

**RESOLUTION OF THE BOARD OF DIRECTORS OF THE
LAGUNA COUNTY SANITATION DISTRICT**

IN THE MATTER OF AUTHORIZING THE) EXECUTION AND DELIVERY OF A 2020) INSTALLMENT SALE AGREEMENT, A) TRUST AGREEMENT, AN OFFICIAL) NOTICE OF SALE AND CONTRACT OF) PURCHASE; APPROVING EXECUTION OF) AN ASSIGNMENT AGREEMENT AND) CERTIFICATES OF PARTICIPATION TO) FINANCE CERTAIN CAPITAL) IMPROVEMENTS TO THE SANITATION) SYSTEM OF THE DISTRICT; APPROVING) AN OFFICIAL STATEMENT FOR SAID) CERTIFICATES OF PARTICIPATION;) AUTHORIZING THE EXECUTION AND) DELIVERY OF A CONTINUING) DISCLOSURE AGREEMENT; ADOPTING A) DEBT MANAGEMENT POLICY FOR THE) DISTRICT; AND AUTHORIZING CERTAIN) OTHER ACTIONS IN CONNECTION WITH) THE FINANCING)	RESOLUTION NO. 2020- 159
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WHEREAS, the Laguna County Sanitation District (the “District”) has determined that it furthers the public purpose to finance the acquisition and construction of certain capital improvements to the sanitation system of the District (the “Project”); and

WHEREAS, the Santa Barbara County Finance Corporation, Inc. (the “Corporation”) and District will enter into an Installment Sale Agreement (the "Installment Sale Agreement") pursuant to which the Corporation will agree to assist in financing the Project; and

WHEREAS, rights to installment payments payable by the District pursuant to the Installment Sale Agreement will be evidenced by certificates of participation (the “Certificates”); and

WHEREAS, there have been presented to this meeting proposed forms of the 2020 Installment Sale Agreement, Trust Agreement, Notice of Sale, Contract of Purchase, Official Statement, Continuing Disclosure Agreement and Assignment Agreement; and

WHEREAS, pursuant to Section 5852.1 of the Government Code of the State of California, the District has received certain representations and good faith estimates from the Municipal Advisor and the District has disclosed such good faith estimates as set forth on Exhibit A attached hereto; and

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 financing authorized hereby do exist, have happened and have been performed in regular and due time, form and manner as required by law, and the District is now duly authorized and empowered, pursuant to each and every requirement of law, to consummate such financing for the purpose, in the manner and upon the terms herein provided;

NOW THEREFORE, the Board of Directors of the District (the "Board") hereby finds, determines, declares and resolves, as follows:

Section 1. The District hereby specifically finds and declares that the actions authorized hereby constitute and are with respect to public affairs of the District and that the statements, findings and determinations of the District set forth above and in the preambles of the documents approved herein are true and correct.

Section 2. The District hereby authorizes the execution and delivery of Certificates of Participation (the "Certificates"), in one or more series or subseries, for the purpose of financing certain capital improvements to the sanitation system of the District. The Certificates may be tax-exempt or taxable. The aggregate principal amount of the Certificates shall not exceed \$30,000,000.

Section 3. The form of the 2020 Installment Sale Agreement (the "Installment Sale Agreement"), between the District and the Corporation, presented to this meeting and on file with the Clerk of the Board, is hereby approved. The Chair and Vice-Chair of the Board (the "Authorized Officers") are, and each of them acting alone is, hereby authorized and directed, for and in the name and on behalf of the District to execute, acknowledge and deliver the Installment Sale Agreement to the Corporation in substantially said form, with such changes therein (including, but not limited to, any changes as may be necessary to obtain municipal bond insurance authorized pursuant to Section 9 hereof) as such officer may require or approve with the consent of Counsel of the District ("District Counsel"), such approval to be conclusively evidenced by the execution and delivery thereof; provided, however, the term of the Installment Sale Agreement shall not exceed 21 years, the principal amount of the Installment Payments shall not exceed \$30,000,000 and the interest on the Installment Payments shall not exceed a true interest cost of 4%.

Section 4. The form of the trust agreement (the "Trust Agreement"), among the Corporation, the District and U.S. Bank National Association, as trustee (the "Trustee"), presented to this meeting and on file with the Clerk of the Board, is hereby approved. The Authorized Officers are, and each of them acting alone is, hereby authorized and directed, for and in the name and on behalf of the County to

execute, acknowledge and deliver the Trust Agreement to the Corporation and the Trustee in substantially said form, with such changes therein (including, but not limited to, any changes as may be necessary to obtain municipal bond insurance authorized pursuant to Section 9 hereof) as such officer may require or approve with the consent of District Counsel, such approval to be conclusively evidenced by the execution and delivery thereof.

