, such other officers or employees as the County Superintendent of Schools or Deputy Superintendent of Business Services may designate (collectively, the "Authorized Officers") and such other officers or employees of the Office as the Authorized Officers may designate, acting alone, is hereby authorized and directed, for and in the name and on behalf of the Office, to execute and deliver the Site Lease in substantially said form, with such changes therein as the Authorized Officer executing the same may require or approve, such approval to be conclusively evidenced by the execution and delivery thereof.

SECTION 3. Approval of Lease Agreement. The form of the Lease Agreement, on file with the Secretary of the Board, is hereby approved, and each of the Authorized Officers, acting alone, is hereby authorized and directed, for and in the name and on behalf of the Office, to execute and deliver the Lease Agreement in substantially said form, with such changes therein as the Authorized Officer executing the same may require or approve, such approval to be conclusively evidenced by the execution and delivery thereof; provided, however, that the aggregate amount of the principal components of the lease payments payable under the Lease Agreement shall not exceed Seven Million Five Hundred Thousand Dollars (\$7,500,000), the term of the Lease Agreement shall not exceed twenty (20) years (provided that such term may be extended as provided therein) and the rate applicable to the interest components of the lease payments payable under the Lease Agreement shall not exceed legal limits per annum. The Property to be leased under the Site Lease and the Lease Agreement shall consist of the Office site and facilities described in the Lease Agreement on file with the Secretary of the Board and/or such other or additional school sites and facilities of the Office as are selected by an Authorized Officer and are determined by such official to have an annual fair rental value at least equal to the annual lease payments to be made under the Lease Agreement. The Board hereby determines that the lease payments due under the Lease Agreement in each fiscal year are

reasonable and will not exceed the fair rental value of the Property to the Office in each fiscal year and that each individual lease payment will be accompanied by consideration received by the Office corresponding to that payment.

SECTION 4. Approval of Trust Agreement. The form of Trust Agreement, on file with the Secretary of the Board, is hereby approved, and each of the Authorized Officers, acting alone, is hereby authorized and directed, for and in the name and on behalf of the Office, to execute and deliver the Trust Agreement in substantially said form, with such changes therein as the Authorized Officer executing the same may require or approve, such approval to be conclusively evidenced by the execution and delivery thereof.

SECTION 5. Bond Insurance. Each of the Authorized Officers, acting alone, is hereby authorized (a) to solicit bids on a municipal bond insurance policy insuring the payment of principal of and interest on the Certificates and a reserve fund surety policy to fund all or part of the reserve fund for the Certificates, (b) to negotiate the terms of such policies, (c) to finalize the form of such policies with a municipal bond insurer (the "Insurer"), and (d) to pay the insurance premium of such policies from the proceeds of the sale of the Certificates. To the extent Certificates are sold without a municipal bond insurance policy insuring the payment of principal of and interest on such Certificates or a reserve fund surety policy to fund all or part of the reserve fund for the Certificates of a series, a reserve fund for such Certificates shall be funded with proceeds of the Certificates, in accordance with applicable law.

SECTION 6. Approval of Certificate Purchase Agreement; Good Faith Estimates. The form of the Purchase Agreement, by and between the Office and the Underwriter, is hereby approved and each of the Authorized Officers, acting alone, is hereby authorized and directed to approve, execute and deliver such Purchase Agreement, substantially in the form on file with the Secretary to the Board, with such changes therein as the Authorized Officer executing the same may require or approve, with such approval to be conclusively evidenced by the execution and delivery thereof; provided, however, that the Underwriter's discount, excluding original issue discount or premium on the Certificates, shall not exceed One Percent (1.00%) of the aggregate of principal amount of Certificates. Each Authorized Officer is further authorized to determine the principal amount of the Certificates to be sold pursuant to the Purchase Agreement, up to \$7,500,000.

Good faith estimates of (a) the true interest cost of the Certificates; (b) the sum of all fees and charges paid to third parties, including any such fees and charges which the underwriter agrees to pay (the "Finance Charge"); (c) the amount of proceeds to be received by the Office (less the Finance Charge and any reserves, if any); and (d) the total debt service payments on the Certificates through the final maturity of the Certificates are set forth on Exhibit A attached hereto and incorporated herein.

