

ORDINANCE NO. _____

AN ORDINANCE OF THE BOARD OF SUPERVISORS OF THE COUNTY OF SANTA CRUZ (THE "COUNTY") APPROVING THE ENTRY INTO AN AMENDMENT NO. 1 TO LEASE AGREEMENT BETWEEN THE SANTA CRUZ COUNTY PUBLIC FINANCING AUTHORITY (THE "AUTHORITY") AND THE COUNTY

WHEREAS, the Santa Cruz County Public Financing Authority (the "Authority") instituted proceedings to finance certain public capital improvements and, in implementation thereof, leased and leased-back certain facilities (the "Project") as more particularly described in the form of Lease Agreement, dated as of July 15, 1995, by and between the Authority and the County (the "Lease Agreement") on file with the Clerk of the board of Supervisors; and

WHEREAS, the County leased/leasebacked the Project pursuant to the Lease Agreement in exchange for certain Lease Payments thereunder in the aggregate amounts and at the times sufficient to provide for the payment of lease revenue bonds to be issued by the Authority to finance the Project; and

WHEREAS, the County and the Authority desire to amend the Lease Agreement through the adoption of the Amendment No. 1 to Lease Agreement, dated as of August 1, 2001 (the "Supplemental Lease Agreement") to add capital facilities to the definition of the Project and to modify the Lease Payment Schedule; and

WHEREAS, the County is required by Article 9 of Chapter 5 of Part 1 of Division 2 of the California Government Code (commencing with Section 54240 of said Code) to approve entry into the Supplemental Lease Agreement by ordinance which is subject to referendum;

THE BOARD OF SUPERVISORS OF THE COUNTY OF SANTA CRUZ DOES ORDAIN AS FOLLOWS:

SECTION 1. Findings and Determinations. The Board of Supervisors of the County of Santa Cruz hereby finds and determines that it is for the common benefit of the County and its residents and is necessary and proper for public purposes that the County enter into the Lease Agreement and the Supplemental Lease Agreement with the Authority.

SECTION 2. Approval of Supplemental Lease Agreement. The Board of Supervisors hereby approves entry into the Supplemental Lease Agreement in the form on file with the Clerk of the Board of Supervisors, so long as the principal amount of the Supplemental Lease Agreement does not exceed \$13,000,000, so long as the maximum annual lease payments to be paid by the County under the Supplemental Lease Agreement do not exceed \$1,205,000 and so long as the term of the Supplemental Lease Agreement does not exceed 31 years. The Board of Supervisors authorizes and directs the County Administrative Officer or Assistant County Administrative Officer or their designee to execute and the Clerk of the Board of Supervisors to attest and affix the seal of the County to the Supplemental Lease Agreement in such final form as

may be necessary or convenient as determined by Bond Counsel to conform the Supplemental Lease Agreement to the proceedings for the issuance of such lease revenue bonds.

SECTION 3. Approval of Continuing Disclosure Certificate. The form of the Continuing Disclosure Certificate by and among the County and BNY Western Trust Company (the "Continuing Disclosure Certificate") presented at this meeting is hereby approved and the County Administrative Officer or Assistant County Administrative Officer is hereby authorized and directed, for and in the name of and on behalf of the County, to execute, acknowledge and deliver said Continuing Disclosure Certificate in substantially the form presented at this meeting with such changes therein as the County Administrative Officer or Assistant County Administrative Officer may approve, such approval to be conclusively evidenced by the execution and delivery thereof.

SECTION 4. Approval of Official Statement. The Board hereby approves the Preliminary Official Statement describing the bonds to be issued by the Authority in substantially the form submitted by the Financial Advisor and on file with the Clerk of the Board of Supervisors. Prior to the distribution of the Preliminary Official Statement, the County Administrative Officer or Assistant County Administrative Officer is authorized and directed, on behalf of the County, to deem the Preliminary Official Statement "final" pursuant to Rule 15c2-12 under the Securities Exchange Act of 1934 (the "Rule"). The execution of the Final Official Statement, which shall include such changes and additions thereto deemed advisable by the County Administrative Officer or Assistant County Administrative Officer, upon consultation with Bond Counsel, and such information permitted to be excluded from the Preliminary Official Statement pursuant to the Rule, is hereby approved for delivery to the purchasers of the bonds to be issued by the Authority.

SECTION 5. Official Actions. The Chairperson, the Vice-Chairperson, the County Administrative Officer, the Assistant County Administrative Officer, the County Counsel, Bond Counsel and any and all other officers of the County are each authorized and directed in the name and on behalf of the City to make any and all assignments, certificates, requisitions, agreements, notices, consents, instruments of conveyance, warrants and other documents, which they or any of them might deem necessary or appropriate in order to consummate the lawful execution and delivery of the Supplemental Lease Agreement by the County and the authorization, sale and delivery of such lease revenue bonds.

SECTION 6. This Ordinance shall take effect and be in full force thirty (30) days from and after the passage thereof, and prior to the expiration of fifteen (15) days from its passage shall be published once in the Santa Cruz Sentinel, a newspaper of general circulation, printed and published in the County of Santa Cruz or, in the alternative, the Clerk of the Board of Supervisors may cause to be published a summary of this Ordinance and a certified copy of the text of this Ordinance shall be posted in the office of the Secretary five (5) days prior to the date of adoption of this Ordinance, and within fifteen (15) days after adoption, the Clerk of the Board of Supervisors shall cause to be published the aforementioned summary and shall post in the office of the Clerk of the Board of Supervisors a certified copy of this Ordinance together with the names of the members of the Board of Supervisors voting for and against the same. This Ordinance shall be subject to referendum pursuant to and as provided in Section 54241 of the Government Code of the State of California and the laws of the State of California.

PASSED AND ADOPTED this 28th day of August, 2001.

Chairperson

ATTEST:

Clerk of the Board of Supervisors

STATE OF CALIFORNIA)
COUNTY OF SANTA CRUZ) ss

I, _____, Clerk of the Board of Supervisors of the County of Santa Cruz hereby certify that the above and foregoing Ordinance No. _____ was introduced and considered section by section at a regular meeting of the Board of Supervisors held on the 21st day of August, 2001, and thereafter passed and adopted as a whole at a regular meeting of the Board of Supervisors held on the 28th day of August, 2001 by the following roll call vote:

AYES:

NOES:

ABSENT:

IN WITNESS WHEREOF, I have hereunto set my hand and affixed the Seal of the County of Santa Cruz this ____ day of _____,2001.

Clerk of the Board of Supervisors