Section 5. The proposed form of Official Notice of Sale, presented to this meeting and on file with the Clerk or the Board, is hereby approved. Bids for the purchase of the Certificates will be received and awarded to the lowest responsible bidder (the "Purchaser") by the Treasurer of the District, or a designee of such official, provided that the true interest cost of the Certificates shall not exceed 4%. If the Treasurer of the District determines it is in the best interest of the District that the Certificates be sold by negotiated sale, then such Certificates shall be sold pursuant to the proposed form of Contract of Purchase presented to the meeting and on file with the Clerk of the Board, which is hereby approved. The Treasurer of the District is hereby authorized and directed for and in the name and on behalf of the District, to accept the offer of the underwriters to purchase the Certificates as reflected in the Contract of Purchase; and to execute and deliver one or more Contracts of Purchase in substantially said form, with such changes therein as such officer may require or approve with the consent of District Counsel, such approval to be conclusively evidenced by the execution and delivery of the Contract of Purchase; provided, that the interest on the Certificates shall not exceed a true interest cost of 4%.

Section 6. The Assignment Agreement, in substantially the form presented to this meeting and on file with the Clerk of the Board (the "Assignment Agreement"), between the Corporation and the Trustee, is hereby approved.

Section 7. The form of preliminary official statement (the "Preliminary Official Statement"), presented to this meeting and on file with the Clerk of this Board, is hereby approved. The preliminary official statement in substantially said form, with such changes, updates and completion of information as the District may approve, will be distributed to persons who may be interested in the purchase of the Certificates. The Authorized Officers are, and each of them acting alone is, hereby authorized, for and in the name and on behalf of the District, (1) to execute and deliver a certificate or certificates, in a form acceptable to District Counsel, to the effect that the preliminary official statement and the final official statement hereinafter mentioned are deemed final as of their respective dates for purposes of Rule 15c2-12 of the Securities Exchange Act of 1934 and (2) to execute a final official statement, in substantially the form of said preliminary official statement, with such insertions and changes therein as such officer executing the same may require or approve with the advice of District Counsel, such approval to be conclusively evidenced by the execution and delivery thereof by such officer. The Purchaser is hereby directed to deliver a copy of said final official statement (as finally executed, the "Official Statement") to all actual purchasers of the Certificates authorized hereby.

Section 8. The form of the Continuing Disclosure Agreement (the "Continuing Disclosure Agreement"), by and between the District and the Trustee (as dissemination agent), presented to this meeting and on file with the Clerk of the Board, is hereby approved. The Authorized Officers are, and each of them acting alone is, hereby authorized and directed, for and in the name and on behalf of the District, to execute, acknowledge and deliver the Continuing Disclosure Agreement in substantially said form, with such changes therein as such officer may require or approve with the consent of District Counsel, such approval to be conclusively evidenced by the execution and delivery thereof.

Section 9. The Treasurer of the District is hereby authorized and directed to negotiate with municipal bond insurance companies, and, if the Treasurer determines that it is in the best financial interests of the District, to purchase bond insurance for the Certificates on such terms as the Treasurer determines are appropriate.

Section 10. The Debt Management Policy, presented to this meeting and on file with the Clerk of the Board, is hereby adopted as the Debt Management Policy of the District.

Section 11. The Board acknowledges and understands that the same attorney(s) within County Counsel's office may represent and advise both the District and the Corporation regarding financings and applicable documents,,and waives any potential or actual conflicts of interest arising therefrom.

Section 12. The officers of the District are hereby authorized and directed, jointly and severally, to do any and all things and to execute and deliver any and all documents which they may deem necessary or advisable in order to consummate the sale, execution and delivery of the Certificates by the Trustee and otherwise to carry out, give effect to and comply with the terms and intent of this resolution, the Certificates, the Installment Sale Agreement, the Trust Agreement, the Official Notice of Sale, the Contract of Purchase, the Assignment Agreement, the Continuing Disclosure Agreement and the Official Statement, including but not limited to entering into municipal insurance agreements. Such actions heretofore taken by such officers are hereby ratified, confirmed and approved.

Section 13. This Resolution shall take effect from and after its adoption.

PASSED AND ADOPTED by the Board of Directors of the Laguna County Sanitation District, State of California, on August 18, 2020, by the following vote:

AYES: Supervisors Williams, Hart, Hartmann, Adam and Lavagnino

NOES: NONE

ABSENT: NONE



Chair of the Board of Directors

[SEAL]

ATTEST:

Mona Miyasato,
Clerk of the Board

**APPROVED AS TO ACCOUNTING
FORM:**

Betsy M. Schaffer, CPA,
Auditor-Controller.

By 

Deputy Clerk

By 

Deputy

APPROVED AS TO FORM:

Michael C. Ghizzoni,
County Counsel

By 

Deputy County Counsel

EXHIBIT A
GOOD FAITH ESTIMATES

- True Interest Cost: 2.178%
- Finance Charge: \$330,862.50
 - Comprised of \$222,012.50 in COI and \$108,850.00 in Underwriter's Discount
- Net Proceeds: \$28,000,000.00
- Total Payment Amount: \$35,206,747.21