SECTION 7. Approval of Preliminary Official Statement. The form of Preliminary Official Statement, on file with the Secretary to the Board, with such changes therein as may be approved by an Authorized Officer, is hereby approved, and the use of the Preliminary Official Statement in connection with the offering and sale of the Certificates is hereby authorized and approved. Each of the Authorized Officers, acting alone, is hereby authorized to certify on behalf of the Office that the Preliminary Official Statement is deemed final as of its date, within the meaning of Rule 15c2-12 (except for the omission of certain final pricing, rating and related information as permitted by Rule 15c2-12).

SECTION 8. Approval of Official Statement. The preparation and delivery of an Official Statement, and its use by the Underwriter in connection with the offering and sale

of the Certificates, is hereby authorized and approved. The Official Statement shall be in substantially the form of the Preliminary Official Statement with such changes, insertions and omissions as may be approved by an Authorized Officer, such approval to be conclusively evidenced by the delivery thereof to the Underwriter. The Authorized Officers are each hereby authorized and directed, for and in the name of and on behalf of the Office, to execute the final Official Statement and any amendment or supplement thereto and thereupon to cause the final Official Statement and any such amendment or supplement to be delivered to the Underwriter.

SECTION 9. Approval of Continuing Disclosure Agreement. The form of Continuing Disclosure Agreement, appended to the Preliminary Official Statement on file with the Secretary to the Board, is hereby approved, and each of the Authorized Officers, acting alone, is hereby authorized and directed, for and in the name and on behalf of the Office, to execute and deliver the Continuing Disclosure Agreement in substantially said form, with such changes therein as the Authorized Officer executing the same may require or approve, such approval to be conclusively evidenced by the execution and delivery thereof.

SECTION 10. Designation of Finance Team. The Board hereby confirms the designation of Dale Scott & Co., Inc., San Francisco, California, as Municipal Advisor and the law firm of Dannis Woliver Kelley, Long Beach, California, as Special Counsel and Disclosure Counsel to the Office in connection with the execution and delivery of the Certificates in accordance with the professional services agreements previously entered into with such members of the finance team.

SECTION 11. Official Action. Each of the Authorized Officers, acting alone, is hereby authorized and directed to do any and all things which they may deem necessary or advisable in order to consummate the transactions herein authorized and otherwise to carry out, give effect to and comply with the terms and intent of this Resolution.

SECTION 12. Prior Actions. All actions heretofore taken by the officers, employees and agents of the Office with respect to the transactions set forth above are hereby approved, confirmed and ratified.

SECTION 13. Intention to Reimburse. The Office may incur costs associated with the Project prior to the execution and delivery of the Certificates. For purposes of establishing compliance with the requirements of Section 1.150-2 of the Regulations of the U.S. Treasury Department, the Board hereby declares its official intent to use proceeds of the Certificates to reimburse itself for lawful expenditures on the Project, up to the maximum principal amount of Certificates authorized hereunder.

SECTION 14. Effective Date. This Resolution shall take effect immediately upon its passage and adoption.

PASSED AND ADOPTED by the Board of Education of the Santa Cruz County Office of Education, Santa Cruz County, California, this 19th day of February, 2026 by the following vote:

AYES: 7 _____
NOES: 0 _____
ABSTAIN: 0 _____
ABSENT: 0 _____

SANTA CRUZ COUNTY OFFICE OF EDUCATION

By: *Rachel Williams*
Rachel Williams
Board President

ATTEST:

By: *Faris Sabbah*
Dr. Faris Sabbah
Secretary to the Board

EXHIBIT A

GOOD FAITH ESTIMATES

1. Estimated True Interest Cost of the Certificates:
3.871106%
2. Estimated Finance Charge, i.e., the sum of all fees and charges paid to third parties:
\$300,120.33
3. Estimated amount of proceeds to be received by the Office, less Finance Charge, reserves and capitalized interest:
\$7,500,517.67
4. Estimated total debt service to maturity, including any Finance Charge not paid with proceeds of the Certificates (if any):
\$10,372,269.44