

RESOLUTION NO. ____ (PFCC)

A RESOLUTION OF THE BOARD OF DIRECTORS OF THE CITY OF SANTA CLARA PUBLIC FACILITIES FINANCING CORPORATION APPROVING INSTALLMENT SALE FINANCING AND AUTHORIZING THE EXECUTION, DELIVERY AND SALE OF WASTEWATER REVENUE CERTIFICATES OF PARTICIPATION IN A PRINCIPAL AMOUNT NOT TO EXCEED \$38,000,000 TO FINANCE AND REFINANCE CAPITAL COSTS OF THE SAN JOSÉ-SANTA CLARA REGIONAL WASTEWATER FACILITY, AND APPROVING RELATED DOCUMENTS AND ACTIONS

BE IT RESOLVED BY THE BOARD OF DIRECTORS OF THE CITY OF SANTA CLARA PUBLIC FACILITIES FINANCING CORPORATION, AS FOLLOWS:

WHEREAS, the City of Santa Clara (the “City”) owns and operates facilities and property for the collection and transmission of wastewater within the service area of the City (the “Wastewater System”), and wastewater which is collected by the City is transmitted for treatment to the San José-Santa Clara Regional Wastewater Facility (the “Wastewater Treatment Facility”) which is co-owned by the City and the city of San José pursuant to that certain Sewage Plant Agreement dated March 30, 1959, as amended (the “Wastewater Treatment Agreement”); and

WHEREAS, under the Wastewater Treatment Agreement, the City is obligated to contribute its share of the capital costs of improvements to the Wastewater Treatment Facility, and the City is currently obligated to contribute funds towards the cost of constructing certain improvements to the Wastewater Treatment Facility (the “2023 Project”); and

WHEREAS, the City and the City of Santa Clara Public Facilities Financing Corporation (the “Corporation”) have previously entered into an installment sale agreement dated as of June 1, 2020 (the “2020 Installment Sale Agreement”), for the purpose of providing financing for the City’s

share of certain capital costs of improvements to the Wastewater Treatment Facility then owed by the City (the “2020 Project”); and

WHEREAS, the City has determined that it is in its best interests to provide funds to finance the 2023 Project, and to refinance the 2020 Project through the prepayment in full of the City’s obligations under the 2020 Installment Sale Agreement, and in order to implement such financing and refinancing the City has proposed to enter into an installment sale agreement (the “Installment Sale Agreement”) with the Corporation pursuant to which the Corporation agrees to provide financing for the 2023 Project and refinancing for the 2020 Project, and to sell the completed 2023 Project and 2020 Project to the City in consideration of the agreement by the City to pay the purchase price thereof in semiannual installments (the “Installment Payments”), which are payable from and secured by a pledge of and lien on the net revenues of the Wastewater System; and

WHEREAS, for the purpose of obtaining the moneys required for the foregoing purposes, the Corporation has agreed to assign and transfer certain of its rights under the Installment Sale Agreement to The Bank of New York Mellon Trust Company, N.A., as trustee (the “Trustee”), under a Trust Agreement (the “Trust Agreement”) by and among the City, the Corporation and the Trustee, under which the Trustee will at the written direction of the Corporation execute and deliver Wastewater Revenue Certificates of Participation, Series 2023 (the “Certificates”), in an original principal amount not to exceed \$38,000,000, evidencing direct, undivided fractional interests in the Installment Payments; and

WHEREAS, the Board of Directors of the City of Santa Clara Public Facilities Financing Corporation (the “Board”) wishes at this time to authorize all proceedings relating to the execution, delivery and sale of the Certificates for the purpose of financing the 2023 Project and refinancing the 2020 Project; and

WHEREAS, the Board approves all of said transactions in furtherance of the public purposes of the Corporation, and the Board wishes at this time to authorize all proceedings and documents relating to the financing and refinancing as described herein;

NOW, THEREFORE, BE IT RESOLVED BY THE BOARD OF DIRECTORS OF THE CITY OF SANTA CLARA PUBLIC FACILITIES FINANCING CORPORATION AS FOLLOWS:

1. Approval of Financing and Refinancing Plans. The Board hereby approves the financing and refinancing plans described above.
2. Approval of Documents. The Board hereby authorizes and approves each of the following financing documents, in substantially the respective forms on file with the Corporation's Secretary (the "Secretary"):
 - (a) the Installment Sale Agreement by and between the Corporation as seller and the City, as purchaser; and
 - (b) the Trust Agreement by and among the Corporation, the City and the Trustee, providing the terms and conditions for the execution and delivery of the Certificates, and providing for the assignment of the Corporation's rights under the Installment Sale Agreement to the Trustee.

Each of the President, the Director of Finance, the Executive Director, and any such other officer of the Corporation as any such officer may designate (each an "Authorized Officer"), is hereby authorized and directed, for and in the name of the Corporation, to execute and deliver the Installment Sale Agreement and the Trust Agreement in the forms on file with the Secretary and submitted to this meeting, with such changes, insertions and omissions as any Authorized Officer may require or approve, such requirement or approval to be conclusively evidenced by the

execution thereof by an Authorized Officer. The Board hereby authorizes the delivery and performance by the Corporation of each of the foregoing documents.

3. Execution and Delivery of Certificates. The Board hereby approves the execution and delivery of Certificates, payable in the years and in the amounts, and evidencing interest as specified in the Trust Agreement as finally executed; provided, however, that the original principal amount represented by the Certificates shall not exceed \$38,000,000; and the true interest cost represented by the Certificates shall not exceed 5.50%.

4. Official Actions. Each Authorized Officer and all other officers of the Corporation are each authorized and directed in the name and on behalf of the Corporation to make any and all assignments, certificates, requisitions, agreements, notices, consents and other instruments of conveyance and other documents, which they or any of them might deem necessary or appropriate in order to consummate any of the transactions contemplated by this Resolution and the agreements and documents approved under this Resolution. Whenever in this Resolution any officer of the Corporation 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 is absent or unavailable. Any actions previously taken by any officers of the Corporation in furtherance of this Resolution are hereby ratified and approved.

5. Constitutionality, severability. If any section, subsection, sentence, clause, phrase, or word of this Resolution is for any reason held by a court of competent jurisdiction to be unconstitutional or invalid for any reason, such decision shall not affect the validity of the remaining portions of this Resolution. The Board hereby declares that it would have passed this Resolution and each

section, subsection, sentence, clause, phrase, and word thereof, irrespective of the fact that any one or more section(s), subsection(s), sentence(s), clause(s), phrase(s), or word(s) be declared invalid.

6. Effective Date. This Resolution shall become effective immediately upon its adoption.

I HEREBY CERTIFY THE FOREGOING TO BE A TRUE COPY OF A RESOLUTION PASSED AND ADOPTED BY THE BOARD OF DIRECTORS OF THE CITY OF SANTA CLARA PUBLIC FACILITIES FINANCING CORPORATION, CALIFORNIA, AT A SPECIAL MEETING THEREOF HELD ON THE 29TH DAY OF AUGUST, 2023, BY THE FOLLOWING VOTE:

AYES: BOARD MEMBERS:

NOES: BOARD MEMBERS:

ABSENT: BOARD MEMBERS:

ABSTAINED: BOARD MEMBERS:

ATTEST: _____
NORA PIMENTEL, MMC
ASSISTANT SECRETARY
CITY OF SANTA CLARA PUBLIC
FACILITIES FINANCING
CORPORATION